

A N N U A L   R E P O R T   2 0 1 1

Building for a Better & Happier Tomorrow



**ACKRUTI CITY**

L I F E   T I M E   V A L U E

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### **Important Communication to Members**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" allowing paperless compliances by companies and has issued Circulars stating that the service of notices/documents can now be made through electronic mode, which would be in compliance with the applicable provisions of the Companies Act, 1956.

Having regard to the underlying objective of the said MCA Circulars, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of shares held in electronic form with the concerned Depository through their respective Depository Participants. Members holding shares in physical form are requested to forward their e-mail addresses to the Company's Registrar and Transfer Agent M/s. Link Intime India Private Limited.



**ACKRUTI CITY**  
L I F E T I M E V A L U E

## Board of Directors

HEMANT M. SHAH *Executive Chairman*  
D. R. KAARTHIKEYAN  
SHAILESH V. HARIBHAKTI (UPTO 11.03.2011)  
P. H. RAVIKUMAR (UPTO 11.03.2011)  
ABHIJIT DATTA (FROM 16.05.2011)  
ARVIND KUMAR JOSHI (FROM 16.05.2011)  
SHAILESH H. BATHIYA  
VYOMESH M. SHAH  
(VIMAL M. SHAH) *Managing Director*  
MADHUKAR B. CHOBE *Wholetime Director*

## Committees of the Board

### AUDIT AND COMPLIANCE COMMITTEE

SHAILESH H. BATHIYA, *Chairman*  
D. R. KAARTHIKEYAN  
ARVIND KUMAR JOSHI \*  
VYOMESH M. SHAH  
SHAILESH V. HARIBHAKTI #  
P. H. RAVIKUMAR #

### REMUNERATION COMMITTEE

ABHIJIT DATTA \* *Chairman*  
D. R. KAARTHIKEYAN  
ARVIND KUMAR JOSHI \*  
SHAILESH V. HARIBHAKTI #  
P. H. RAVIKUMAR #

### SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

ABHIJIT DATTA \* *Chairman*  
HEMANT M. SHAH  
MADHUKAR B. CHOBE \*  
SHAILESH H. BATHIYA \*\*  
VYOMESH M. SHAH \*\*

### COMPANY SECRETARY

CHETAN S. MODY

- \* - MEMBER WITH EFFECT FROM 16.05.2011
- # - MEMBER UPTO 11.03.2011
- \*\* - MEMBER UPTO 16.05.2011

### STATUTORY AUDITORS

SUDIT K. PAREKH & CO. CHARTERED ACCOUNTANTS  
DOSHI DOSHI & ASSOCIATES, CHARTERED ACCOUNTANTS

### INTERNAL AUDITORS

MAHAJAN & AIBARA, CHARTERED ACCOUNTANTS  
AXIS RISK CONSULTING SERVICES PRIVATE LIMITED

### REGISTERED OFFICE

ACKRUTI TRADE CENTRE, 6TH FLOOR  
ROAD NO.7, MAROL MIDC  
ANDHERI (EAST), MUMBAI 400 093

### REGISTRAR & TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED  
C-13, PANNALAL SILK MILLS COMPOUND  
LAL BAHADUR SHASTRI MARG  
BHANDUP (WEST), MUMBAI 400 078

### BANKERS

CANARA BANK  
CENTRAL BANK OF INDIA  
CORPORATION BANK  
HDFC BANK LIMITED  
ICICI BANK LIMITED  
INDIAN OVERSEAS BANK  
KOTAK MAHINDRA BANK  
PUNJAB NATIONAL BANK  
STATE BANK OF INDIA  
STATE BANK OF PATIALA  
UCO BANK  
UNION BANK OF INDIA

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF ACKRUTI CITY LIMITED WILL BE HELD ON THURSDAY, AUGUST 11, 2011 AT 2.00 P.M. AT M. C. GHIA HALL, 4<sup>TH</sup> FLOOR, BHOGILAL HARGOVINDAS BUILDING, 18/20 KAIKHUSHRU DUBASH MARG (RAMPART ROW), FORT, MUMBAI 400 001 TO TRANSACT THE FOLLOWING BUSINESS :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at and the Profit and Loss Account for the year ended March 31, 2011 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. D. R. Kaarthikeyan, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Shailesh H. Bathiya, who retires by rotation and, being eligible, offers himself for reappointment.

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

5. "RESOLVED THAT pursuant to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Doshi Doshi & Associates, Chartered Accountants (Registration No.121773W) and M/s. Haribhakti & Co., Chartered Accountants (Registration No.103523W) be and are hereby reappointed/appointed respectively as Joint Statutory 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 a remuneration to be fixed by the Board of Directors of the Company, based on the recommendations of the Audit and Compliance Committee, in addition to reimbursement of all out-of-pocket expenses and service tax as applicable, in connection with the audit of the accounts of the Company for the year ending March 31, 2012."

### SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modifications, the following resolutions :

#### As an Ordinary Resolution :

6. "RESOLVED THAT Mr. Arvind Kumar Joshi, who was appointed as a Director on May 16, 2011 in the casual vacancy caused by the resignation of Mr. P.H. Ravikumar and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, alongwith the requisite deposit proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

#### As a Special Resolution :

7. "RESOLVED THAT pursuant to the provisions of Section 314 (1) and other applicable provisions, if any, of the Companies Act, 1956 and the rules and regulations thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the appointment of Mr. Rushank V. Shah, a relative of Mr. Vyomesh M. Shah, Managing Director and Mr. Hemant M. Shah, Executive Chairman of the Company, to hold and continue to hold an office or place of profit as Senior Manager – Corporate (or any other designation as may be determined by the Board from time to time) of the Company, with effect from May 1, 2011, upon the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this Notice;

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to decide within the overall limits specified in this regard, the exact remuneration to be paid to Mr. Rushank V. Shah, the terms and nature of his appointment as also the changes in his designation and remuneration, modify the terms and conditions of appointment from time to time and do all such acts, deeds, matters and things, make, sign and execute all such documents or writings as the Board may in its absolute discretion deem necessary or desirable and delegate the said authority to any person(s) as the Board may deem fit in its discretion for the purpose of giving effect to this resolution without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

#### As a Special Resolution :

8. "RESOLVED THAT pursuant to the provisions of Section 314 (1) and other applicable provisions, if any, of the Companies Act, 1956 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the appointment of Mr. Khilen V. Shah, a relative of Mr. Vyomesh M. Shah, Managing Director and Mr. Hemant M. Shah, Executive Chairman of the Company, to hold and continue to hold an office or place of profit as Senior Manager – Corporate (or any other designation as may be determined by the Board from time to time) of the Company, with effect from May 1, 2011, upon the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this Notice;

## NOTICE (CONTD.)

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to decide within the overall limits specified in this regard, the exact remuneration to be paid to Mr. Khilen V. Shah, the terms and nature of his appointment as also the changes in his designation and remuneration, modify the terms and conditions of appointment from time to time and do all such acts, deeds, matters and things, make, sign and execute all such documents or writings as the Board may in its absolute discretion deem necessary or desirable and delegate the said authority to any person(s) as the Board may deem fit in its discretion for the purpose of giving effect to this resolution without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Registered Office :  
Ackruti Trade Centre, 6<sup>th</sup> floor  
Road No.7, Marol MIDC  
Andheri (East), Mumbai 400 093

By Order of the Board  
For **Ackruti City Limited**

**Chetan S. Mody**  
Company Secretary

May 30, 2011

### Notes :

- A PERSON ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- A proxy in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the Meeting.
- Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 setting out the material facts concerning the Ordinary Business at Item No. 5 and Special Business at Item Nos. 6 to 8 of the accompanying Notice is annexed hereto.
- The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from August 1, 2011 to August 11, 2011 (both days inclusive).
- The dividend as recommended by the Board, if approved at the Annual General Meeting, will be paid on August 16, 2011 to those members whose names appear in the Company's Register of Members as on the book closure dates. In respect of the shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
- Members having any questions on the Annual Report are requested to send their queries atleast ten days before the Annual General Meeting, which will enable the Company to furnish the replies at the Annual General Meeting.
- Members are requested :
  - to notify immediately any change in their registered addresses alongwith PINCODE to their respective Depository Participants (DPs) in respect of equity shares held in electronic form and to the Registrar and Share Transfer Agent of the Company at Link Intime India Private Limited in respect of equity shares held in physical form; and
  - to register their e-mail address and changes therein from time to time with M/s. Link Intime India Private Limited for shares held in physical form and with their respective Depository Participants for shares held in demat form.
- Pursuant to Clause 49 (VI) (A) of the Listing Agreement with the Stock Exchanges, a brief note on the background and the functional expertise of the Directors seeking reappointment/appointment at the ensuing Annual General Meeting is provided in the Section on 'Corporate Governance Report' forming part of the Annual Report.
- For proper conduct of the meeting, entry to the place of the meeting will be regulated by Attendance Slip, which is annexed to the Proxy Form. Members/Proxies are requested to bring the Attendance Slip complete in all respect and signed at the place provided thereat and hand it over at the entrance of the meeting venue.

Registered Office :  
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Road No.7, Marol MIDC  
Andheri (East), Mumbai 400 093

By Order of the Board  
For **Ackruti City Limited**

**Chetan S. Mody**  
Company Secretary

May 30, 2011

## **NOTICE (CONTD.)**

### **ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ('the Act').

#### **Item No. 5**

Presently, the Company's accounts are being jointly audited by M/s. Sudit K. Parekh & Co., Chartered Accountants and M/s. Doshi Doshi & Associates, Chartered Accountants, who hold office until the conclusion of the ensuing Annual General Meeting.

M/s. Doshi Doshi & Associates have offered themselves for reappointment. The other retiring auditors M/s. Sudit K. Parekh & Co. have vide their letter dated May 28, 2011 informed the Company that they do not wish to be considered for reappointment at the ensuing Annual General Meeting due to their heavy professional pre-occupation.

The Board places on record its appreciation of the professional services rendered by M/s. Sudit K. Parekh & Co. during their association with the Company as its auditors.

The Company has received a special notice pursuant to the provisions of Sections 190 and 225 of the Act from a member of the Company signifying her intention to propose the appointment of M/s. Haribhakti & Co., Chartered Accountants as Auditors of the Company in place of M/s. Sudit K. Parekh & Co. from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

Accordingly, the Board of Directors of the Company, based on the recommendations of the Audit and Compliance Committee, proposes the reappointment of M/s. Doshi Doshi & Associates and the appointment of M/s. Haribhakti & Co. as Joint Statutory Auditors of the Company, who will hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

M/s. Doshi Doshi & Associates and M/s. Haribhakti & Co. have expressed their willingness to act as the Joint Statutory Auditors of the Company and have further confirmed that their respective reappointment/appointment, if made, would be within the limits prescribed under Section 224 (1(b) of the Act.

The approval of the members is being sought to the reappointment of M/s. Doshi Doshi & Associates and the appointment of M/s. Haribhakti & Co. as the Joint Statutory Auditors and to authorize the Board of Directors, based on the recommendations of the Audit and Compliance Committee to determine the remuneration payable to the Auditors.

The Directors commend the resolution for the approval of the members.

No Director of the Company is concerned or interested in the said resolution.

#### **Item No. 6**

The Board of Directors of the Company at its meeting held on May 16, 2011 appointed Mr. Arvind Kumar Joshi as a Director to fill the casual vacancy caused by the resignation of Mr. P.H. Ravikumar. In terms of Section 262 of the Act read with Article 140 of the Articles of Association of the Company, Mr. Arvind Kumar Joshi holds office as a Director only upto the date of this Annual General Meeting, as Mr. P.H. Ravikumar, in whose place he has been appointed, would have retired by rotation at this Annual General Meeting, had he not resigned.

The Company has received a notice in writing from a member alongwith requisite deposit of ₹ 500/- under Section 257 of the Act proposing the candidature of Mr. Arvind Kumar Joshi as a Director of the Company.

The Directors commend the resolution for the approval of the members.

Except for Mr. Arvind Kumar Joshi who is interested in the resolution, no other Director of the Company is concerned or interested in the said resolution.

#### **Item No. 7**

Under Section 314 (1) (b) of the Act, a special resolution is required for enabling any relative of a Director of the Company to hold any office or place of profit under the Company. Mr. Rushank V. Shah, aged 23 years is the son of Mr. Vyomesh M. Shah, Managing Director of the Company, and is also related to Mr. Hemant M. Shah, Executive Chairman and thus falls within the definition of 'Relative' under the Act and his employment with the Company would, therefore, attract the provisions of the Section 314 of the Act, for which approval of the members by way of a special resolution would be required.

Mr. Rushank V. Shah possesses International Baccalaureate Diploma from American School of Mumbai and Bachelor of Arts degree in Economics from University of Illinois at Urbana-Champaign, USA.

## NOTICE (CONTD.)

Considering the increase in business activities in terms of real estate projects under execution and development, the complexity involved in each project and with a view to closely monitor the progress and implementation of various on-going projects at multi-locations, the Board of Directors of the Company at its meeting held on May 30, 2011 appointed Mr. Rushank V. Shah as Senior Manager (Corporate) with effect from May 1, 2011, subject to the approval of the members of the Company, on the following remuneration structure :

1. Salary : Not exceeding ₹1,00,000 per month (including annual benefits), with a provision for increase in salary of not more than 50 % per annum over the previous year;
2. Perquisites and allowances as per the policy of the Company, including :
  - i. Fuel charges/Reimbursement towards driver's wages (as admissible in his grade);
  - ii. Leave including leave encashment, if any, in accordance with the leave rules of the Company from time to time; and
  - iii. Such other benefits, perquisites, facilities and amenities as may be applicable to managerial personnel in his grade from time to time;

Approval of the Central Government shall not be required for appointment of Mr. Rushank V. Shah under Section 314 (1B) of the Act read with Director's Relatives (Office or Place of Profit) Rules, 2003, as amended as the monthly remuneration payable to him does not exceed ₹ 2,50,000/- (₹ Two Lacs Fifty Thousand only).

Accordingly, approval of the members by a special resolution is sought under Section 314 and other applicable provisions, if any, of the Act for appointment of Mr. Rushank V. Shah to hold an office or place of profit as Senior Manager (Corporate) with effect from May 1, 2011.

The proposed appointment is in the best interest of the Company and accordingly, the Directors commend the resolution at Item No. 7 of the accompanying Notice for approval of the members.

Except for Mr. Hemant M. Shah and Mr. Vyomesh M. Shah who are interested in the resolution, no other Director of the Company is concerned or interested in the said resolution.

### Item No. 8

Under Section 314 (1) (b) of the Act, a special resolution is required for enabling any relative of Director of the Company to hold any office or place of profit under the Company. Mr. Khilen V. Shah, aged 21 years is the son of Mr. Vyomesh M. Shah, Managing Director of the Company, and is also related to Mr. Hemant M. Shah, Executive Chairman and thus falls within the definition of 'Relative' under the Act and his employment with the Company would, therefore, attract the provisions of the Section 314 of the Act, for which approval of the members by way of a special resolution would be required.

Mr. Khilen V. Shah possesses International Baccalaureate Diploma from Ecole Mondiale World School, Mumbai and Bachelor of Science degree with Honours in Finance and Management from Leonard N. Stern School of Business, New York University, USA.

Considering the increase in business activities in terms of real estate projects under execution and development, the complexity involved in each project and with a view to closely monitor the progress and implementation of various on-going projects at multi-locations, the Board of Directors of the Company at its meeting held on May 30, 2011 appointed Mr. Khilen V. Shah as Senior Manager (Corporate) with effect from May 1, 2011, subject to the approval of the members of the Company, on the following remuneration structure:

1. Salary : Not exceeding ₹1,00,000 per month (including annual benefits), with a provision for increase in salary of not more than 50 % per annum over the previous year;
2. Perquisites and allowances as per the policy of the Company, including :
  - i. Fuel charges/Reimbursement towards driver's wages (as admissible in his grade);
  - ii. Leave including leave encashment, if any, in accordance with the leave rules of the Company from time to time; and
  - iii. Such other benefits, perquisites, facilities and amenities as may be applicable to managerial personnel in his grade from time to time;

## **NOTICE (CONTD.)**

Approval of the Central Government shall not be required for appointment of Mr. Khilen V. Shah under Section 314 (1B) of the Act read with Director's Relatives (Office or Place of Profit) Rules, 2003, as amended as the monthly remuneration payable to him does not exceed ₹ 2,50,000/- (₹ Two Lacs Fifty Thousand only).

Accordingly, approval of the members by a special resolution is sought under Section 314 and other applicable provisions, if any, of the Act for appointment of Mr. Khilen V. Shah to hold an office or place of profit as Senior Manager (Corporate) with effect from May 1, 2011.

The proposed appointment is in the best interest of the Company and accordingly, the Directors commend the resolution at Item No. 8 of the accompanying Notice for approval of the members.

Except for Mr. Hemant M. Shah and Mr. Vyomesh M. Shah who are interested in the resolution, no other Director of the Company is concerned or interested in the said resolution.

Registered Office :  
Ackruti Trade Centre, 6<sup>th</sup> floor  
Road No.7, Marol MIDC  
Andheri (East), Mumbai 400 093

By Order of the Board  
For **Ackruti City Limited**

May 30, 2011

**Chetan S. Mody**  
Company Secretary





## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

TO

### THE MEMBERS

Your Directors have pleasure in presenting their Twenty Third Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2011.

### FINANCIAL RESULTS :

The salient features of the Company's standalone and consolidated financial results for the year under review are as follows:

(₹ in lac)

	STANDALONE		CONSOLIDATED	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Net Sales / Income from Operations	42594	48202	67676	57963
Other Income	4942	3204	3655	3846
<b>Total Income</b>	<b>47536</b>	<b>51406</b>	<b>71331</b>	<b>61809</b>
Operating Expenditure	15216	15265	31967	19526
Profit before Depreciation / Interest / Tax	32320	36141	39364	42283
Depreciation	484	311	1285	714
Interest and Finance Charges	16246	11968	20923	16800
Profit before Tax	15590	23862	17156	24769
Provision for Tax	470	6208	2402	8166
(Add) / Less : (Excess) / Short provision for taxation for previous year	(2028)	275	(3827)	275
Minority Interest / Share of Profit / (Loss) of Subsidiaries & Associates / Others	—	—	(963)	163
<b>Net Profit for the Year</b>	<b>17148</b>	<b>17379</b>	<b>17618</b>	<b>16491</b>
Balance Profit brought forward from Previous Year	59707	50832	59478	51491
Amount available for appropriation	76855	68211	77096	67982
<b>APPROPRIATIONS</b>				
Proposed Dividend	1818	3636	1818	3636
Dividend Distribution Tax	302	618	302	618
General Reserves	1890	1750	1890	1750
Debenture Redemption Reserve	7475	2500	7475	2500
<b>Balance carried to Balance Sheet</b>	<b>65370</b>	<b>59707</b>	<b>65611</b>	<b>59478</b>
<b>Earning per Share (₹) (EPS)</b>	<b>23.58</b>	<b>24.81</b>	<b>24.22</b>	<b>23.54</b>

### OPERATIONAL HIGHLIGHTS :

The Company has adopted an unique growth oriented and pragmatic business model of development of real estate projects through its subsidiaries, joint ventures, associates, partnership firms and public private partnership with strategic investors. The benefits accruing from this business model are :

- highly capital efficient and allows the Company to grow the business without tying up large amount of capital in land purchases.
- for any given amount of capital it allows the Company to do more projects than would otherwise have been possible.
- leveraging of development capabilities and resources.
- creation of enhanced pool of construction and marketing expertise.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

- greater profitability and significantly reduces the exposure to risks in any one project.
- facilitates expansion in additional geographical areas.
- stable source of revenue during tough economic times.

The merits of the business model is reflected in the consolidated results of the Company for the year under review, which witnessed a growth of 15.41 % at ₹ 71331 lac as against ₹ 61809 lac in the previous year. The consolidated net profit stood at ₹ 17618 lac as against ₹ 16491 lac in the previous year.

On a standalone basis the total income of the Company was lower by 7.53% at ₹ 47536 lac as against ₹ 51406 lac in the previous year. A significant increase in cost of construction has had the impact on Profit before Tax which stood at ₹ 15590 lac as against ₹ 23862 lac in the previous year. The net profit was ₹ 17148 lac as against ₹ 17379 lac in the previous year.

Further, based on the business model adopted by the Company, the increase in loans and advances represents substantial investments by your Company in its subsidiaries, associates, joint ventures, partnerships and other entities towards growing the business to drive higher profits in future and reflects the management's confidence towards strong business growth. The management has always endeavoured to time the real estate cycle during downturn, which has resulted in acquisition of land bank at lower valuation, which will provide stable pipeline of projects in the near future.

Your Company has initiated steps for sustaining growth through cost optimization, process improvement and efficient management of working capital. Your Company is also consolidating on the initiatives taken in previous few quarters.

### APPROPRIATIONS :

An amount of ₹ 1890 lac (₹ 1750 lac) is credited to General Reserves and ₹ 7475 lac (₹ 2500 lac) is credited to Debenture Redemption Reserve. Out of the amount available for appropriation, your Directors have recommended a dividend of ₹ 2.50/- (25 %) (Previous Year : ₹ 5 per share – 50 %) per equity share of the face value of ₹ 10 each for the year ended March 31, 2011, aggregating ₹ 1818 lac (Previous Year : ₹ 3636 lac). The dividend distribution tax amounts to ₹ 302 lac (Previous Year : ₹ 618 lac).

The dividend payout for the year under review has been formulated in accordance with the Company's policy of striving to maintain a stable dividend payout linked to performance and keeping in view the Company's need for capital to finance its growth plans through internal accruals to the maximum. Your Directors believe that this will subsequently lead to an increase in shareholders' value in the long term.

### MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

This Report includes MD&A at appropriate places so that repetition and overlap between Directors' Report and MD&A is avoided.

### THE BUSINESS :

Your Company is one of the leading real estate development companies in India and currently operates both - on its own and through its subsidiaries / joint ventures / associate companies, partnerships firms and public private partnerships encompassing the construction and development of Residential and Commercial Premises, SEZs, Biotech Park and Build Operate Transfer (BOT) Projects. Operations of the Company include identification of projects, acquisition of land / development rights, architectural and engineering designing, project management including obtaining necessary approvals, planning, execution and marketing of the projects.

The Company has a Western India focus with presence in major cities such as Mumbai, Thane, Pune, Surat, Ahmedabad, Vadodara, and Mehsana and in Bengaluru in the South.

The Company's presence in Mumbai is well distributed amongst western suburbs, eastern suburbs, the island city and Mumbai Metropolitan Region (MMR).

Tools of innovation are employed for any new project / marketing initiative, the purpose being to constantly stay ahead in terms of ideas.



## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

### OVERVIEW OF THE COMPANY'S PROJECTS

#### Residential:

##### Ongoing Projects:

Ackruti Sunmist - Andheri (East)  
Ackruti Greenwoods – Thane  
Ackruti Countrywoods – Kondhwa, Pune  
Ackruti Shikhar – Andheri (East)  
Ackruti Vedant – Sion (East)  
Ackruti Jewell – Andheri (West)  
Ackruti Gardenia – Mira Road  
Ackruti Harmonisium – Matunga (East)  
Rising City – Ghatkopar Mankhurd Link Road (ppp\*)

##### Forthcoming launches:

Ackruti Neuvo – Chembur (ppp\*)  
Ackruti Realms – Hughes Road  
Ackruti Monte Metro – Peddar Road  
Ackruti Diviniti – Thane  
Ackruti Countrywoods Phase – II – Kondhwa, Pune

#### Commercial:

##### Ongoing Projects

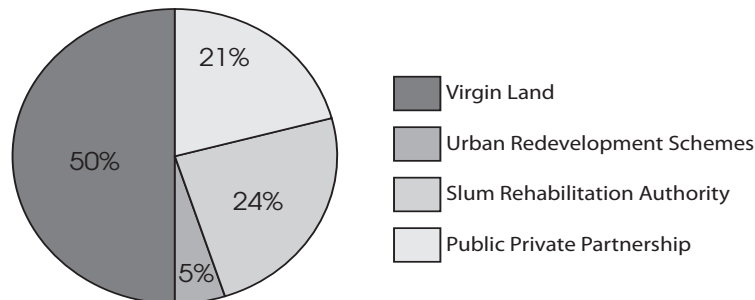
Ackruti Solaris – Andheri (East)

##### Forthcoming Launches:

Gujarat State Road Transport Corporation Bus Terminal Projects – Ahmedabad; Mehsana; Vadodara and Surat (ppp\*)

ppp\*-Public Private Partnership

### Mode of Acquisition of Land and Development Rights



### ECONOMIC OVERVIEW :

<sup>1</sup> In the last fiscal, the global recovery has evolved better than expected but in many economies the strength of the rebound has been moderate given the severity of the recession. However, the downside risks remain elevated and remain concentrated in advanced economies. Most advanced economies and a few emerging economies still face major adjustments including the need to strengthen household balance sheets, stabilise and subsequently reduce high public debt, and repair and reform their financial sectors. By contrast, in many emerging and developing economies prudent policies, implemented partly in response to earlier crisis and strong internal dynamics, have contributed to a significantly improved medium-term growth outlook.

### INDIAN ECONOMY :

India is reckoned as one of the fastest growing economies of the world and owing to its inherent advantages of a large consumer base, raw material resources, world class manufacturing facilities, competitively priced talent base, a comprehensive legal and tax system and a strong operating financial system has become a preferred investment and business destination.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

Robust growth and steady fiscal consolidation have been the hallmarks of the Indian economy in the year 2010-2011 so far. The growth rate has been 8.6 % in 2010 -2011 and is expected to be around 9 % in the current fiscal. However, food inflation, higher commodity prices and volatility in global commodity markets have been a cause of concern underscoring the need for fiscal consolidation and stronger reserves.

### INDUSTRY OVERVIEW :

The real estate sector is at present, playing an integral role in the Indian economy. The sector has demonstrated unparalleled growth over the years and currently accounts for almost five percent of the country's total gross domestic product (GDP) and is projected to increase enormously, year-on-year.

Thanks to the rapid growth of the country's economy, mainly after globalisation, real estate sector has witnessed tremendous change in the last decade. Increase in the affluent and aspiring population and favourable demographics have seen a rise in demand for homes in metros as well as many Tier I, Tier II and Tier III cities across the country.

The Housing and Real Estate Sector garnered FDI worth US \$ 1048 million during the period April 2010 to January 2011.

### OPPORTUNITIES:

<sup>2</sup>The pan-India residential demand for the period 2010-2014 is estimated to be approximately 4.25 million units of which mid-range and affordable sectors continue to capture a significant share of 70 %, while demand for office space is estimated to be around 240 million sq. ft. Hospitality sector is expected to see demand of approximately 78 million room nights in the same period.

#### - Residential

About 60 % of total estimated pan India residential demand by 2014 is expected to be spread across India's top seven cities (Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, NCR and Pune) with Tier I metropolitan cities expected to account for approximately 40 % of total demand. While the housing sector has recorded a spike in demand over the last two to three quarters, supply largely remains constrained owing to the slow pace of construction activity during 2009-2010.

#### - Commercial

The Pan India office space demand over the next five years (2010-2014) is estimated to be approximately 240 million sq. ft. The overall demand for commercial office space will be subdued in comparison to the supply which is estimated to be approximately 400 million sq. ft. during 2010-2014, implying caution and the need for quality supply at the right price.

#### - Hospitality

The demand for the hospitality sector is expected to see a surge and is expected to be approximately 78 million nights between 2010-2014 among the top 7 cities. In major metropolitan cities the luxurious serviced apartments sector and new high end brands are making an entry with an objective of tapping niche market segments.

### Redevelopment – the next BIG OPPORTUNITY

The 'Rajiv Awas Yojana' (RAY) announced by the Government of India, aims at creating a slum-free India by according property rights to slum dwellers. Just like the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), cities will receive central support under the RAY scheme, subject to the condition that they provide security of tenure through entitlement to slum-dwellers.

With the slum population in Mumbai alone going up from 58 lakh in 2001 to 70 lakh in 2011, Maharashtra leads the country in slum population. The Slum Rehabilitation Authority has already constructed 1.47 lakh tenements with another 1.70 lakh under construction in over 400 slum projects, involving over 250,000 slum dwellers. With the state government in Maharashtra aiming to make Mumbai city slum-free by 2015, the momentum to redevelop slums will increase.

Your Company being a pioneer in slum rehabilitation, sees RAY as an opportunity to meet twin obligations – business and corporate social responsibility.

Redevelopment will be the key word in coming years as the supply of vacant land is getting exhausted. Given that the real estate contributes considerably to the GDP, redevelopment will have a cascading effect on the economic activity and generate significant amount of funds for the state governments.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

### THREATS :

One major challenge facing the real estate sector is the management of multi-faceted indirect tax levies such as excise duty, service tax, VAT, stamp duty, registration fees which are applicable on different transactions. The sector also faces non-availability of input tax credit which leads to a major cascading tax impact. The government has taxed the industry rather aggressively by reducing exemptions/benefits/concessions available to it thereby increasing the tax incidence on the business.

The need of the hour is to simplify the indirect tax structure and improve the input tax credit mechanism to bring down the cascading impact of indirect tax on the segment. The government intends to simplify the indirect tax structure and improve the input tax credit mechanism under the proposed Goods and Service Tax (GST).

India's political and social landscape is a blend of diverse ideologies, religions and cultures. Despite offering a more stable environment for business and investment than other South Asian countries, India is not immune to the political upheaval, terrorist activities and economic strikes that are found within the region.

Also, absence of a single regulator to monitor business practices prevailing in India real estate market is perceived to be a risk factor by investors.

The primary constraint for foreign investments in India is the availability of exit options. Since the liberalization of FDI norms, significant foreign investments have flown into real estate; but availability of suitable exit options for such investments is still constrained. Creation of financial products and instruments providing for exit options will go a long way in adding depth and maturity to the real estate market.

### RISKS AND CONCERNS :

The Company operates in an environment which is affected by various factors, some of which are controllable while some are outside the control of the Company. The management monitors the risk management activities on a regular basis in addition to scanning for any new risks that may arise due to changes in business environment. While the possibility of a negative impact due to one or more such risks cannot be totally precluded, the Company proactively takes reasonable steps to mitigate significant risks that may affect it.

The biggest concern, however, relates to inflation. Commodity prices pose the biggest risk by impacting the purchasing power of the consumers. Further, the rising interest rates have begun to affect business confidence and new investments. As investment slows, industrial growth is likely to moderate.

#### Macro Risks

- Reserve Bank of India measures to check speculation :
- Capped loan-to-value ratio for housing loan at 80%..
- Increased risk weight for residential housing loans worth ₹ 75 lacs and more to 125%.
- Increased standard asset provisioning by commercial banks.
- Provisioning requirement raised from 1% to 2%.
- Mandatory for commercial banks to advance loans only if all building approval and sanctions have been obtained.
- Rising costs of operation.
- Constrained urban and physical infrastructure in cities.

#### Real Estate Sector Specific Risks

- Financial Risk – liquidity crisis on account of stoppage of lending funds to real estate sector by banks, financial institutions and other lending agencies, leading to stoppage of development activity.
- Interest Rate Risk – possibility of interest rate fluctuation on borrowed funds.
- Operational Risks – non-availability of critical raw materials such as cement and steel.
- volatility in the prices of critical raw materials; shortage of skilled labour; inability to complete and deliver projects according to schedule.
- Human Resource Risk – high attrition of skilled/trained manpower.

The Company is mitigating these risks by way of qualitative market research, faster decision making, and by taking a fresh look at its entire set of processes, apart from undertaking proactive approach towards problem resolution.

## **REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)**

### **FUTURE OUTLOOK :**

While the overall long term prospects of the real estate sector continues to remain positive, the year 2011-12 is likely to be a challenging one for realty developers, after a year which has seen sustained momentum in property prices. The high interest rates are impacting affordability and delaying decision making, and all of this is not allowing demand to get converted into sales since last two quarters of the last fiscal. The liquidity situation in the market, availability and cost of finance for business and home loans are also going to be critical factors in the current fiscal.

Factors like rising disposable income, rapidly growing middle class and youth population, fiscal incentives on both interest and principal payments for housing loans, increased urbanization and nuclearisation, changing demographics and heightened aspirations towards a better quality of life will be the key drivers for the demand for housing.

On the regulatory front, the Land Title Bill and Real Estate (Regulation of Development) Act could have a significant impact on the way business is conducted. While the Land Title Bill would ensure that there is clear ownership record and transparency through development process, minimal legal issues and faster completion, the Real Estate (Regulation of Development ) Act is under revision to create a workable framework aimed at providing a control mechanism that will ultimately benefit the real estate sector.

The finance minister's recently announced budgetary support in the form of extension of the scheme of interest subvention of 1 % on housing loan upto ₹15 lacs will also act as a catalyst for boosting growth. The fundamentals of the Sector are good and its growth should continue in the foreseeable future.

Cost-cutting and control, superior methodologies and innovative processes and systems and execution focus are an integral part of the Company's strategy. The Company is well geared up to develop strategies to respond effectively to the challenges and opportunities ahead and continue its journey on the growth path. The outlook for the Company is positive.

### **INTERNAL CONTROLS :**

The Company has in place adequate systems of internal controls commensurate with its size and the nature of its operations. These have been designed with the objective of (a) safeguarding the Company's assets; (b) ensuring that the transactions are properly authorized; and (c) providing significant assurance of the integrity, objectivity and reliability of financial information. The Internal Audit firms appointed by the Company conduct periodical audits to ensure adequacy of internal control systems, adherence to management policies and compliance with the laws and regulations of the country. Their reports are reviewed at Audit and Compliance Committee meetings. Internal Auditors also report on the implementation of recommendations. The Joint Statutory Auditors also attend and participate in the Audit Committee meetings to convey their views to the Audit Committee on the adequacy of internal control systems in the Company.

The Audit and Compliance Committee of the Board reviews the adequacy and effectiveness of the internal control systems and suggest improvements for strengthening them. The internal controls are constantly upgraded based on internal audit recommendations. Your Company's Statutory Auditors have confirmed the adequacy of the internal control system.

### **HUMAN RESOURCES :**

At Ackruti, we recognise and value the importance of human capital, which forms the vital resource for the Company's operations. The growth of the Company is largely the result of the competence and quality of its human resources. The Company has put in place sound policies for the growth and progress of its employees. Individual Performance Management System is being implemented in the current fiscal to encourage merit and enhance innovative thinking. Roles and responsibilities have been defined at all levels. Imparting of training both internal and external aimed at developing industry specific knowledge, management development as well as general corporate and soft skills, is done on a regular basis to sharpen the skill of employees at all levels. Employee relations continue to be cordial. As on March 31, 2011, the Company had 307 employees on its roll.

### **FINANCE :**

#### **Issue of Debentures :**

During the year under review, the Company issued 2 series of Secured, Redeemable, Non-convertible Debentures amounting to ₹ 200 crores on private placement basis as per details given below :

- a. 1,000 – 17 % Secured Redeemable Non-convertible Debentures having face value of ₹ 10,00,000 per debenture aggregating ₹ 100 crores; and
- b. 10,000 - 12 % Secured Redeemable Non-convertible Debentures having face value of ₹ 1,00,000 per debenture aggregating ₹ 100 crores, which are redeemable at a premium.

The Company has created Debenture Redemption Reserve in accordance with the applicable provisions of the Companies Act, 1956.

## **REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)**

### **AUDITORS :**

M/s. Sudit K. Parekh & Co., Chartered Accountants, the retiring Auditors, have by their letter dated May 28, 2011 informed the Company of their decision not to seek reappointment as Joint Auditors of the Company in view of their heavy professional pre-occupation. The Board of Directors, based on the recommendation of the Audit and Compliance Committee, propose the reappointment of M/s. Doshi Doshi & Associates, Chartered Accountants and the appointment of M/s. Haribhakti & Co., Chartered Accountants in place of M/s. Sudit K. Parekh & Co. as Joint Auditors to conduct the audit of the accounts of the Company for the year ending March 31, 2012.

M/s. Doshi Doshi & Associates and M/s. Haribhakti & Co. have forwarded their certificates to the Company, stating that their respective reappointment/appointment if made, would be within the limits specified in that behalf under Section 224 (1) (b) of the Companies Act, 1956. The necessary resolution is included in the Notice of the ensuing Annual General Meeting.

### **AUDITORS' REPORT :**

In respect of Auditors' observations regarding delays in payment of undisputed Works Contract Tax, Income Tax deducted at source and Service Tax, it is hereby clarified that the delays were temporary in nature and all of the outstanding dues have been paid subsequent to the close of the year.

### **CONSOLIDATED ACCOUNTS :**

In terms of Clause 41 of the Listing Agreement executed with the Stock Exchanges, the Consolidated Financial Statements which have been prepared in accordance with Accounting Standards - AS-21, AS-23 and AS-27 as issued by the Institute of Chartered Accountants of India, are annexed to and form part of the Annual Report.

### **FIXED DEPOSITS :**

Total amount of deposits outstanding as on March 31, 2011 was ₹ 1134.33 lac. There were no unclaimed/unpaid deposits as at the year end.

### **INSURANCE :**

All the insurable interests of your Company including inventories, buildings are adequately insured.

### **INFORMATION TECHNOLOGY :**

As reported last year, the implementation of ERP package – Oracle e Business Suite 12.0, one of the best ERP worldwide, across the organization, has been completed. This will result in most of the Company's processes integrating into a single system, avoidance of duplication of work, increased efficiency, improved management information systems and better management control of operations and activities. The Project was initiated in January 2010.

During the year under review, the Company initiated measures to integrate the ERP package with external systems such as Customer Relationship Management, Document Management System, Project Management & Execution and E-Recruitment. The Company has also initiated steps to connect all its Nodal site offices to Corporate Office in order to speed up transaction processing. The Company is continuously working and concentrating on IT to get maximum benefit for the organization.

The Company's IT systems are periodically audited to ensure the adequacy of Information Systems control, Information Security and privacy aspects.

### **SUSTAINABLE DEVELOPMENT AND CARBON FOOTPRINTS :**

Your Company is the recipient of 'Leading the Green Building Movement Award' awarded in October 2010 by Indian Green Building Council (IGBC).

The Company shares information pertaining to sustainability-related issues - carbon footprint, green building initiatives, and renewable energy usages in buildings with Carbon Disclosure Project (CDP), a London based international organisation, on an annual basis.

### **CORPORATE SOCIAL RESPONSIBILITY :**

As part of corporate social responsibility, your Company has wholeheartedly supported the circulars on 'Green Initiative in the Corporate Governance' issued by the Ministry of Corporate Affairs allowing paperless compliances by companies by service of notices /documents to the members through electronic mode. Recognising the spirit of the said circular, the Company has forwarded this annual report in electronic form to those members who have consented to the same and have registered their e-mail addresses with the Depositories through their respective Depository Participants.

## **REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)**

### **CORPORATE GOVERNANCE :**

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improve investors' protection and maximize long term shareholder value. Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a compliance report on Corporate Governance has been annexed hereto as part of this Annual Report. The Company is in compliance with the requirements and disclosures that have to be made in this regard. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company forms part of this Annual Report.

In terms of sub-clause (v) of Clause 49 of the Listing Agreement, a certificate from CEO/CFO, inter alia, confirming the correctness of the financial statements, adequacy of internal control measures and reporting of matters to the Audit and Compliance Committee in terms of the said Clause, is also annexed as a part of this Annual Report.

### **CORPORATE GOVERNANCE – VOLUNTARY GUIDELINES 2009**

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and 'Corporate Social Responsibility' in December 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of corporate governance. The guidelines broadly focus on areas such as Board of Directors, responsibilities of the Board, Audit Committee functions, roles and responsibilities, appointment of auditors, mechanism for whistle blower support and compliance with Secretarial Standards.

The Company is substantially in compliance with some of the provisions of these guidelines as reported in the section on 'Corporate Governance' in this Annual Report. The other provisions of these guidelines are being evaluated and your Company will strive to adopt the same in a phased manner.

### **SUBSIDIARIES :**

During the year under review :

1. The following companies became subsidiaries of your Company :
  - Ackruti City Magnum Limited
  - Merrygold Buildcon Private Limited
  - Vega Developers Private Limited (formerly Pure Gold Developers Private Limited)
  - Pushpak Healthcare Services Private Limited
2. The following companies ceased to be subsidiaries of your Company :
  - Ackruti Center Infotech Limited
  - E Commerce Magnum Solution Limited

The total number of subsidiaries as on March 31, 2011 was 33.

There has been no material change in the nature of the business of the subsidiaries. All the subsidiary companies are non-material, non-listed subsidiary companies as defined under Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

The Ministry of Corporate Affairs (MCA) has, vide General Circular No.2/2011 dated February 8, 2011, granted general exemption under Section 212 (8) of the Companies Act, 1956 from attaching the Balance Sheet, the Profit and Loss Account and other documents of the subsidiary companies to the Balance Sheet of the Company. Accordingly, the Audited Statements of Account and the Auditors' Report thereon along with the Reports of the Board of Directors of the subsidiary companies are not attached to this Annual Report. As directed in the aforesaid MCA Circular, the summarized financials of all the subsidiary companies have been disclosed in the Consolidated Balance Sheet under the heading 'Summary of Financial Statements of Subsidiary Companies' which forms part of this Annual Report.

The annual accounts and the related detailed information of these subsidiary companies will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company and also at the respective registered offices of the subsidiary companies during working hours between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.



## **REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)**

### **DIRECTORS :**

Mr. Shailesh V. Haribhakti and Mr. P. H. Ravikumar resigned from the Board of Directors of the Company effective March 11, 2011 due to their other business commitments.

The Board places on record its sincere appreciation of the invaluable contribution and mature advice provided by Mr. Haribhakti and Mr. Ravikumar during their tenure as Directors of the Company.

At the meeting of the Board of Directors of the Company held on May 16, 2011, Mr. Abhijit Datta and Mr. Arvind Kumar Joshi were appointed as Non-Executive Independent Directors to fill the casual vacancies caused by the resignations of Mr. Haribhakti and Mr. Ravikumar respectively.

Pursuant to Section 262 of the Companies Act, 1956 read with Article 140 of the Articles of Association of the Company, Mr. Arvind Kumar Joshi holds office upto the date of the ensuing Annual General Meeting as Mr. P. H. Ravikumar in whose place he has been appointed, would have retired by rotation at the ensuing Annual General Meeting had he not resigned. The Company has received notice from a member under Section 257 of the Companies Act, 1956 along with requisite deposit proposing his appointment as a Director of the Company.

Mr. D. R. Kaarthekeyan and Mr. Shailesh H. Bathiya, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment.

The brief profiles of Mr. Arvind Kumar Joshi, Mr. D. R. Kaarthekeyan and Mr. Shailesh H. Bathiya as required by Clause 49 of the Listing Agreements have been detailed in the Section on 'Corporate Governance'. Your Directors recommend the appointment of Mr. Arvind Kumar Joshi and reappointment of Mr. D. R. Kaarthekeyan and Mr. Shailesh H. Bathiya as Directors of your Company.

### **DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Directors of the Company, to the best of their knowledge and belief and on the basis of the information and explanations received by them, hereby state and confirm that :

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) the accounting policies have been selected 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 as at March 31, 2011 and of the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.

### **AWARDS :**

Your Company has been the proud recipient of the following awards and recognition :

- a. "Leading the Green Building Movement" awarded by Indian Green Building Council;
- b. "Ackruti Gold"- the commercial project of the Company at Bandra Kurla complex has been awarded three management systems certificates by British Standards Institute (BSI) in the following categories :
  - Environmental Management System – ISO 14001:2004.
  - Occupational Health & Safety Management System - BS OHSAS 18001:2007.
  - Integrated Management System – PAS 99 : 2006.

### **STATUTORY INFORMATION :**

Since the Company is not engaged in any manufacturing activity, the other particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 are not applicable. Expenditure incurred in foreign currency amounted to ₹ 132.75 lac. There was no earning in foreign exchange.

Statement pursuant to Section 217 (2A) of the Companies Act, 1956 read with 'The Companies (Particulars of Employees) Rules, 1975' as amended is annexed hereto as Annexure – I and forms part of this Annual Report.



**ACKRUTI CITY**  
L I F E T I M E V A L U E

## **REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)**

### **GROUP FOR INTER-SE TRANSFER OF SHARES :**

As required under Clause 3(i)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from the applicability of the provisions of Regulations 10 to 12 of the aforesaid SEBI Regulations are given in the Statement annexed to and forming part of this Annual Report.

### **APPRECIATION :**

Your Directors would like to express their grateful appreciation and thanks for the valuable co-operation and support received from the Company's bankers, financial institutions, business associates, suppliers, consultants, customers and contractors and shareholders at large during the year under review and look forward to the same in greater measure in the coming years.

The Directors also wish to place on record their appreciation of the unstinted efforts and contributions made by the Management Team and the employees of the Company at all levels.

### **CAUTIONARY STATEMENT**

*Certain statements made in the Directors' Report and the Management Discussion and Analysis may constitute 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Several factors could make significant difference to the Company's operations that include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in interest rates, changes in government regulations, tax regimes, economic development within India and other incidental factors. The Company does not undertake any obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.*

For and on behalf of the Board

**Hemant M. Shah**  
**Executive Chairman**

Mumbai, May 30, 2011

<sup>1</sup>-(Source : World Economic Outlook : Recovery, Risk, and Rebalancing – International Monetary Fund Report)

<sup>2</sup>Cushman & Wakefield (C&W) India Real estate Investment report 2010 : 'Riding the Wave – Re-emergence of Indian realty sector',

**ANNEXURE - I**

**STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2011.**

Employed throughout the year and in receipt of remuneration aggregating not less than ₹ 60,00,000 for the year.

Sr. No.	Name of the Employee	Designation / Nature of duties	Remuneration received (₹)	Qualifications and experience	Age (Years)	Date of commencement of employment	Particulars of previous employment / years of employment
1.	Mr. Hemant M. Shah	Executive Chairman	2,63,96,200	B. E. (Civil Engineer) (33 Years)	58	November 01, 2005	Business
2.	Mr. Vyomesh M. Shah	Managing Director	2,37,70,400	Chartered Accountant (30 Years)	51	November 01, 2005	Business

1. There were no employees employed for the part of the year and in receipt of remuneration aggregating not less than ₹ 5,00,000 per month.
2. Remuneration paid includes salary, house rent allowance, leave travel allowance and contribution to Provident Fund. The above remuneration does not include payments made in respect of the previous year.
3. Nature of employment with the Executive Chairman and the Managing Director is contractual.
4. Mr. Hemant M. Shah and Mr. Vyomesh M. Shah, being brothers are related to each other.

For and on behalf of the Board

**Hemant M. Shah**  
**Executive Chairman**

Mumbai, May 30, 2011



## CORPORATE GOVERNANCE REPORT

### INTRODUCTION

Corporate Governance is crucial to the very existence of a company as it builds confidence and trust, which eventually leads to a more stable and sustained resource flows and long-term partnership with its investors and other stakeholders. The importance of Corporate Governance lies in the contribution it makes to the overall growth and direction of the business, management accountability and transparency and above all, equitable treatment for its stakeholders.

The detailed report on implementation by the Company, of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreements with the Stock Exchanges, is set out below :

### MANDATORY REQUIREMENTS

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

The Company's essential character is shaped by the very value of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavours to improve on these aspects. The Board views Corporate Governance in its widest sense. We believe that it is our responsibility to adhere and enforce the principles of sound Corporate Governance with the objectives of transparency, professionalism and accountability, while facilitating effective management of the businesses and efficiency in operations. Your Company believes in the principles of transparency and disclosures to the extent these do not compromise on its competitiveness.

The Board of Directors fully supports and endorses corporate governance practices as enunciated in Clause 49 of the Listing Agreements as applicable from time to time.

#### 2. BOARD OF DIRECTORS:

##### COMPOSITION AND CATEGORY :

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and rich experience in a wide spectrum of functions including finance, management, economics, public policy and law. They have proven judgement and competence in understanding and guiding the Company's performance and strategy.

The present strength of the Board of Directors is seven, whose composition is given below :

- two Promoter, Executive Directors
- one Non-Promoter, Executive Director
- four Non-Promoter, Non-Executive, Independent Directors

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in Clause 49 of the Listing Agreements) across all companies in which they are Directors. The Board does not have any Nominee Director representing any institution.

The composition of the Board is in conformity with Clause 49 of the Listing Agreements, which stipulates that atleast fifty percent of the Board should consist of Non-Executive Independent Directors if the Chairman of the Board is an Executive Director.

The names and categories of Directors, the number of Directorships and Committee positions held by them in companies are given below :

Name of Director	Category of Directorship	Directorship in other companies (*)	No. of Board Committees (other than Ackruti City Limited) in which Chairman / Member		Relationship with other Directors inter-se
			Chairman	Member @	
Mr. Hemant M. Shah <i>Executive Chairman</i>	Promoter, Executive, Non-Independent	5	—	—	Related to Mr. Vyomesh M. Shah
Mr. D. R. Kaarthikeyan	Non-Promoter, Non-Executive, Independent	6	—	1	} Not related to any other Director of the Company
Mr. Shailesh V. Haribhakti #	Non-Promoter, Non-Executive, Independent	14	5	10	



## CORPORATE GOVERNANCE REPORT (CONTD.)

Name of Director	Category of Directorship	Directorship in other companies (*)	No. of Board Committees (other than Ackruti City Limited) in which Chairman / Member		Relationship with other Directors inter-se
			Chairman	Member @	
Mr. P.H. Ravikumar #	Non-Promoter, Non-Executive, Independent	8	2	6	} Not related to any other Director of the Company
Mr. Shailesh H. Bathiya	Non-Promoter, Non-Executive, Independent	—	—	—	
Mr. Arvind Kumar Joshi ##	Non-Promoter, Non-Executive Independent	—	—	—	
Mr. Abhijit Datta ##	Non-Promoter, Non-Executive Independent	7	—	—	
Mr. Madhukar B. Chobe <b>Wholtime Director</b>	Non-Promoter, Non-Independent, Executive	3	—	—	
Mr. Vyomesh M. Shah <b>Managing Director</b>	Promoter, Non-Independent, Executive	6	1	1	Related to Mr. Hemant M. Shah

# - upto March 11, 2011

## - appointed with effect from May 16, 2011.

(\*) – excludes Alternate Directorships, Directorships in Indian Private Limited Companies and Foreign Companies and membership of Managing Committees of various bodies.

@ - Member includes Chairman.

Only memberships of Audit Committee and Shareholders’/Investors’ Grievances Committee are considered.

### TENURE :

The Executive Chairman, the Managing Director and the Wholtime Director have been appointed for a term of five years each. Except for the Executive Chairman and the Managing Director, the other Directors of the Company, as eligible, are liable to retire by rotation. One-third of the said Directors are liable to retire every year and if eligible, offer themselves for reappointment. Accordingly, Mr. D. R. Kaarthikeyan and Mr. Shailesh H. Bathiya, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment. Mr. Arvind Kumar Joshi holds office upto the date of ensuing Annual General Meeting as Mr. P. H. Ravikumar, in whose place he has been appointed, would have retired by rotation at the ensuing Annual General Meeting had he not resigned. The Company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying her intention to propose Mr. Arvind Kumar Joshi as a candidate for the office of Director.

### RESPONSIBILITIES :

The primary role of the Board is that of trusteeship to protect and enhance shareholders’ value and in optimizing long term value by providing the management with guidance and strategic direction on shareholders’ behalf. The Board’s mandate is to oversee the Company’s strategic operations, review corporate performance, authorise and monitor strategic investment, ensure regulatory compliance and safeguard interests of the stakeholders.

### ROLE OF INDEPENDENT DIRECTORS :

Independent Directors play a key role in the decision-making process of the Board by participating in framing the overall strategy of the Company. The Independent Directors are committed to acting in what they believe to be in the best interest of the Company and its stakeholders.



## **CORPORATE GOVERNANCE REPORT (CONTD.)**

The Independent Directors are professionals, with expertise and experience in general corporate management, legal, public policy, finance, banking and other allied fields. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

In terms of Clause 49 of the Listing Agreement, the Independent Directors on the Company's Board :

- a. apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates which may affect their independence;
- b. are not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- c. have not been executives of the Company in the immediately preceding three years;
- d. are not partners or executives, or were not partners or executives, during the preceding three years, of any of the following :
  - Statutory audit firm or the Internal audit firm that is associated with the Company;
  - Legal firm(s) and consulting firm(s) that have a material association with the Company;
- e. are not material suppliers, service providers or customers or lessors or lessees of the Company which may affect their independence;
- f. are not substantial shareholders of the Company i.e. owning two percent or more of the block of voting shares; and
- g. are not less than 21 years of age.

### **BOARD PROCEDURE :**

The Board meets atleast once a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are often made. The Agenda and the relevant notes are sent in advance separately to each Director and only in exceptional cases, the same is tabled at the meeting. The members of the Board have complete access to all information of the Company. The members of the Board are free to recommend the inclusion of any matter in the Agenda for discussion in consultation with the Chairman.

The information as specified in Annexure I to Clause 49 of the Listing Agreements is regularly made available to the Board.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting, on the overall performance of the Company. Senior management is invited to attend the Board Meetings as and when required so as to provide additional inputs to the items being discussed by the Board.

The minutes of each Board/Committee Meetings are circulated in draft to all Directors for their confirmation before being recorded in the minutes book. The minutes of the Board Meetings of unlisted subsidiary companies are tabled at the Board Meetings. The Board periodically reviews the statement of significant transactions and arrangements entered into by the unlisted subsidiary companies.

### **DETAILS PURSUANT TO CLAUSE 49 IV (G)(i) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT**

#### **Mr. D. R. Kaarthikeyan**

Mr. D. R. Kaarthikeyan, 71 years, holds Bachelor's degree in Agriculture and Chemistry from Annamalai University, Tamil Nadu and in Law from Madras Law College, University of Madras. He subsequently served in the Indian Police Service and held eminent positions as Director, Central Bureau of Investigation, Director General, Central Reserve Police Force, Director of Police Academy, Mysore, Karnataka and Director General, National Human Rights Commission. Mr. Kaarthikeyan is closely associated with several voluntary organizations inter-alia World Community Service Centre, National Agriculturists Awareness Movement, Human Rights Organization, National Alliance on Fundamental Right to Education, Brahmakumari's Academy for a Better World, All-India Conference of Intellectuals, World Congress for Peace and Harmony and Indian Council of Arbitration. He has authored several books, the best seller being 'Triumph of Truth – Rajiv Gandhi Assassination – The Investigation'. On Republic Day 2010, the Government of India conferred the coveted award of Padma Shri on Mr. Kaarthikeyan for the exceptional and distinguished services rendered to the Nation.

## CORPORATE GOVERNANCE REPORT (CONTD.)

He is a member of the Audit and Compliance Committee and Remuneration Committee of Directors of the Company. Mr. D. R. Kaarthikeyan holds 15 equity shares in the Company.

The other directorship and committee membership of Mr. D. R. Kaarthikeyan are as under :

Name of the Company	Board Position held	Committee Membership
Taj GVK Hotels & Resorts Limited	Director	Audit Committee
Star Health and Allied Insurance Company Limited	Director	-
Raj Television Network Limited	Director	-
Synergy Environics Limited	Director	-
Magus Media Private Limited	Director	-
Vidi Vedika Heritage Private Limited	Director	-
Lotus Eye Care Hospital (P) Limited	Director	-
Oriental Hotels Limited	Director	-
Roots Industries Limited	Director	-

### Mr. Shailesh H. Bathiya

Mr. Shailesh H. Bathiya, 56 years, is a commerce and law graduate from Mumbai University. He is a practising Chartered Accountant and a senior partner in M/s. S. H. Bathiya & Associates, practising in Mumbai, Thane and Vadodara, specialising in corporate counselling, mergers & acquisitions, IPOs, business restructuring, taxation, auditing and related areas. Mr. Bathiya has been a co-opted member of the Central Council Committee of The Institute of Chartered Accountants of India (ICAI) on Financial Markets and Investors' Protection and also of the ICAI Central Council Committee on Corporate Governance. He was one of the contributors to ICAI Guidance Note on Corporate Governance. Mr. Bathiya is the Chairman of the Audit and Compliance Committee of Directors of the Company. Mr. Bathiya does not hold any equity shares in the Company.

The other directorships of Mr. Shailesh H. Bathiya are as under :

Name of the Company	Board Position held	Committee Membership
Challenge Consultancy Services Limited	Director	—
Challenge Finance and Investments Private Limited	Director	—

### Mr. Arvind Kumar Joshi

Mr. Arvind Kumar Joshi, 65 years, is a commerce graduate from Rajasthan University and a Chartered Accountant. He has served as Director on the Board of several leading companies: Cement Corporation of India Limited as nominee of IDBI; Gujarat Sidhee Cement Limited at behest of lead Lender IDBI; Falcon Tyres Limited; Montana Tyres Limited; Polarix Marine Management Private Limited; Jessop & Co. Limited; BTR Sealing Systems UK Limited; and Schlegel Automotive Europe Limited. He possesses wide and varied experience in providing strategic and management consultancy services to upcoming enterprises and organizations and also those undergoing financial restructuring.

Mr. Joshi has held onerous positions in various organizations such as : past President of the Institute of Industrial Managers, India; past member of the All India Export Advisory Committee of RBI and All India Association of Industries; life member of Bombay Management Association.

Mr. Joshi has been recipient of the following awards : National Industrial Excellence Award by National Council for Commerce and Industry, New Delhi; Excellent Manager, Indira Gandhi Memorial National Award from Andhra Pradesh Central Public Sector Employees Federation, Hyderabad; and Rashtriya Gaurav Award from All India Achievers' Conference, New Delhi for serving society through industrial achievement.

Mr. Joshi is a member of the Audit and Compliance Committee, Remuneration Committee and Chairman of Shareholders' / Investors' Grievances Committee of Directors of the Company.

Mr. Joshi is presently not a director in any other company. He does not hold any shares in the Company.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING :

During the financial year ended March 31, 2011, 8 (eight) Board Meetings were held - May 15, 2010, May 28, 2010, August 7, 2010, August 13, 2010, October 30, 2010, December 26, 2010, February 4, 2011 and March 11, 2011. The maximum gap between two Board Meetings was less than four months.

The attendance of each Director at these Board Meetings and the last Annual General Meeting (AGM) is as under :

Name of the Director	No. of Board Meetings attended	Attendance at last AGM held on September 29, 2010
Mr. Hemant M. Shah	7	Attended
Mr. D. R. Kaarthikeyan	7	Attended
Mr. Shailesh V. Haribhakti	6	Absent
Mr. P. H. Ravikumar	7	Attended
Mr. Shailesh H. Bathiya	7	Attended
Mr. Madhukar B. Chobe	7	Attended
Mr. Vyomesh M. Shah	8	Attended

Mr. Arvind Kumar Joshi and Mr. Abhijit Datta were appointed as Directors of the Company subsequent to the close of the year under review and hence not included in the above table.

### 3. BOARD COMMITTEES :

The Company has constituted 3 (three) Board-level Committees – Audit and Compliance Committee, Remuneration Committee and Shareholders’/Investors’ Grievances Committee with specific terms of reference and scope. The Committees operate as empowered agents of the Board as per their charter / terms of reference. The decisions relating to constitution of these Committees, appointment of members, and fixing terms of reference of each of these Committees are taken by the Board of Directors. Full particulars of the composition, role of these Committees, the number of meetings held and the related attendance are given below :

#### I. AUDIT AND COMPLIANCE COMMITTEE :

##### **BROAD TERMS OF REFERENCE :**

The object of the Audit and Compliance Committee is to monitor and effectively supervise the Company’s financial reporting process with a view to provide accurate, timely and proper disclosure and oversee the integrity and quality of the financial reporting. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company.

The Terms of Reference of the Audit and Compliance Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 and inter-alia includes :

- a. oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b. recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors, Internal Auditors and the fixation of audit fees;
- c. approval of payment to Statutory Auditors for any other services rendered by them;
- d. reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
  - i. matters required to be included in the Director’s Responsibility Statement which forms part of the Directors’ Report pursuant to Clause (2AA) of Section 217 of the Companies Act, 1956;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by the management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;



## CORPORATE GOVERNANCE REPORT (CONTD.)

- vi. disclosure of any related party transactions; and
  - vii. qualifications in the draft audit report.
- e. reviewing with the management, the quarterly financial statements before submission to the Board for approval;
  - f. reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
  - g. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - h. discussion with the internal auditors any significant findings and follow-up thereon;
  - i. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of material nature and reporting the matter to the Board;
  - j. discussion with the statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - k. to look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
  - l. to review the functioning of the Whistleblower mechanism; and
  - m. carrying out any other function as mentioned in the terms of reference of the Committee;

The Audit and Compliance Committee is empowered pursuant to its terms of reference to :

- investigate any activity within its terms of reference.
- seek information from any employee.
- obtain outside legal or other professional advice.
- secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit and Compliance Committee reviews the following information :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors, if any;
4. Internal audit reports relating to internal control weaknesses; and
5. Risk management policy of the Company.

The Committee also reviews the minutes, financial statements, investments, significant transactions and working of unlisted subsidiaries of the Company.

The Audit and Compliance Committee while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) notified pursuant to Companies (Accounting Standards) Rules, 2006. Compliance with the Accounting Standards as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2011.

The draft minutes of the Audit and Compliance Committee are circulated among members of the Committee before the same is confirmed and placed before the Board.

### **COMPOSITION :**

The Audit and Compliance Committee presently comprises of 4 (four) Directors, three of whom are Non-Executive, Independent Directors. The Audit and Compliance Committee is constituted in accordance with the provisions of Clause 49 (II) (A) of the Listing Agreement and Section 292A of the Companies Act, 1956. All the members of the Committee are financially literate and have accounting and financial management expertise. The Chairman of the Committee is an Independent, Non-Executive Director.

Senior executives are invited to participate in the meetings of the Committee as and when necessary. The representatives of the Statutory Auditors, and the Internal Auditors are permanent invitees to Audit and Compliance Committee meetings. The quorum for the Audit and Compliance Committee Meetings is two Independent Directors. The Company Secretary acts as Secretary to the Committee.



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## CORPORATE GOVERNANCE REPORT (CONTD.)

The present composition of the Audit and Compliance Committee is as follows:

Name of the Director		Category
Mr. Shailesh H. Bathiya	Chairman	Independent, Non-Executive
Mr. D. R. Kaarthikeyan **	Member	Independent, Non-Executive
Mr. Arvind Kumar Joshi ^	Member	Independent, Non-Executive
Mr. Vyomesh M. Shah	Member	Promoter, Non-Independent, Executive
Mr. Shailesh V. Haribhakti #	Member	Independent, Non-Executive
Mr. P. H. Ravikumar \$	Member	Independent, Non-Executive

\*\* - appointed with effect from October 30, 2010.

^ - appointed with effect from May 16, 2011.

# - upto October 13, 2010.

\$ - upto March 11, 2011.

### MEETINGS AND ATTENDANCE :

During the financial year ended March 31, 2011, six Audit and Compliance Committee Meetings were held - May 15, 2010, May 28, 2010, August 7, 2010, August 13, 2010, October 30, 2010 and February 04, 2011. The maximum gap between two meetings was less than four months.

The attendance of each member at the Audit and Compliance Committee Meetings is as under :

Name of the Director	No. of meetings attended
Mr. Shailesh H. Bathiya	6
Mr. Shailesh V. Haribhakti	4
Mr. D. R. Kaarthikeyan	1
Mr. P. H. Ravikumar	6
Mr. Vyomesh M. Shah	6

Mr. Shailesh H. Bathiya, Chairman of the Committee answered queries from the shareholders at the Annual General Meeting of the Company held on September 29, 2010.

Besides, another meeting of the Audit and Compliance Committee was held on May 30, 2011 at which the Audited Annual Accounts for the year ended March 31, 2011, were placed before the Committee for consideration.

### INTERNAL AUDITORS:

M/s. Mahajan & Aibara, Chartered Accountants and M/s. Axis Risk Consulting Services Private Limited act as Internal Auditors to the Company to review the internal control systems of the Company and to report thereon. The Audit and Compliance Committee reviews the reports of the Internal Auditors.

## II. REMUNERATION COMMITTEE:

### TERMS OF REFERENCE :

- reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Wholetime Directors.
- reviewing the performance of the Managing / Wholetime Directors for recommending to the Board, the quantum of annual increments and performance incentives.

### COMPOSITION :

The Remuneration Committee comprises of 3 (three) Directors, all of whom are Independent, Non-Executive Directors. The Chairman of the Committee is an Independent, Non-Executive Director nominated by the Board.

The present composition of the Remuneration Committee is as follows:

Name of the Director		Category
Mr. Abhijit Datta *	Chairman	Independent, Non-Executive
Mr. Arvind Kumar Joshi *	Member	Independent, Non-Executive
Mr. D. R. Kaarthikeyan	Member	Independent, Non-Executive
Mr. Shailesh V. Haribhakti **	Chairman	Independent, Non-Executive
Mr. P. H. Ravikumar **	Member	Independent, Non-Executive

\* - appointed with effect from May 16, 2011.

\*\* - upto March 11, 2011.

## **CORPORATE GOVERNANCE REPORT (CONTD.)**

The then Chairman of the Remuneration Committee, Mr. Shailesh V. Haribhakti, who was indisposed, was not present at the Annual General Meeting of the Company held on September 29, 2010 and had requested to make alternate arrangement for another Independent Director and member of the Remuneration Committee to attend the meeting in his place. Accordingly, Mr. P. H. Ravikumar, Independent Director and member of the Remuneration Committee was present to provide any clarification on matters relating to managerial remuneration.

### **MEETING AND ATTENDANCE :**

The Remuneration Committee met once on April 26, 2010, which was attended by all the three members. Subsequent to the close of the year, the Remuneration Committee met on May 30, 2011 to consider payment of performance incentive to the Executive Chairman and the Managing Director for the year ended March 31, 2011 and increase in the salary payable to the Executive Chairman, the Managing Director and the Wholetime Director upto December 31, 2011, the date on which their term of office expires, which was attended by all the three members.

The minutes of the Remuneration Committee are noted by the Board of Directors at the Board Meetings.

### **REMUNERATION POLICY :**

The Remuneration Policy of the Company is performance driven and in considering the remuneration payable to the Directors, the Board/Remuneration Committee considers the performance of the Company, the current trends in the industry, the experience of the appointee(s), their past performance and other relevant factors.

#### **A. Remuneration to Non-Executive Directors :**

The Independent Directors play an important role in the governance of the Company and in advising the Board in critical domains like finance, marketing, strategic planning and legal matters. The remuneration of Non-Executive Directors consists of sitting fees and commission not exceeding the limits prescribed under Section 309 of the Companies Act, 1956, which is decided by the Board within the limits approved by the shareholders. The Non-Executive Directors are paid sitting fees of ₹ 20,000 for every meeting of the Board/Committee of the Board attended by each of them. For the year ended March 31, 2011, the Non-Executive Directors will be paid an amount of ₹ 10.00 lacs each as commission. The role of Non-Executive Directors and their involvement as members of the Board has undergone a significant change pursuant to more stringent accounting standards and corporate governance norms. The Non-Executive Directors are required to take far more complex business decisions and are required to commit their time and provide their expertise for the Company's business. Accordingly, the Board has approved the above quantum of commission to the Non-Executive Directors. The commission is being paid on a uniform basis on the principle of collective responsibility.

The service contract, notice period and severance fees are not applicable to the Non-Executive Directors.

None of the Non-Executive Directors has any material pecuniary relationship or business transactions with the Company except for the commission payable to them annually.

#### **B. Remuneration to Executive Chairman / Managing Director and Wholetime Director :**

The appointment of Executive Chairman / Managing Director and Wholetime Director is governed by resolutions passed by the Board of Directors and shareholders of the Company, which covers the terms of such appointment read with the service rules of the Company. Payment of remuneration to Executive Chairman / Managing Director and Wholetime Director is governed by the respective Agreements executed between them and the Company. Remuneration paid to Executive Chairman / Managing Director and Wholetime Director is recommended by the Remuneration Committee, approved by the Board, subject to the overall limits as approved by the shareholders. Attention is invited to Note No. 12 in Schedule 'O' to the Accounts.

Annual increments are linked to performance and are decided by the Remuneration Committee and recommended to the Board for approval thereof. Performance incentives for the Executive Chairman and the Managing Director are also decided by the Remuneration Committee and recommended to the Board for approval thereof.

There is no separate provision for payment of severance fees under the resolutions governing the appointment of Executive Chairman / Managing Director and Wholetime Director.

Presently, the Company does not have a scheme for grant of stock options for its Directors.



## CORPORATE GOVERNANCE REPORT (CONTD.)

### DETAILS OF REMUNERATION TO ALL THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2011

#### NON-EXECUTIVE DIRECTORS :

Name of the Director	Sitting Fees (Gross) ₹	Commission* (Gross) ₹	No. of Shares held
Mr. Shailesh V. Haribhakti	2,20,000	10,00,000	100
Mr. Shailesh H. Bathiya	2,80,000	10,00,000	-
Mr. P. H. Ravikumar	2,80,000	10,00,000	-
Mr. D. R. Kaarthikeyan	1,80,000	10,00,000	15

\* - The commission for the year ended March 31, 2011 will be paid to Non-Executive Directors after adoption of accounts by the members at the Annual General Meeting to be held on August 11, 2011.

Consolidated provision for commission of ₹ 40 lacs to Non-Executive Directors has been made in the books of account.

#### EXECUTIVE CHAIRMAN / MANAGING DIRECTOR AND WHOLETIME DIRECTOR :

Name of the Director	Salaries and Perquisites ₹	Performance Incentive # ₹	Service Contract
Mr. Hemant M. Shah, Executive Chairman	2,06,66,200	57,30,000	5 years
Mr. Vyomesh M. Shah, Managing Director	1,86,10,400	51,60,000	5 years
Mr. Madhukar B. Chobe, Wholetime Director	51,00,000	—	5 years

# - The performance incentive is payable after adoption of accounts by the members at the Annual General Meeting to be held on August 11, 2011.

### III. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE :

#### FUNCTIONS :

A Shareholders'/Investors' Grievances Committee has been constituted at the Board level, under the Chairmanship of a Non-Executive Independent Director.

The Committee oversees share transfers and monitors redressal of investors'/shareholders' complaints such as relating to transfers, change of address, non-receipt of balance sheet or dividend and any other complaints of the shareholders. The Secretarial Department of the Company and the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

The Company maintains continuous interaction with the said R & T Agent and takes proactive steps and actions for resolving complaints/queries of the shareholders/investors. Shareholders are requested to furnish their telephone numbers and e-mail addresses to facilitate prompt action.

The minutes of the Shareholders' / Investors' Grievances Committee Meetings are noted by the Board of Directors at the Board Meetings.

#### COMPOSITION :

The present composition of the Shareholders' / Investors' Grievances Committee of Directors is as under :

Name of the Director		Category
Mr. Arvind Kumar Joshi *	Chairman	Independent, Non-Executive
Mr. Hemant M. Shah	Member	Promoter, Non-Independent, Executive
Mr. Madhukar B. Chobe *	Member	Non-Promoter, Non-Independent, Executive
Mr. Shailesh H. Bathiya **	Chairman	Independent, Non-Executive
Mr. Vyomesh M. Shah **	Member	Promoter, Non-Independent, Executive

\* - appointed as a member with effect from May 16, 2011.

\*\* - upto May 16, 2011.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### COMPLIANCE OFFICER :

The Board has designated Mr. Chetan S. Mody, Company Secretary as the Compliance Officer in terms of the Listing Agreement.

### MEETINGS AND ATTENDANCE :

The Committee met once on February 4, 2011, which was attended by all the members.

### DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS :

The total number of complaints received, and replied to the satisfaction of the shareholders during the year ended March 31, 2011 were 4, all of which were duly resolved. These complaints related mainly to the non-receipt of dividend and/or annual report. In view of the posting of the dividend and annual reports within the statutory time limit, the delay or non-receipt of the dividend or the annual report, as the case may be, was not due to any lapse on the part of the Company.

There were no grievances outstanding as on March 31, 2011. The number of pending requests for dematerialisation as on March 31, 2011 were Nil. Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended / pending for more than thirty days as on March 31, 2011.

## IV. COMMITTEE OF DIRECTORS :

In addition to the above Committees, the Company also has a functional committee known as the Committee of Directors. This Committee has been constituted to meet the various day-to-day requirements and to facilitate the seamless operations of the Company. The Committee has relieved the full Board from the burden of considering routine matters.

### COMPOSITION :

The present composition of the Committee of Directors is as under :

Name of the Director		Category
Mr. Hemant M. Shah	Member	Promoter, Non-Independent, Executive
Mr. Vyomesh M. Shah	Member	Promoter, Non-Independent, Executive
Mr. Madhukar B. Chobe	Member	Non-Promoter, Non-Independent, Executive

The Committee meets generally on a monthly basis. The Committee may also meet additionally, if so required.

The minutes of the Committee Meetings are noted by the Board of Directors at the Board Meetings. The Company Secretary acts as Secretary to the Committee.

## 4. GENERAL BODY MEETINGS :

### a. Location and time, where last three Annual General Meetings were held is given below :

Financial Year	Date	Location of the Meeting	Time	Particulars of the Special Resolution
2007-2008	August 25, 2008	Walchand Hirachand Hall, 4 <sup>th</sup> floor, Indian Merchants' Chamber Building Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	11.30 A.M.	i. revision in the commission payable to Non-Executive Directors of the Company ii. issue of securities upto US \$ 500 million.
2008-2009	August 27, 2009	Walchand Hirachand Hall, 4 <sup>th</sup> floor, Indian Merchants' Chamber Building Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	11.30 A.M.	no special resolution was passed in the meeting.
2009-2010	September 29, 2010	Walchand Hirachand Hall, 4 <sup>th</sup> floor, Indian Merchants' Chamber Building Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	11.30 A.M.	no special resolution was passed in the meeting.

Both the special resolutions for the financial year 2007-2008 which were put to vote by show of hands, were passed unanimously.

## CORPORATE GOVERNANCE REPORT (CONTD.)

b. Location and time, where Extraordinary General Meetings were held for last three years is given below :

Financial Year	Date	Location of the Meeting	Time	Particulars of the Special Resolution
2007-2008	February 16, 2008	Yashwantrao Chavan Auditorium, Y. B. Chavan Centre, Near Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021.	11.00 A.M.	Issue of equity shares on a preferential basis.
2008-2009	-	-	-	-
2009-2010	-	-	-	-

The above resolution which was put to vote by show of hands, was passed unanimously.

### POSTAL BALLOT :

During the Financial Year 2010-2011, the following special resolutions were passed by Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001

Financial Year	Date of passing of the resolution	Nature of the resolution Ordinary / Special	Particulars of the resolution	% of votes in favour of the resolution
2010-2011	September 28, 2010	<b>Special Resolution</b>	Making loan(s) / investment(s), giving guarantee(s) and providing security(ies) in excess of the limits prescribed under Section 372A.	99.99 %
		<b>Special Resolution</b>	Ratification of Corporate Guarantee for ₹ Three Hundred Crores given by the Company.	99.99 %
		<b>Special Resolution</b>	Ratification of Corporate Guarantee for ₹ Seventy Eight Crores given by the Company.	99.99 %

The Company followed a transparent postal ballot process, where all members on the Register as on August 13, 2010 were sent the draft resolutions together with the explanatory statements and a postal ballot form alongwith postage pre-paid business reply envelope. All replies received upto the close of working hours on September 25, 2010 were considered.

The Company had appointed Mr. Ashish Bhatt, practising Company Secretary, as the Scrutinizer for conducting the aforesaid Postal Ballot voting processes in a fair and transparent manner.

The results of the Postal Ballot were declared on September 28, 2010, which was taken as the date of passing of the resolutions. The results of the above Postal Ballot was published in the newspapers and also posted on the Company's website.

During the current year, no resolutions are proposed to be passed by Postal Ballot.

## 5. SUBSIDIARIES:

The Company does not have any material unlisted Indian Subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20 % of the consolidated turnover or net worth respectively, of the listed Holding Company and its Subsidiaries in the immediately preceding accounting year as defined under Clause 49 of the Listing Agreement. Hence, it is not mandatory to have an Independent Director of the Company on the Board of such Subsidiary Company.

The Company monitors the performance of its Subsidiaries, inter-alia by the following means :

- The minutes of the Board Meetings of the Subsidiary Companies are noted at the Board Meetings of the Company.
- The investments made by the Subsidiary Companies, financial statements, and working are reviewed by the Audit and Compliance Committee from time to time.
- Details of significant transactions and arrangements entered into by Subsidiary Companies are regularly placed at the Board Meetings of the Company.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### 6. CODE OF CONDUCT :

In order to further enhance the ethical and transparency process in conducting and managing the affairs of the Company based on best corporate governance practices, the Board of Directors has adopted Code of Business Conduct and Ethics for the Board of Directors and Senior Management of the Company. The said Code of Conduct has been posted on the Company's website – [www.ackruti.com](http://www.ackruti.com). All Board members and Senior Management personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2011. A declaration to this effect signed by the Managing Director is appended at the end of this report.

### 7. INSIDER TRADING :

#### **Code of Conduct for Prevention of Insider Trading :**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended, the Board of Directors of the Company has adopted the 'Ackruti Code of Conduct for Prevention of Insider Trading'. The Code is applicable to all Directors and Designated Employees and their dependants, who are expected to have access to unpublished price sensitive information relating to the Company. The rationale behind the Code is to prevent trading in shares of the Company by persons, who are in the management of the Company or are close to them on the basis of '**undisclosed price sensitive information**' about the Company, which they possess but is not available to others.

Mr. Chetan S. Mody - Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Regulations.

By its terms, all Directors and Designated Employees, etc. are restricted from dealing in the shares of the Company during 'restricted periods' notified by the Company from time to time. Further, the Directors and Designated Employees who buy and sell any number of shares of the Company are prohibited from entering into an opposite transaction i.e. sell or buy during the next six months following the prior transaction.

In compliance with the provisions of the said Code, all Directors and Designated Employees have disclosed their dealings, if any, in the shares of the Company including disclosures regarding changes in their shareholding during the financial year and position as at the end of the financial year. No Director or Designated Employee has taken positions in derivative transactions in the shares of the Company at any time during the year under review.

### 8. DISCLOSURES :

#### **a. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large :**

The Company has not entered into any other transaction of material nature with the Promoters, Directors or the Management, their Subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The Company's major related party transactions are generally with its subsidiaries, associates, joint ventures and partnership firms in which the Company is a partner. The related party transactions are entered into based on the consideration of various business exigencies and the Company's long term strategy. All transactions were carried out on normal commercial arms length basis and were not prejudicial to the interest of the Company.

Transactions with related parties entered into by the Company in the normal course of business are placed before the Audit and Compliance Committee. Details of related party transactions as per requirements of Accounting Standard - AS 18 - 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Note No. 2 in Schedule 'O' to the Accounts in the Annual Report. Except the transactions disclosed under the said note, there are no other significant related party transactions between the Company and the related parties.

The related party transactions have been reviewed by the Audit and Compliance Committee as required under Clause 49 of the Listing Agreement and found them to be not materially significant.

#### **b. Disclosure of Accounting Treatment :**

In the preparation of the financial statements, the Company follows the Accounting Standards prescribed by 'The Companies Accounting Standards Rules, 2006' and relevant provisions of the Companies Act, 1956 and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standard(s). The significant accounting policies which are consistently applied are set out in the Annexure to Notes to the Accounts.

#### **c. Risk Management :**

An analysis of the Company's risks covering business, finance, legal and regulatory and other risks as perceived by the management are being made and reviewed. The Audit and Compliance Committee of the Board is regularly informed about the business risks and steps taken to mitigate the same.

## CORPORATE GOVERNANCE REPORT (CONTD.)

**d. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges 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 the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

**e. Proceeds from Public Issue, Rights Issue, Preferential Issue, etc :**

During the year under review, the Company has not raised any capital by way of public issue or rights issue or preferential issue, etc.

**f. Disclosure by Senior Management to the Board :**

Senior Management personnel have confirmed that they have not entered into any material financial or commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large.

**g. Mandatory requirements :**

The Company is fully compliant with all the mandatory requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

**h. Non-mandatory requirements :**

**aa. Non-Executive Chairman's Office :**

The Chairman of the Company is an Executive Chairman and hence this provision is not applicable.

**bb. Tenure of Independent Directors :**

No maximum tenure for Independent Directors has been specifically determined by the Board.

**cc. Remuneration Committee:**

The Company has constituted a Remuneration Committee as detailed at Serial No.3 (II) hereinabove.

**dd. Shareholder Rights :**

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers as well as promptly displayed on the Company's website. The complete Annual Report is sent to every shareholder of the Company.

**ee. Audit Qualifications :**

Appropriate management explanations to the Auditors' observations made in their report have been provided in the Directors' Report

**ff. Training of Board Members :**

Comprehensive presentations are made on the business operations of the Company. The Board is fully briefed on all business related matters, risk assessment & minimization and new business initiatives proposed by the Company. The Directors are also briefed on changes/developments in the domestic corporate and industry scenario including those pertaining to statutes/legislation and economic environment to enable them to take informed decisions.

**gg. Mechanism for evaluating Non-Executive Directors :**

The members of the Board are professionals from diverse fields relevant to the business of the Company have extensive experience and expertise in their respective fields and contribute substantially towards decision making process. Non-Executive Directors add substantial value through the deliberations at the meetings of the Board and Committees thereof. Therefore, this non-mandatory requirement is not considered necessary.

**hh. Whistle Blower Policy :**

The Audit and Compliance Committee and the Board have adopted a Whistle Blower Policy and necessary mechanism has been put in place in line with Clause 49 of the Listing Agreement, for employees to make protective disclosures to the management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Company affirms that no employee of the Company has been denied access to the Audit and Compliance Committee.



## CORPORATE GOVERNANCE REPORT (CONTD.)

### 9. MEANS OF COMMUNICATION :

- (i) the main channel of communication to the shareholders is through Annual Report which includes inter-alia, the Directors' Report and Management Discussion and Analysis, Corporate Governance Report and Audited Financial Results;
- (ii) the Annual General Meeting of the Company is the principal forum for face-to-face communication with the shareholders;
- (iii) the unaudited quarterly financial results were approved and taken on record within forty-five days of the close of the relevant quarter and the audited financial results for the year ended March 31, 2011 were approved and taken on record within sixty days of the close of the financial year;
- (iv) The Company published the audited financial results for the financial year ended March 31, 2011 within the stipulated period of sixty days from the close of the financial year, as per the Listing Agreement, the unaudited financial results for the last quarter of the financial year were not published;
- (v) the approved financial results are forthwith sent to the Listed Stock Exchanges and are published in widely circulated national and local daily newspapers such as 'Free Press Journal' and 'Navshakti', within forty-eight hours of approval thereof. The same are not being sent to the shareholders separately;
- (vi) the Company also informs through intimation to the Stock Exchanges, all price sensitive information; and
- (vii) Management Discussion & Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

### 10. GENERAL SHAREHOLDER INFORMATION :

Detailed information in this regard is provided in the Section 'Shareholder Information' which forms part of this Annual Report.

### 11. COMPLIANCE CERTIFICATE OF THE AUDITORS :

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges and the same is annexed to and forms part of this Annual Report.

The Certificate from the Statutory Auditors will be sent to the Listed Stock Exchanges alongwith the Annual Return of the Company.

### 12. SHARE SUSPENSE ACCOUNT :

Pursuant to Clause 5A of the Listing Agreement, the status of the equity shares lying in the Suspense Account is given below :

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2010.	22	297
Number of shareholders who approached for transfer of shares from suspense account during the year 2010-2011.	1	15
Number of shareholders to whom shares were transferred from suspense account during the year 2010-2011.	1	15
Aggregate number of shareholders and the outstanding shares in the suspense account at the end of the year i.e. March 31, 2011.	21	282

The voting rights on these shares are frozen till the rightful owner of such shares claims the shares.

### 13. Website :

The Company's website [www.ackruti.com](http://www.ackruti.com) contains a separate dedicated section 'Investor Relations' which provides information to the shareholders on shareholding pattern as at the end of each quarter, the Chairman's speech, the quarterly unaudited and annual audited financial results, annual reports, code of business conduct and ethics, code of conduct for prevention of insider trading, in a user-friendly manner. This Section is regularly updated.

## **CORPORATE GOVERNANCE REPORT (CONTD.)**

### **Declaration by the Managing Director under Clause 49 of the Listing Agreements regarding compliance with Code of Business Conduct and Ethics**

In accordance with Clause 49 (ID) of the Listing Agreements with the Stock Exchanges, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with Ackruti City Limited Code of Business Conduct and Ethics, as applicable to them, for the Financial Year ended March 31, 2011.

For **Ackruti City Limited**

**Vyomesh M. Shah**  
Managing Director

Mumbai, May 30, 2011

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### **CERTIFICATION UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, we, the undersigned hereby certify that :

- a. we have reviewed the financial statements and the cash flow statement for the year ended March 31, 2011 and that to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading; and
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing generally accepted accounting standards, applicable laws and regulations.
- b. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2011 which are fraudulent, illegal or violative of the Company's Code of Conduct;
- c. we accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors of the Company and the Audit and Compliance Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies; and
- d. we have indicated to the Auditors and the Audit and Compliance Committee :
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies, made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - (iii) there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Ackruti City Limited**

**Vyomesh M. Shah**  
Managing Director

**Bharat Mody**  
Chief Finance Officer

**Auditors' Certificate on Clause 49 Compliance – Corporate Governance**

**To the Members of  
Ackruti City Limited**

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2011.

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 of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

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

For and on behalf of  
**Doshi Doshi & Associates**  
Firm Registration Number: 121773W  
Chartered Accountants

**Viral D. Doshi**  
Partner  
Membership No.: F - 105330

Mumbai: 30th May, 2011

For and on behalf of  
**Sudit K. Parekh & Co.**  
Firm Registration Number: 110512W  
Chartered Accountants

**Raman Jekhakar**  
Partner  
Membership Number: F - 103241

Mumbai: 30th May, 2011

## SHAREHOLDER INFORMATION

This Section inter-alia provides information to the shareholders pertaining to the Company, its shareholding pattern, means of dissemination of information, service standards, share price movement and such other information as required under the Listing Agreements.

### 1. Annual General Meeting:

Day : **Thursday**

Date : **August 11, 2011**

Time : **2.00 P.M.**

Venue : **M. C. Ghia Hall, 4<sup>th</sup> floor  
Bhogilal Hargovindas Building  
18/20 Kaikhushru Dubash Marg, Kala Ghoda  
Fort, Mumbai 400 001**

### 2. Financial Calendar for 2011-2012 (tentative and subject to change):

- Financial reporting for the Quarter ending June 30, 2011 : } within 45 days of
- Financial reporting for the Half Year ending September 30, 2011 : } the close of each
- Financial reporting for the Quarter ending December 31, 2011 : } reporting period.
- Financial reporting for the Year ending March 31, 2012 : within 60 days of the close of the financial year.

### 3. Date of Book Closure: August 1, 2011 to August 11, 2011 (both days inclusive).

### 4. Dividend Payment Date:

Credit / Dispatch on August 16, 2011.

### 5. (a) Registered Office :

Ackruti Trade Centre, 6<sup>th</sup> floor  
Road No. 7, Marol MIDC  
Andheri (East), Mumbai – 400 093  
Maharashtra.  
Phone : 022-67037400; 67037427 Fax : 022-28218230

(b) Web Site : [www.ackruti.com](http://www.ackruti.com)

### 6. Corporate Identity Number (CIN) :

The Company's CIN allotted by the Ministry of Corporate Affairs is **L45200MH1989PLC050688**.

### 7. Listing Fees to Stock Exchanges:

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Annual Listing Fees payable to BSE and NSE for the financial year 2011-2012 have been paid within the prescribed time limit.

### 8. Custodial Fees to Depositories :

The Company has paid custodial fees for the year 2011-2012 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by the respective depositories as on March 31, 2011.

### 9. Stock Code :

BSE – **532799**

NSE – **Ackruti EQ**

Demat International Securities Identification No. (ISIN) of Ackruti scrip on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) – **INE703H01016**.

Ackruti scrip constitutes a part of BSE Sensex 500 Index of Bombay Stock Exchange Limited.

ISIN for 12 % Secured Redeemable Non-convertible Debentures having face value of ₹1,00,000 per debenture aggregating ₹ 100 crores – **INE703H07021**.



## SHAREHOLDER INFORMATION (CONTD.)

### 10. Market Price Data during 2010-2011:

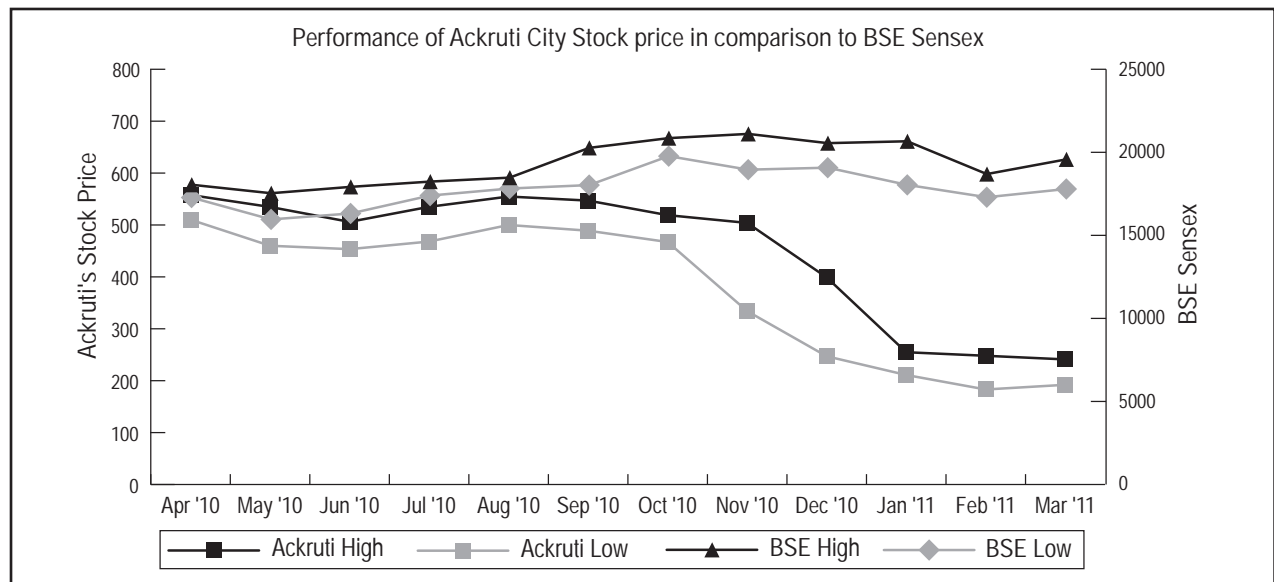
The monthly high and low price and the volume of shares traded on BSE and NSE during each month of the financial year from April 1, 2010 to March 31, 2011 are given below:

MONTH	BSE			NSE		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
April 2010	557.70	510.20	1250825	557.90	503.65	832586
May 2010	534.75	460.00	179836	534.90	455.30	275978
June 2010	506.00	453.45	914170	506.00	438.00	1342277
July 2010	535.00	468.10	1596498	535.00	465.00	2113522
August 2010	554.80	500.00	789653	554.40	510.05	1188761
September 2010	547.00	489.00	684594	550.00	489.00	930843
October 2010	518.95	467.20	820557	520.00	466.10	1224755
November 2010	504.00	334.00	1019061	512.55	321.20	3541395
December 2010	398.90	247.00	2636573	397.60	240.00	6378561
January 2011	254.85	211.00	343152	254.00	210.10	603370
February 2011	248.00	183.05	3513353	248.00	166.60	2817919
March 2011	241.00	192.10	1966097	240.80	185.70	2592362

### 11. Market Capitalisation :

	BSE	NSE
No. of shares traded	15714369	23842329
Highest Share Price (₹)	557.70	557.90
Lowest Share Price (₹)	183.05	166.60
Closing Share Price as on March 31, 2011 (₹)	224.95	226.40
Market Capitalisation as on March 31, 2011 (₹ in crores)	<b>1636.19</b>	<b>1646.74</b>

### 12. Stock Performance (Indexed) :



## SHAREHOLDER INFORMATION (CONTD.)

### 13. Registrar and Share Transfer Agent :

**Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound

L.B.S. Marg, Bhandup (West)

Mumbai – 400 078

Tel : 022- 2569 3838 : Fax : 022 - 2594 6969

Website : www.linkintime.co.in

Time : 10.00 a.m. to 1.00 p.m. and 1.30 p.m. to 5.00 p.m.

### 14. Share Transfer System :

The transfer of shares in physical form is processed and completed by R & T Agent – Link Intime India Private Limited within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Agreements with the Stock Exchanges, a Practising Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

The RTA attends to investor grievances in consultation with the Secretarial Department of your Company.

### 15. Distribution of shareholding size class as on March 31, 2011 :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	29063	97.81	1142530	1.57
501 - 1000	300	1.01	237352	0.33
1001 - 2000	118	0.40	178649	0.25
2001 - 3000	52	0.18	130915	0.18
3001 - 4000	20	0.07	70882	0.10
4001 - 5000	21	0.07	100266	0.14
5001 - 10000	39	0.13	267853	0.36
10001 - above	101	0.33	70607424	97.07
<b>TOTAL</b>	<b>29714</b>	<b>100</b>	<b>72735871</b>	<b>100</b>

### 16. Distribution of shareholding by ownership as on March 31, 2011 :

CATEGORY	No. of Shareholders	No. of shares held	% of Total
<b>A. Shareholding of Promoter and Promoter Group</b>			
<b>1. Indian</b>			
a. Individuals / Hindu Undivided Family	18	59400000	81.67
b. Bodies Corporate	2	600000	0.82
<b>Sub-Total (A) (1)</b>	<b>20</b>	<b>60000000</b>	<b>82.49</b>
<b>2. Foreign</b>	-	-	-
<b>Sub-Total (A) (2)</b>	-	-	-
<b>A Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)</b>	<b>20</b>	<b>60000000</b>	<b>82.49</b>
<b>B. Public Shareholding</b>			
<b>1. Institutions</b>			
a. Mutual Funds	1	5337	0.01
b. Financial Institutions / Banks	1	1360	0.00
c. Venture Capital Fund	1	500000	0.69
d. Insurance Companies	1	56937	0.08
e. Foreign Institutional Investors	13	1124614	1.55
<b>Sub-Total (B) (1)</b>	<b>17</b>	<b>1688248</b>	<b>2.32</b>



## SHAREHOLDER INFORMATION (CONTD.)

	CATEGORY	No. of Shareholders	No. of shares held	% of Total
<b>2.</b>	<b>Non-Institutions</b>			
a.	Bodies Corporate	600	6420422	8.83
b.	Resident Individuals			
i.	Individual shareholders holding nominal capital upto ₹ 1 lac	28578	1648225	2.27
ii.	Individual shareholders holding nominal capital in excess of ₹ 1 lac	26	2121551	2.92
c.	Trusts	7	91	0.00
c-i.	Non-Residents	250	620635	0.85
c-ii	Overseas Corporate Bodies	2	11	0.00
c-iii	Clearing Members	214	236688	0.33
<b>B</b>	<b>Sub-Total (B) (2)</b>	<b>29677</b>	<b>11047623</b>	<b>15.19</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>29694</b>	<b>12735871</b>	<b>17.51</b>
	<b>GRAND TOTAL (A) + (B)</b>	<b>29714</b>	<b>72735871</b>	<b>100</b>

### 17. Dematerialisation of shares and liquidity :

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2011, 7,15,35,870 equity shares constituting 98.35 % of the total share capital of the Company were held in dematerialized form.

#### Status of Dematerialisation as on March 31, 2011:

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL
National Securities Depository Limited	66565866	91.52
Central Depository Services (India) Limited	4970004	6.83
<b>TOTAL DEMATERIALIZED</b>	<b>71535870</b>	<b>98.35</b>
PHYSICAL	1200001	1.65
<b>GRAND TOTAL</b>	<b>72735871</b>	<b>100</b>

### 18. Outstanding GDRs / ADRs / Warrants / Convertible Instruments and their impact on Equity:

As on March 31, 2011, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

### 19. Address for Correspondence:

Physical Shares	Demat Shares
<p><b>Address :</b> Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai – 400 078</p> <p><b>E-mail :</b> chanda.valeja@linkintime.co.in</p>	Respective Depository Participants of the Shareholders

### 20. Exclusive E-mail ID for redressal of investor complaints

In terms of Clause 47 (f) of the Listing Agreement, the Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is **investorcell@ackrutcitiy.com**. Investors / Shareholders can send their complaints/grievances to the above e-mail ID and the same will be attended to by the Secretarial Department.

## SHAREHOLDER INFORMATION (CONTD.)

### 21. Electronic Clearing Service (ECS facility):

The Company uses 'Electronic Clearing Service' (ECS) facility for remitting dividend to its shareholders wherever available. In terms of a notification issued by Reserve Bank of India, with effect from October 1, 2009, remittance of dividend through ECS has been replaced by 'National Electronic Clearing Service' (NECS). Accordingly, Banks have moved to NECS platform. The advantage of NECS over ECS includes faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations.

NECS essentially operates on the new and unique bank account number, allotted by Banks post implementation of Core Banking Solutions (CBS) for centralised processing of inward instructions and efficiency in handling bulk transactions.

Those members who have not yet furnished either to their Depository Participants (in case of electronic shares) or the Registrar and Share Transfer Agent (in case of physical shares) their latest Bank Account Number allotted to them by their Banks after implementation of CBS, credit of dividend through NECS to their old Bank Account Number may either be rejected or returned by the banking system and physical dividend warrant in lieu of the same may be issued to the concerned members after such rejection.

In view of the above, members are requested to provide /update the new Bank Account Number allotted to them by their Banks together with the name of the Bank, Branch, 9 digit MICR Bank/Branch Code, account type alongwith a photocopy of a blank cheque leaf to their Depository Participants if the equity shares are held in electronic form and to the Registrar and Share Transfer Agent, Link Intime India Private Limited if the equity shares are held in physical form.

### 22. Nomination Facility:

Section 109A of the Companies Act, 1956 facilitates shareholders to make nominations in respect of shares held by them. Shareholders holding shares in physical form who are desirous of making a nomination are requested to send their requests in Form No. 2B to the Company's Registrar and Share Transfer Agent. Shareholders holding shares in electronic form are requested to give their nomination request to their respective Depository Participants directly.

Form No. 2B can be obtained from the Company's Registrar and Share Transfer Agent or downloaded from the Company's website: [www.ackrutcitiy.com](http://www.ackrutcitiy.com) under the Section 'Investor Relations'.

### 23. Secretarial Audit:

- In terms of Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates, on half yearly basis have been issued by a Company Secretary in whole-time practice for due compliance of share transfer formalities by the Company.
- As stipulated by SEBI, a qualified practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and the total number of shares in physical form.

### 24. General Information:

- A. In terms of the Regulations of NSDL and CDSL, the bank account details of Beneficial Owners of shares held in electronic form will be printed on the dividend warrants as furnished by the Depository Participants (DP). The Company will not entertain any request for change of bank details printed on their dividend warrants. In case of any changes in your bank details, please inform your DP immediately.
- B. Beneficial Owners of shares held in electronic form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their DP as the same are maintained by the DP. Members holding shares in physical form are requested to notify to the Company or the RTA, change in their address/pin code number and bank account details promptly by written request under the signature of sole/first joint holder.
- C. To prevent fraudulent encashment of dividend warrants, members are requested to provide their bank account details (if not provided earlier) to the Company or its RTA (if shares are held in physical form) or to DP (if shares are held in electronic form), as the case may be, for printing of the same on their dividend warrants.
- D. SEBI has made it mandatory in respect of securities market transactions and off market/private transactions involving transfer of shares in physical form of listed companies for the transferee(s) to furnish copy of PAN card to the Company/RTA for registration of transfer of such shares.
- E. SEBI has further clarified that it shall be mandatory to furnish a copy of PAN card in the following cases :
  - Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
  - Transmission of shares in favour of legal heir(s), where the deceased shareholder was the sole holder of shares.
  - Transposition of shares, when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

**Persons constituting group coming within the definition of "Group" for the purpose of Regulation 3(1) (e) (i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include the following:**

1. Camphor Mercantile LLP
2. Camwood Mercantile LLP





**ACKRUTI CITY**  
L I F E T I M E V A L U E

## **AUDITORS' REPORT TO THE MEMBERS OF ACKRUTI CITY LIMITED**

1. We have audited the attached Balance Sheet of **Ackruti City Limited** ("the Company"), as at 31st March, 2011, the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 misstatement. 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 by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 account, as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Doshi Doshi & Associates**  
Firm Registration Number: 121773W  
Chartered Accountants

**Viral D. Doshi**  
Partner  
Membership No.: F – 105330

**Mumbai: 30th May, 2011**

**For Sudit K. Parekh & Co.**  
Firm Registration Number: 110512W  
Chartered Accountants

**Raman Jolkhakar**  
Partner  
Membership Number: F – 103241

**Mumbai: 30th May, 2011**

## **ANNEXURE TO THE AUDITORS' REPORT**

### **REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF ACKRUTI CITY LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2011.**

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On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification was conducted during the year.  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has not granted / taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of properties / rights and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of undisputed Work Contract Tax, Income tax deducted at source and Service tax, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities;  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, other than the following;



## ANNEXURE TO THE AUDITORS' REPORT (CONTD.)

Statute and nature of dues	Financial Year	Amount not deposited (₹)	Forum where dispute is pending
Income Tax Act, 1961:			Commissioner of Income Tax (appeals)
Penalty	2000-01	3,031,840	
Penalty	2001-02	5,827,603	
Penalty	2002-03	6,183,986	
Penalty	2003-04	13,490,265	
Penalty	2004-05	20,049,665	
Penalty	2005-06	16,065,086	
Penalty	2006-07	26,375,205	
Income Tax	2007-08	489,846,345	
Income Tax	2008-09	26,967,390	
Service Tax Rules, 1994:			High Court (through Maharashtra Chamber of Housing Industry)
Service Tax	2010-11	29,268,756	

9. The Company has no accumulated losses as at 31st March, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
10. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
13. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
14. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
15. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
16. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
17. 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 during the year.
18. The Company has created security in respect of debentures issued and outstanding at the year-end.
19. The Company has not raised any money by public issues during the year.
20. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

The other clauses, (iii) (b), (iii) (c), (iii) (d), (iii) (e), (iii) (f), (iii) (g) and (viii) of paragraph 4 of the Order, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

**For Doshi Doshi & Associates**

Firm Registration Number: 121773W  
Chartered Accountants

**Viral D. Doshi**

Partner  
Membership No.: F – 105330

**Mumbai: 30th May, 2011**

**For Sudit K. Parekh & Co.**

Firm Registration Number: 110512W  
Chartered Accountants

**Raman Jokhakar**

Partner  
Membership Number: F – 103241

**Mumbai: 30th May, 2011**



**ACKRUTI CITY**  
LIFE TIME VALUE

## BALANCE SHEET As At 31st MARCH, 2011

	Schedule	31st March, 2011 (₹)	31st March, 2010 (₹)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	A	727,358,710	727,358,710
Reserves and Surplus	B	15,308,056,942	13,805,280,281
		<b>16,035,415,652</b>	14,532,638,991
<b>LOAN FUNDS</b>			
Secured Loans	C	13,255,674,874	8,234,326,856
Unsecured Loans		2,485,128,853	1,745,216,395
		<b>15,740,803,727</b>	9,979,543,251
<b>TOTAL</b>		<b>31,776,219,379</b>	24,512,182,242
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	D	827,521,050	240,537,021
Less: Depreciation and Amortisation		136,043,334	89,602,906
Net Block		691,477,716	150,934,115
Capital Work-in-progress		155,586,085	12,554,381
		<b>847,063,801</b>	163,488,496
<b>INVESTMENTS</b>			
<b>DEFERRED TAX ASSETS (NET) (Refer Note 6)</b>	E	<b>5,282,358,858</b>	5,011,703,664
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	F	<b>47,781,550</b>	51,052,223
Inventories		5,491,889,752	5,178,010,912
Sundry Debtors		1,506,988,516	787,040,665
Cash and Bank Balances		713,797,023	792,644,837
Other Current Assets		2,531,483,056	1,842,371,804
Loans and Advances		17,967,812,969	12,842,167,783
		<b>28,211,971,316</b>	21,442,236,001
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	G	2,396,729,698	1,414,654,881
Provisions		216,226,448	741,643,261
		<b>2,612,956,146</b>	2,156,298,142
<b>NET CURRENT ASSETS</b>		<b>25,599,015,170</b>	19,285,937,859
<b>TOTAL</b>		<b>31,776,219,379</b>	24,512,182,242
<b>Notes forming part of the Accounts</b>	O		

As per our report of even date

For and on behalf of  
**DOSHI DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

For and on behalf of  
**SUDIT K. PAREKH & CO.**  
Firm Registration No. 110512W  
Chartered Accountants

For and on behalf of the Board

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**VIRAL D. DOSHI**  
PARTNER  
Membership No. F-105330

**RAMAN JOKHAKAR**  
PARTNER  
Membership No. F-103241

**CHETAN MODY**  
COMPANY SECRETARY

**BHARAT MODY**  
CHIEF FINANCE  
OFFICER

MUMBAI  
Date: May 30, 2011

MUMBAI  
Date: May 30, 2011



**ACKRUTI CITY**  
LIFE TIME VALUE

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	Year ended 31st March, 2011 (₹)	Year ended 31st March, 2010 (₹)
<b>INCOME</b>			
Sales and Income from Operations	H	2,877,756,584	4,410,322,707
Share of Profit from Joint Ventures and Partnership Firms (Net)		1,381,617,637	409,879,334
Other Income	I	491,974,469	320,057,972
<b>TOTAL</b>		<b>4,751,348,690</b>	<b>5,140,260,013</b>
<b>EXPENDITURE</b>			
Cost of Construction / Development	J	1,812,576,077	2,980,395,928
(Increase) / Decrease in Inventories	K	(1,048,403,184)	(1,907,978,432)
Employment Cost	L	199,025,647	121,446,757
Administrative, Selling and Other Expenses	M	558,455,616	332,535,920
Interest and Finance Charges	N	1,624,575,889	1,196,845,849
Depreciation and Amortisation		48,391,126	31,068,826
<b>TOTAL</b>		<b>3,194,621,171</b>	<b>2,754,314,848</b>
<b>PROFIT BEFORE TAX</b>		<b>1,556,727,519</b>	<b>2,385,945,165</b>
Add / (Less): Provision for Taxation			
- Current Tax		(43,500,000)	(568,000,000)
- Deferred Tax (Charge)/Credit (Refer Note 6)		(3,270,673)	(52,652,154)
- Wealth Tax		(266,000)	(131,000)
<b>PROFIT FOR THE YEAR BEFORE PRIOR PERIOD ADJUSTMENTS</b>		<b>1,509,690,846</b>	<b>1,765,162,011</b>
Add / (Less) :			
Short Provision for Taxation in respect of earlier year		202,877,324	(27,528,407)
Prior Period Adjustments (Net) (Refer Note 13)		2,249,467	314,665
<b>NET PROFIT</b>		<b>1,714,817,637</b>	<b>1,737,948,269</b>
Add / (Less) :			
Balance brought forward from previous year		5,970,668,294	5,083,206,686
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>		<b>7,685,485,931</b>	<b>6,821,154,955</b>
<b>Appropriations :</b>			
Proposed Equity Dividend		181,839,678	363,679,355
Tax on Proposed Dividend		30,201,298	61,807,306
Debenture Redemption Reserve		747,500,000	250,000,000
General Reserve		189,000,000	175,000,000
<b>Balance carried to Balance Sheet</b>		<b>6,536,944,955</b>	<b>5,970,668,294</b>
<b>Earnings per Share of ₹ 10 each (Basic and Diluted) (Refer Note 14)</b>		<b>23.58</b>	<b>24.81</b>
<b>Notes forming part of the Accounts</b>		<b>O</b>	

As per our report of even date

For and on behalf of  
**DOSHI DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

For and on behalf of  
**SUDIT K. PAREKH & CO.**  
Firm Registration No. 110512W  
Chartered Accountants

For and on behalf of the Board

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**VIRAL D. DOSHI**  
PARTNER  
Membership No. F-105330

**RAMAN JOKHAKAR**  
PARTNER  
Membership No. F-103241

**CHETAN MODY**  
COMPANY SECRETARY

**BHARAT MODY**  
CHIEF FINANCE  
OFFICER

MUMBAI  
Date: May 30, 2011

MUMBAI  
Date: May 30, 2011



**ACKRUTI CITY**  
LIFE TIME VALUE

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	2010 - 2011		2009 - 2010	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES</b>				
Net Profit before tax as per Profit and Loss Account		1,556,727,519		2,385,945,165
<b>Add / (Less) :</b>				
Interest and Finance Charges	1,624,575,889		1,196,845,849	
Depreciation and Amortisation	48,391,126		31,068,826	
Provision for Doubtful Advances	20,195,376		5,300,000	
Provision for diminution in value of Investment	1,192,158		—	
Contractual Interest in projects executed through Subsidiaries, Joint Ventures, etc. amortised	47,038,015		82,487,214	
Project Expenses written off	162,667,672		9,747,946	
Prior Period Adjustments (Net)	2,249,467		314,665	
Advances and other debit balances written off	68,578		3,596,969	
Loss on liquidation of subsidiary	1,115,538		—	
Loss on sale / discardment of Fixed Assets (Net)	7,971,540		181,871	
Profit on sale of Long Term Investments	(267,822)		—	
Profit on sale of Current Term Investments	(1,032,225)		—	
Dividend from Current Investments	(2,427,172)		(2,099,280)	
Interest Income	(478,317,673)		(310,954,052)	
		<b>1,433,420,467</b>		<b>1,016,490,008</b>
Operating Profit Before Working Capital Changes		<b>2,990,147,986</b>		<b>3,402,435,173</b>
<b>Add / (Less) :</b>				
(Increase) / Decrease in Inventories	(313,878,840)		(1,851,795,951)	
(Increase) / Decrease in Trade and Other Receivables	(4,150,443,025)		593,373,121	
Increase / (Decrease) in Trade Payables	1,128,325,734		(500,684,114)	
Direct Taxes Paid	(308,304,306)		(456,622,033)	
		<b>(3,644,300,437)</b>		<b>(2,215,728,977)</b>
<b>Net Cash flow in the course of Operating Activities</b>		<b>(654,152,451)</b>		<b>1,186,706,196</b>
<b>II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES</b>				
<b>Inflow / (Outflow) on account of :</b>				
Dividend from Current Investments	2,427,172		2,099,280	
Interest Income	478,317,673		310,954,052	
(Increase) / Decrease in Loans and Advances (Including towards Share Application)	(2,925,834,613)		(2,279,260,191)	
Purchase of Fixed Assets (Net)	(739,937,971)		(30,323,538)	
Long term Investments (Net)	(520,651,466)		122,041,689	
Current Investments (Net)	248,988,623		(247,956,398)	
		<b>(3,456,690,582)</b>		<b>(2,122,445,106)</b>
<b>Net Cash flow in the course of Investing Activities</b>		<b>(3,456,690,582)</b>		<b>(2,122,445,106)</b>
<b>III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES</b>				
<b>Inflow / (Outflow) on account of :</b>				
Increase in Share Capital	—		60,358,710	
Increase in Secured Loans	4,962,944,838		277,383,250	
Decrease in Unsecured Loans	739,912,458		(260,764,940)	
Interest and Finance Charges Paid	(1,716,172,062)		(1,169,196,148)	
Dividend paid	(363,679,355)		(66,700,000)	
Tax on Dividend paid	(61,807,306)		(11,335,665)	
Securities Premium Received	—		2,963,612,661	
Share Issue Expenses	—		(139,031,439)	
		<b>3,561,198,573</b>		<b>1,654,326,429</b>
<b>Net Cash flow in the course of Investing Activities</b>		<b>3,561,198,573</b>		<b>1,654,326,429</b>
<b>Net Increase in Cash and Cash Equivalents ( I + II + III )</b>		<b>(549,644,460)</b>		<b>718,587,519</b>
<b>Add: Balance at the beginning of the year</b>		<b>734,364,597</b>		<b>15,777,078</b>
<b>Cash and Cash Equivalents at the end of the year</b>		<b>184,720,137</b>		<b>734,364,597</b>
Reconciliation of Cash and Bank Balances given in Schedule F is as follows :-				
Cash and Bank Balances		<b>713,797,023</b>		<b>792,644,837</b>
Less: Fixed Deposits earmarked		<b>529,076,886</b>		<b>58,280,240</b>
<b>Cash and Cash Equivalents at the end of the year</b>		<b>184,720,137</b>		<b>734,364,597</b>

As per our report of even date

For and on behalf of  
**DOSHI DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

For and on behalf of  
**SUDIT K. PAREKH & CO.**  
Firm Registration No. 110512W  
Chartered Accountants

For and on behalf of the Board

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**VIRAL D. DOSHI**  
PARTNER  
Membership No. F-105330

**RAMAN JOKHAKAR**  
PARTNER  
Membership No. F-103241

**CHETAN MODY**  
COMPANY SECRETARY

**BHARAT MODY**  
CHIEF FINANCE  
OFFICER

MUMBAI  
Date: May 30, 2011

MUMBAI  
Date: May 30, 2011



**ACKRUTI CITY**  
LIFE TIME VALUE

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	31st March, 2011 (₹)	31st March, 2010 (₹)
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
125,000,000 Equity Shares of ₹ 10/- each	1,250,000,000	1,250,000,000
	<u>1,250,000,000</u>	<u>1,250,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
72,735,871 (P.Y. 72,735,871) Equity Shares of ₹ 10/- each fully paid up (Of the above, 58,500,000 shares allotted as fully paid-up bonus shares, by way of capitalisation of General Reserve and Surplus in Profit and Loss Account.)	727,358,710	727,358,710
(During the previous year the Company issued 6,035,871 Equity Shares of ₹ 10/- each under Qualified Institutional Placement (QIP))		
<b>Per Balance Sheet</b>	<u>727,358,710</u>	<u>727,358,710</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
Securities Premium Account Balance as per last Account Add / (Less) : Received during the year (P.Y. On issue of 6,035,871 Equity Shares at a premium of ₹ 491/- each under QIP) Share Issue Expenses on QIP	6,071,611,987   — —	3,247,030,765   2,963,612,661 (139,031,439)
	<u>6,071,611,987</u>	<u>6,071,611,987</u>
Debenture Redemption Reserve Balance as per last Account Add / (Less) : Transferred from Profit and Loss Account Transferred to General Reserve	250,000,000  747,500,000 (250,000,000)	—  250,000,000 —
	<u>747,500,000</u>	<u>250,000,000</u>
General Reserve Balance as per last Account Add / (Less) : Transferred from Debenture Redemption Reserve Transferred from Profit and Loss Account	1,513,000,000  250,000,000 189,000,000	1,338,000,000  — 175,000,000
	<u>1,952,000,000</u>	<u>1,513,000,000</u>
Surplus in Profit and Loss Account	6,536,944,955	5,970,668,294
<b>Per Balance Sheet</b>	<u>15,308,056,942</u>	<u>13,805,280,281</u>



**ACKRUTI CITY**  
LIFE TIME VALUE

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE 'C'  
LOAN FUNDS**

**Secured Loans**

	31st March, 2011 (₹)	31st March, 2010 (₹)
a) Debentures (Refer Note 7) One Secured, Redeemable, Non-cumulative, Non-convertible Debenture of the face value of ₹ 100 crore (Part A - Face Value ₹ 90 Crore, Part B - Face Value of ₹ 10 Crore to be redeemed at the end of 48 months.) (Prepaid during the year) 1,000 Secured, Redeemable, Non-convertible Debentures of the face value of ₹ 1,000,000 each (Part A - 30% to be redeemed on 01-Jan-2012, Part B - 30% on 01-Apr-2012, remaining 40% on 12-June-2012) (Prepaid Part A ₹ 17.50 Crore during the year) 10,000 Secured, Redeemable Debentures of the face value of ₹ 100,000 each (Redeemable in three or lesser installments, within a period of 01-Sep-2012 to 01-Mar-2013, with a minimum installment of ₹ 15 Crore)	—  <b>825,000,000</b>  <b>1,000,000,000</b>	1,000,000,000  —  —
b) Loans from Banks (Refer Note 7) Interest accrued on above	<b>9,773,781,236</b> <b>55,727,837</b>	5,267,641,829 —
c) Loans from Financial Institutions (Refer Note 7)	<b>9,829,509,073</b> <b>978,650,001</b> <b>20,655,947</b>	5,267,641,829 1,621,478,942 72,062
d) Vehicle Loan from a company (Secured against Vehicles purchased there against)	<b>149,184,510</b>	—
e) Working Capital Loans from Banks (Refer Note 7)	<b>450,000,000</b> <b>2,675,343</b>	345,134,023 —
f) Loans from other companies (Refer Note 7) Interest accrued on above	<b>452,675,343</b>	345,134,023
<b>Per Balance Sheet</b>	<b>13,255,674,874</b>	8,234,326,856

**Unsecured Loans**

Fixed Deposits (Includes from a director ₹ 8,400,000/- (PY. ₹ 3,400,000/-))	<b>113,433,000</b>	91,008,000
Short Term Loans from Subsidiary Companies	—	18,431,923
Short Term Loans from Other Companies	<b>2,324,584,390</b> <b>47,111,463</b>	1,480,585,312 155,191,160
Loan from Others	<b>2,485,128,853</b>	1,745,216,395
<b>Per Balance Sheet</b>		

**Schedule 'D'  
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31st March, 2010	Additions/ Adjustments during the year	Deductions/ Adjustments	As at 31st March, 2011	Upto 31st March, 2010	Provided during the year	Deductions/ Adjustments	Upto 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
<b>A. Fixed Assets</b>										
Freehold Land	795,680	—	795,680	—	—	—	—	—	—	795,680
Leasehold Land*	—	364,290,000	—	<b>364,290,000</b>	—	6,088,134	—	<b>6,088,134</b>	<b>358,201,866</b>	—
Commercial Premises*	9,249,937	135,287,937	7,849,937	<b>136,687,937</b>	1,482,305	3,460,199	1,456,990	<b>3,485,514</b>	<b>133,202,423</b>	7,767,632
Mivan System	35,433,211	6,533,756	—	<b>41,966,967</b>	15,190,084	6,946,124	—	<b>22,136,208</b>	<b>19,830,759</b>	20,243,127
Generator	6,058,741	—	—	<b>6,058,741</b>	3,143,085	405,568	—	<b>3,548,653</b>	<b>2,510,088</b>	2,915,656
QC Laboratory	1,656,277	426,703	—	<b>2,082,980</b>	423,295	191,219	—	<b>614,514</b>	<b>1,468,466</b>	1,232,982
Computers	18,248,400	8,500,233	—	<b>26,748,633</b>	11,787,173	4,794,031	—	<b>16,581,204</b>	<b>10,167,429</b>	6,461,227
Office Equipment	10,732,590	5,279,316	1,257,609	<b>14,754,297</b>	3,313,637	1,250,193	194,492	<b>4,369,338</b>	<b>10,384,959</b>	7,418,953
Furniture and Fixtures	29,883,725	20,232,912	—	<b>50,116,637</b>	14,905,852	3,491,511	—	<b>18,397,363</b>	<b>31,719,274</b>	14,977,873
Vehicles	31,575,445	53,960,352	369,901	<b>85,165,896</b>	17,993,638	8,408,875	299,216	<b>26,103,297</b>	<b>59,062,599</b>	13,581,807
	<b>143,634,006</b>	<b>594,511,210</b>	<b>10,273,127</b>	<b>727,872,089</b>	<b>68,239,069</b>	<b>35,035,854</b>	<b>1,950,698</b>	<b>101,324,225</b>	<b>626,547,864</b>	<b>75,394,937</b>
<b>Assets for lease(@)</b>										
Leasehold Land	16,899,176	—	—	<b>16,899,176</b>	4,747,943	563,306	—	<b>5,311,249</b>	<b>11,587,927</b>	12,151,233
Commercial Premises\$	32,931,230	—	339,290	<b>32,591,940</b>	9,361,003	1,123,271	—	<b>10,484,274</b>	<b>22,107,666</b>	23,570,227
Furniture and Fixtures	3,557,054	—	—	<b>3,557,054</b>	1,954,726	290,021	—	<b>2,244,747</b>	<b>1,312,307</b>	1,602,328
	<b>53,387,460</b>	—	<b>339,290</b>	<b>53,048,170</b>	<b>16,063,672</b>	<b>1,976,598</b>	—	<b>18,040,270</b>	<b>35,007,900</b>	<b>37,323,788</b>
Intangible Assets	43,515,555	3,085,235	—	<b>46,600,790</b>	5,300,165	11,378,674	—	<b>16,678,839</b>	<b>29,921,951</b>	38,215,390
<b>GRAND TOTAL</b>	<b>240,537,021</b>	<b>597,596,445</b>	<b>10,612,417</b>	<b>827,521,050</b>	<b>89,602,906</b>	<b>48,391,126</b>	<b>1,950,698</b>	<b>136,043,334</b>	<b>691,477,716</b>	<b>150,934,115</b>
PREVIOUS YEAR	275,134,202	58,570,814	93,167,995	240,537,021	93,497,641	31,068,826	34,963,561	89,602,906	150,934,115	
<b>B. Capital Work-in-Progress*</b>									<b>155,586,085</b>	12,554,381

**Notes:**

@ Leased Premises (including Furniture and Fixtures in furnished premises and land acquired on lease) given under operating lease are held by the Company for sale in the ordinary course of business. These assets are disclosed under the Fixed Assets Schedule and depreciation is provided thereon only in pursuance of the requirement of Accounting Standard 19 - Leases (Refer Note 1 (V) (B)). No lease was in force as at 31st March, 2011.

\$ Includes cost of shares held in companies (including one subsidiary and an associate) aggregating to ₹ 765,510/- (PY. ₹ 1,104,800/-) carrying the occupancy rights in the premises.

\* Includes proportionate costs transferred from the profit and loss account for premises, etc. retained for own use from properties constructed for sale.





**ACKRUTI CITY**  
LIFE TIME VALUE

SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

**SCHEDULE 'E'**

**INVESTMENTS (Unquoted) (Trade, unless otherwise specified)**

**(A) Long term Investments (At Cost)**

**I) Subsidiary Companies (Fully paid Equity Shares)**

	31st March, 2011 (₹)	31st March, 2010 (₹)
a) 50,000 Equity Shares of ₹ 10/- each (PY. 50,000) <b>Adhivitiya Properties Limited</b>	500,000	500,000
b) 50,000 Equity Shares of ₹ 10/- each (PY. 50,000) <b>Diviniti Projects Private Limited</b> <b>(Formerly known as TDR Properties Private Limited)</b>	500,000	500,000
c) 50,000 Equity Shares of ₹ 10/- each (PY. 50,000) <b>Vama Housing Limited</b>	500,000	500,000
d) 50,000 Equity Shares of ₹ 10/- each (PY. 50,000) <b>Vishal Techno Commerce Limited</b>	500,000	500,000
e) 50,000 Equity Shares of ₹ 10/- each (PY. 50,000 ) <b>Arnav Gruh Limited</b>	500,000	500,000
f) 25,510 Equity Shares of ₹ 10/- each (PY. 25,510) <b>Vishal Nirman (India) Limited</b>	255,100	255,100
g) Current Year Nil (PY. 250,000) <b>E Commerce Magnum Solution Limited</b>	—	2,500,000
h) 50,000 Equity Shares of ₹ 10/- each (PY. 50,000) <b>Sheshan Housing &amp; Area Development Engineers Limited</b>	500,000	500,000
i) 4,405 Equity Shares of ₹ 100/- each (PY. 4,405) <b>Heef Builders Private Limited</b> <b>(Formerly known as Vaishnavi Builders &amp; Developers Private Limited)</b>	7,220,466	7,220,466
j) 30,000 Equity Shares of ₹ 10/- each (PY. 30,000) <b>Holiac Realty Limited</b>	300,000	300,000
k) 100,000 Equity Shares of ₹ 10/- each (PY. 100,000) <b>Halitious Warehousing Limited</b> <b>(Formerly known as Ackruti Warehousing Limited)</b>	60,000,000	60,000,000
l) 45,000 Equity Shares of ₹ 10/- each (PY. 45,000) <b>Devkrupa Build Tech Limited *</b>	450,000	450,000
m) 37,000 Equity Shares of ₹ 10/- each (PY. 37,000) <b>Gujarat Akruti-TCG Biotech Limited</b>	370,000	370,000
n) 10,000 (Class 'A') Equity Shares of ₹ 10/- each (PY. 10,000) <b>Pushpak Healthcare Services Private Limited</b>	154,750,000	154,750,000
o) Current Year Nil (PY. 1) <b>Akruti Middle East (FZE)</b>	—	1,774,425
p) 47,500 Equity Shares of ₹ 10/- each (PY. 47,500) <b>Urvi Build Tech Limited*</b>	475,000	475,000
q) 36,215 (Class 'A') Equity Shares of ₹ 10/- each (PY. 36,215) <b>Akruti Safeguard Systems Private Limited</b> <b>(Formerly known as Ackruti Security Plates Private Limited)</b>	7,243,000	7,243,000
	<b>7,243,000</b>	<b>7,243,000</b>
	<b>234,063,566</b>	<b>238,337,991</b>

c/f



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

		31st March, 2011 (₹)	31st March, 2010 (₹)
<b>SCHEDULE 'E' (Contd.)</b>			
	b/f	<b>234,063,566</b>	238,337,991
r)	20,000 Cumulative Convertible Preference Shares of ₹ 100/- each (P.Y. 20,000) <b>Ackruti Safeguard Systems Private Limited (Formerly known as Ackruti Security Plates Private Limited)</b>	<b>2,000,000</b>	2,000,000
s)	50,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Yantti Buildcon Private Limited</b>	<b>500,000</b>	100,000
t)	9,000 Equity Shares of ₹ 10/- each (P.Y. 9,000) <b>Upvan Lake Resorts Private Limited</b>	<b>90,000</b>	90,000
u)	50,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Jihant Housing Private Limited</b>	<b>500,000</b>	100,000
v)	50,000 Equity Shares of ₹ 10 /- each (P.Y. 10,000) <b>Superaction Realty Private Limited</b>	<b>500,000</b>	100,000
w)	50,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Nova Realty Private Limited</b>	<b>500,000</b>	100,000
x)	50,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Ackruti Campus of Research and Education Private Limited</b>	<b>500,000</b>	100,000
y)	10,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Headland Farming Private Limited (Formerly known as Ackruti City Farming Private Limited)</b>	<b>100,000</b>	100,000
z)	10,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Hedde Knowledge Private Limited (Formerly known as Ackruti City Knowledge Private Limited)</b>	<b>100,000</b>	100,000
aa)	10,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Heeler Hospitality Private Limited (Formerly known as Ackruti Guestline Private Limited)</b>	<b>100,000</b>	100,000
ab)	50,000 Equity Shares of ₹ 10/- each (P.Y. 50,000) <b>Citygold Education Research Limited</b>	<b>500,000</b>	500,000
ac)	10,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Citygold Farming Private Limited</b>	<b>100,000</b>	100,000
ad)	50,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Harmony Erectors Private Limited</b>	<b>500,000</b>	100,000
ae)	50,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Sunmist Builders Private Limited (Formerly known as Oracle Shelters Private Limited)</b>	<b>500,000</b>	100,000
af)	50,000 Equity Shares of ₹ 10/- each (P.Y. 50,000) <b>ABP Realty Advisors Private Limited</b>	<b>500,000</b>	500,000
ag)	50,000 Equity Shares of ₹ 10/- each (P.Y. 50,000) <b>India Development and Construction Venture Capital Private Limited</b>	<b>500,000</b>	500,000
ah)	10,000 Equity Shares of ₹ 10 each (P.Y. NIL) <b>Merrygold Buildcon Private Limited</b>	<b>100,000</b>	—
	c/f	<b>241,653,566</b>	243,027,991



**ACKRUTI CITY**  
LIFE TIME VALUE

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	31st March, 2011 (₹)	31st March, 2010 (₹)
<b>SCHEDULE 'E' (Contd.)</b>		
b/f	241,653,566	243,027,991
ai) 800 Equity Shares of ₹ 100 each (P.Y. NIL) <b>Vega Developers Private Limited (Formerly known as Pure Gold Developers Private Limited)</b>	80,000	—
aj) 50,000 Equity Shares of ₹ 10/- each (P.Y. Nil) <b>Ackruti City Magnum Limited</b>	500,000	—
	242,233,566	243,027,991
<b>II) Other Companies (Fully paid Shares / Debentures)</b>		
<b>1) Jointly Controlled Companies</b>		
a) 50,000 (Class 'A') Equity Shares of ₹ 10/- each (P.Y. Associates) <b>Ackruti City Bus Terminal (Mehsana) Private Limited</b>	500,000	—
b) 100,000 (Class 'C') Equity Shares of ₹ 10/- each (P.Y. Nil) <b>Ackruti City Bus Terminal (Mehsana) Private Limited</b>	62,900,000	—
c) 50,000 (Class 'A') Equity Shares of ₹ 10/- each (P.Y. Associate) <b>Ackruti City Bus Terminal (Vadodara) Private Limited</b>	500,000	—
d) 100,000 (Class 'C') Equity Shares of ₹ 10/- each (P.Y. Nil) <b>Ackruti City Bus Terminal (Vadodara) Private Limited</b>	19,900,000	—
e) 50,000 (Class 'A') Equity Shares of ₹ 10/- each (P.Y. Associates) <b>Ackruti City Bus Terminal (Adajan) Private Limited (Formerly a public limited company)</b>	500,000	—
f) 100,000 (Class 'C') Equity Shares of ₹ 10/- each (P.Y. Nil) <b>Ackruti City Bus Terminal (Adajan) Private Limited (Formerly a public limited company)</b>	47,900,000	—
g) 3,213 Equity Shares of ₹ 10/- each (P.Y. Associate) <b>Hoary Realty Limited (Formerly known as Chaitra Realty Limited)</b>	884,152,357	—
h) 2,666,619 (Class 'A') Equity Shares of ₹ 10/- each (P.Y. 2,666,619) <b>Rare Townships Private Limited (Formerly known as Infrastructure Ventures India Private Limited)</b>	660,350,500	660,350,500
i) 425,000 (Class 'B') Equity Shares of ₹ 10/- each (P.Y. Nil) <b>Rare Townships Private Limited (Formerly known as Infrastructure Ventures India Private Limited)</b>	10,000,000	—
j) 25,000 Equity Shares of ₹ 100/- each (P.Y. 25,000) <b>Joyous Housing Limited</b>	2,500,000	2,500,000
k) 659,997 Equity Shares of ₹ 10/- each (P.Y. 659,997) <b>DLF Ackruti Info Parks (Pune) Limited</b>	6,599,970	6,599,970
c/f	<u>1,695,802,827</u> 1,938,036,393	<u>669,450,470</u> 912,478,461



**ACKRUTI CITY**  
LIFE TIME VALUE

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE 'E' (Contd.)**

**2) Associate Companies**

	31st March, 2011 (₹)	31st March, 2010 (₹)
b/f	1,938,036,393	912,478,461
a) 25,000 Equity Shares of ₹ 10/- each (P.Y.25,000) <b>Ackruti City Bus Terminal (Surat) Private Limited</b> <b>(Formerly known as Multicity Bus Terminal (Surat) Private Limited)</b>	250,000	250,000
b) Current Year: Jointly Controlled Company (P.Y. 25,000 Equity Shares of ₹ 10/- each) <b>Ackruti City Bus Terminal (Mehsana) Private Limited</b>	—	250,000
c) Current Year: Jointly Controlled Company (P.Y. 25,000 Equity Shares of ₹ 10/- each) <b>Ackruti City Bus Terminal (Vadodara) Private Limited</b>	—	250,000
d) Current Year: Jointly Controlled Company (P.Y. 25,000 Equity Shares of ₹ 10/- each) <b>Ackruti City Bus Terminal (Adajan) Private Limited</b> <b>(Formerly a public limited company)</b>	—	250,000
e) 8,000 Equity Shares of ₹ 10/-each (P.Y. 8,000) <b>Pristine Developers Private Limited</b>	80,000	80,000
f) Current Year Jointly Controlled Company (P.Y. 3,203) <b>Hoary Realty Limited</b> <b>(Formerly known as Chaitra Realty Limited)</b>	—	883,316,289
g) 312,500 Equity Shares of ₹ 10/- each (P.Y 312,500) <b>Glamorous Properties Private Limited</b>	30,000,000	30,000,000
h) 129,000 Equity Shares of ₹ 10/- each (P.Y. 100,000) <b>Sunstream City Private Limited</b> <b>(Formerly known as Zeus Infrastructure Private Limited)</b>	1,290,000	1,000,000
i) 25,000 Equity Shares of ₹ 10/- each (P.Y. 25,000) <b>Whitebud Developers Limited</b> <b>(Formerly known as Agreeem Properties Limited)</b>	250,000	250,000
j) 4,997 Equity Shares of ₹ 10/- each (P.Y. 4,997) <b>Citywood Builders Private Limited</b> <b>(Formerly known as Shree Swami Samarth Developers Private Limited)</b>	49,970	49,970
k) 5,000 Equity Shares of ₹ 10/- each (P.Y. 5,000) <b>Harbinger Developers Private Limited</b>	50,000	50,000
l) Current Year Nil (P.Y. 20,000) <b>Buildbyte.Com. (India) Private Limited</b>	—	200,000
m) 5,000 Equity Shares of ₹ 10/- each (P.Y. Nil) <b>Bigcity Developers Private Limited</b> <b>(Formerly known as Nectar Developers Private Limited)</b>	50,000	—
n) 4,350 Equity Shares of ₹ 10 /- each (P.Y. 4,350) <b>Yellowcity Builders Private Limited</b>	43,500	43,500
o) 6,095 (Class 'A') Equity Shares of ₹ 10 /- each (P.Y. 6,095) <b>Vinca Developer Private Limited</b>	60,950	60,950
p) 275,000 Equity Shares of ₹ 10 /- each (P.Y. 275,000) <b>Comral Realty Private Limited</b> <b>(Formerly known as Kamla Shanti Realities Private Limited)</b>	2,771,038	2,771,038
q) 2,600 Equity Shares of ₹ 10 /- each (P.Y. 2,600) <b>Forefront Realty Private Limited</b>	26,000	26,000
r) 5,000 Equity Shares of ₹ 10/- each (P.Y. Nil) <b>Ackruti City Bus Terminal (Ahmedabad) Private Limited</b>	50,000	—
c/f	<b>34,971,458</b>	918,847,747
	<b>1,938,036,393</b>	912,478,461



**ACKRUTI CITY**  
LIFE TIME VALUE

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

SCHEDULE 'E' (Contd.)		31st March, 2011 (₹)	31st March, 2010 (₹)
	b/f	<b>34,971,458</b>	918,847,747
s)	7,862,595 (Class 'A') Equity Shares of ₹ 10 /- each (P.Y. Nil) <b>Joynest Premises Private Limited</b> <b>(Formerly known as Zeal Ventures Private Limited)</b>	<b>1,938,036,393</b>	912,478,461
t)	13,630 Equity Shares of ₹ 10/- each (P.Y. NIL) <b>Leading Work Properties Private Limited</b>	<b>78,750,320</b>	—
		<b>136,300</b>	—
		<b>113,858,078</b>	918,847,747
<b>3) Others</b>			
<b>(i) Fully paid Shares / Debentures : -</b>			
a)	240 Equity Shares of ₹ 100/- each (P.Y. 240 ) <b>Citygold Management Services Private Limited</b>	<b>24,000</b>	24,000
b)	6000 Class 'B' Equity Shares of ₹ 50/- each (P.Y. 6,000) <b>Hogmanay Niharika Buildings Limited</b> <b>(Formerly known as Akruti Niharika Buildings Limited)</b>	<b>300,000</b>	300,000
c)	1,882,353 Equity Shares of ₹ 10/- each (P.Y. 1,882,353 @ ₹ 9.46/- paid up) <b>City Corporation Limited</b>	<b>1,000,000,000</b>	896,000,000
d)	37,815 Equity Shares of ₹ 10/- each (P.Y. 37,815) <b>Janakalyan Sahakari Bank Limited</b>	<b>378,150</b>	378,150
e)	250,000 Optionally Convertible Debentures of ₹ 5,000/- each (P.Y. 250,000) <b>Giraffe Developers Private Limited</b> <b>(Formerly known as Netzone Developers Private Limited)</b>	<b>1,250,000,000</b>	1,250,000,000
f)	160,000 Optionally Convertible Debentures of ₹ 1,000/- each (P.Y. 80,000) <b>Pivotal Infrastructure Private Limited</b>	<b>160,000,000</b>	80,000,000
g)	31,910,000 Optionally Convertible Debentures of ₹ 10/- each (P.Y. Nil) <b>Asmeeta Infratech Private Limited</b>	<b>319,100,000</b>	—
		<b>2,729,802,150</b>	2,226,702,150
<b>III) Capital of Partnership Firms / Joint Ventures</b>		<b>500,854,395</b>	704,718,908
	Less: Provision for diminution in value of Investment	<b>1,192,158</b>	—
		<b>499,662,237</b>	704,718,908
<b>IV) Mutual Funds (Other than Trade)</b>			
	<b>Growth Option</b>		
	404.755 of ₹ 2,470.63 units of UTI Treasury Advantage Fund (P.Y. Nil) NAV: ₹ 1,005,490 per unit (P.Y. Nil)	<b>1,000,000</b>	—
	Current Year Nil (P.Y. 100,000 Units of Principal PNB Long Term Equity Fund of ₹ 10/- each (3 Year Plan)) NAV: C.Y. Nil (P.Y. ₹ 1,102,000/-)	—	1,000,000
	<b>Sub-total - Long Term</b>	<b>5,282,358,858</b>	4,763,747,266
	c/f	<b>5,282,358,858</b>	4,763,747,266



**ACKRUTI CITY**  
LIFE TIME VALUE

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE 'E' (Contd.)**

	31st March, 2011 (₹)	31st March, 2010 (₹)
b/f	5,282,358,858	4,763,747,266
<b>Current Investment (Other than trade) (At lower of cost and fair value) Mutual Fund (Units of ₹ 10 each) Dividend Option</b>		
Current Year Nil (P.Y. 829,403.905) Units of ICICI Prudential Flexible Income Plan Premium - Daily Dividend of ₹ 10/- each NAV: C.Y. Nil (P.Y. ₹ 87,697,023)	—	87,697,023
Current Year Nil (P.Y. 5,858,781.234) Units of Reliance Medium Term Fund- Daily Dividend of ₹ 10/- each NAV: C.Y. Nil (P.Y. ₹ 100,158,794)	—	100,158,794
Current Year Nil (P.Y. 6,005,974.074) Units of Birla Sunlife Savings Fund - Daily Dividend Reinvestment of ₹ 10/- each NAV : C.Y. Nil (P.Y. 60,100,581)	—	60,100,581
<b>Sub-total - Current</b>	—	247,956,398
<b>Per Balance Sheet</b>	<u><u>5,282,358,858</u></u>	<u><u>5,011,703,664</u></u>

\* Denotes that investments are covered by guarantee given by another Body Corporate.

**During the year the Company acquired and sold the following investments:**

**Particulars**

	Units (Nos.)	Acquisition Cost (₹)
<b>Mutual Funds (Units of ₹ 10 each, unless specified) Dividend Option</b>		
Birla Sun Life Saving Fund - Instl. - Daily Dividend - Reinvestment	14,970,807	150,000,000
Birla Sun Life Saving Fund - Instl. - Daily Dividend - Reinvestment	24,951,345	250,000,000
ICICI Prudential Flexible Income Plan Premium - Daily Dividend (₹ 100 each)	2,499,448	250,000,000
SBI PSU Fund Growth	3,000,000	30,000,000
Canara Robeco Liquid Super Instt Daily Div Reinvest Fund	94,480,358	950,000,000
SBI - Magnum Insta Cash Fund - Daily Dividend Option (₹ 10 each)	8,955,063	150,000,000
Birla Sun Life Cash Manager - IP - Daily Dividend - Reinvestment	34,931,883	350,000,000
Birla Sun Life Cash Manager - IP - Daily Dividend - Reinvestment Daily Dividend - Reinvestment	34,931,883	350,000,000



**ACKRUTI CITY**  
LIFE TIME VALUE

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	31st March, 2011 (₹)	31st March, 2010 (₹)
<b>SCHEDULE 'F'</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>INVENTORIES (Refer Note 1 (V))</b>		
<b>Stock-in-trade</b>		
Stock at site	29,001,163	—
Floor Space Index (FSI)	134,041,830	134,041,830
Incomplete Projects	5,328,846,759	5,041,067,948
Finished Properties	—	2,901,134
	<b>5,491,889,752</b>	<b>5,178,010,912</b>
<b>SUNDRY DEBTORS (Unsecured, Considered Good) (Refer Note 18)</b>		
Debts outstanding for a period exceeding six months	1,358,937,013	659,780,831
Other Debts	148,051,503	127,259,834
	<b>1,506,988,516</b>	<b>787,040,665</b>
<b>CASH AND BANK BALANCES</b>		
Cash on hand	1,068,246	1,275,231
Bank Balances with Scheduled Banks		
— In Current Accounts	138,441,733	617,570,720
— In Deposit Accounts (Including Interest accrued ₹ 5,953,191/-; P.Y. ₹ 2,226,173/-) (Fixed Deposit includes an amount of ₹ 56,084,619/- deposited with banks in respect of guarantees furnished for and on behalf of group concerns.)	101,294,777	115,518,646
— In Margin Money Accounts (Including Interest accrued ₹ 17,167,397/-; P.Y. ₹ 2,589,890/-) (Margin Money includes an amount of ₹ 470,952,631/- deposited with banks in respect of guarantees furnished for and on behalf of group concerns.)	472,992,267	58,280,240
	<b>712,728,777</b>	<b>791,369,606</b>
	<b>713,797,023</b>	<b>792,644,837</b>
<b>OTHER CURRENT ASSETS</b>		
Unbilled Revenue (Refer Note 1 (III))	2,111,656,462	1,516,283,106
Contractual Interests in Projects executed through Subsidiaries, Joint Ventures, etc. (Net of amounts recovered / Recoverable from Other Entities) (Refer Note 1 (VI))	419,826,594	295,779,283
Income Tax Refund	—	30,309,415
	<b>2,531,483,056</b>	<b>1,842,371,804</b>
<b>LOANS AND ADVANCES (Unsecured, Considered Good, unless otherwise specified (Refer Note 16))</b>		
Loans to Subsidiary Companies	2,711,822,091	1,852,466,140
Loans and Advances to entities (Other than Subsidiaries) for interest in projects and others		
Good	7,273,276,509	5,598,055,784
Doubtful	16,726,068	—
Less : Provision	(16,726,068)	—
	<b>7,273,276,509</b>	<b>5,598,055,784</b>
	<b>9,985,098,600</b>	<b>7,450,521,924</b>
c/f	<b>10,244,158,347</b>	<b>8,600,068,218</b>



**ACKRUTI CITY**  
LIFE TIME VALUE

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	31st March, 2011 (₹)	31st March, 2010 (₹)
<b>SCHEDULE 'F' (Contd.)</b>		
b/f	<b>9,985,098,600</b>	7,450,521,924
	<b>10,244,158,347</b>	8,600,068,218
Advances towards Share Application / Purchase of Shares in entities for interest in projects and others (Includes ₹ 491,755,905/-; (P.Y. ₹ 577,224,000/-) due from subsidiaries)	<b>1,475,666,579</b>	1,084,408,642
Advances against Land / Rights		
Good	<b>1,810,786,011</b>	1,935,067,246
Doubtful	<b>60,200,000</b>	60,200,000
Less : Provision	<b>(60,200,000)</b>	60,200,000
	<b>1,810,786,011</b>	1,935,067,246
Loans to Employees (Interest Free)	<b>66,995</b>	236,747
Advances Recoverable in Cash or in Kind or for Value to be Received (Includes ₹ 33,729,580/-; (P.Y. ₹ 463,485,464/-) due from subsidiaries)		
Good	<b>4,506,563,352</b>	2,371,804,145
Doubtful	<b>29,157,755</b>	25,688,447
Less : Provision	<b>(29,157,755)</b>	25,688,447
	<b>4,506,563,352</b>	2,371,804,145
Tax paid / Deducted at Source (Net of provision ₹ 451,035,745/-; P.Y. ₹ 5,722,396/-)	<b>189,631,432</b>	129,079
	<b>17,967,812,969</b>	12,842,167,783
<b>Per Balance Sheet</b>	<b>28,211,971,316</b>	21,442,236,001
<b>SCHEDULE 'G'</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors (Refer Note 17) (Includes ₹ 15,948,350/-; (P.Y. ₹ 14,559,219) due to Directors and ₹ 303,773/-; (P.Y. ₹ 8,202,361) due to Subsidiaries)	<b>986,412,575</b>	477,386,540
Advances from Customers (includes ₹ 30,00,000/- due to a Director; (P.Y. ₹ Nil))	<b>1,126,930,748</b>	517,665,398
Deposits from Customers	<b>637,995</b>	—
Overdrawn Bank balances as per books of account	<b>43,365,883</b>	67,890,798
Other Liabilities	<b>155,483,505</b>	117,813,800
Interest accrued but not due on Loans (Includes ₹ 186,181/-; (P.Y. ₹ Nil) due to a Director)	<b>83,898,992</b>	233,898,345
	<b>2,396,729,698</b>	1,414,654,881
<b>PROVISIONS</b>		
Income Tax (Net of Advance Tax ₹ 361,634,954/-; (P.Y. ₹ 998,604,776/-))	<b>17,913</b>	308,375,605
Fringe Benefit Tax (Net of Advance Tax ₹ Nil; (P.Y. ₹ 5,851,475))	<b>—</b>	—
Wealth Tax	<b>266,000</b>	131,000
Proposed Dividend	<b>181,839,678</b>	363,679,355
Tax on Proposed Dividend	<b>30,201,298</b>	61,807,306
Employee Benefits	<b>3,901,559</b>	7,649,995
	<b>216,226,448</b>	741,643,261
<b>Per Balance Sheet</b>	<b>2,612,956,146</b>	2,156,298,142





**ACKRUTI CITY**  
L I F E T I M E V A L U E

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE 'H'**

**SALES AND INCOME FROM OPERATIONS**

	Year Ended 31st March, 2011 (₹)	Year Ended 31st March, 2010 (₹)
Sale of Properties / Rights	2,853,364,060	4,344,660,757
Project management services	24,392,524	36,105,089
Income from premises given on lease	—	29,556,861
<b>Per Profit and Loss Account</b>	<b>2,877,756,584</b>	<b>4,410,322,707</b>

**SCHEDULE 'I'**

**OTHER INCOME**

Dividend from Current Investments	2,427,172	2,099,280
Interest (Gross, Tax Deducted at Source ₹ 13,354,630/-; (P.Y. ₹ 61,852,977/-)		
— Loans	399,596,607	303,567,121
— Bank Fixed Deposits	40,911,097	7,386,931
— Others	37,809,969	—
	<b>478,317,673</b>	<b>310,954,052</b>
Surplus on Sale of Long Term Investments (Net)	267,822	—
Surplus on Sale of Current Investments (Net)	1,032,225	—
Gain on Foreign Currency fluctuation (Net)	433,409	—
Provisions No Longer Required	—	500,000
Miscellaneous Income	9,496,168	6,504,640
<b>Per Profit and Loss Account</b>	<b>491,974,469</b>	<b>320,057,972</b>

**SCHEDULE 'J'**

**COST OF CONSTRUCTION / DEVELOPMENT**

Construction Costs incurred during the year (Refer Note 20)	1,816,379,093	2,924,213,447
Less : Transferred to Fixed Assets Schedule	3,803,016	—
Add : Written Down Value of Finished Properties transferred from Fixed Asset Schedule on sale of property (Refer Note 1 (V) (B))	—	56,182,481
<b>Per Profit and Loss Account</b>	<b>1,812,576,077</b>	<b>2,980,395,928</b>



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE 'K'  
(INCREASE) / DECREASE IN INVENTORIES**

**Opening Inventory :**

Floor Space Index (FSI)

Incomplete Projects

Finished Properties

Less: Project Expenses written off

Less: Transferred to Fixed Assets Schedule

**Closing Inventory :**

Floor Space Index (FSI)

Incomplete Projects

Finished Properties

**Per Profit and Loss Account**

**SCHEDULE 'L'**

**EMPLOYMENT COSTS (Refer Note 12)**

(Net of amounts recovered from other entities  
₹ 70,054,484/- (P.Y. ₹ 45,206,795/-))

Salaries, Bonus, etc.

Contribution to Provident and Other Funds

Staff Welfare Expenses

Other Fund Expenses

Less: Costs allocated to Contractual Interests in Projects executed  
through Subsidiaries, Joint Ventures, etc.

**Per Profit and Loss Account**

	Year Ended 31st March, 2011 (₹)	Year Ended 31st March, 2010 (₹)
	134,041,830	145,043,709
	5,041,067,948	3,091,547,080
	<u>2,901,134</u>	<u>33,441,691</u>
	5,178,010,912	3,270,032,480
	162,667,672	—
	<u>600,857,832</u>	<u>—</u>
	<b>4,414,485,408</b>	<b>3,270,032,480</b>
	134,041,830	134,041,830
	5,328,846,762	5,041,067,948
	<u>—</u>	<u>2,901,134</u>
	<b>5,462,888,592</b>	<b>5,178,010,912</b>
	<b>(1,048,403,184)</b>	<b>(1,907,978,432)</b>
	<u><u>254,729,164</u></u>	<u><u>169,217,777</u></u>
	<u><u>7,893,341</u></u>	<u><u>6,313,786</u></u>
	<u><u>4,003,228</u></u>	<u><u>5,138,285</u></u>
	<u><u>1,188,052</u></u>	<u><u>722,072</u></u>
	<b>267,813,785</b>	<b>181,391,920</b>
	<u><u>68,788,138</u></u>	<u><u>59,945,163</u></u>
	<b>199,025,647</b>	<b>121,446,757</b>



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**SCHEDULES 'A' TO 'O' FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE 'M'**

**ADMINISTRATIVE, SELLING AND OTHER EXPENSES**

(Net of amounts recovered from other entities  
₹ 19,978,548/- (P.Y. ₹ 12,967,024))

	Year Ended 31st March, 2011 (₹)	Year Ended 31st March, 2010 (₹)
Insurance	41,026,285	3,339,748
Rent	4,948,841	700,526
Rates and Taxes	10,814,186	4,120,937
Advertisement Expenses	70,712,761	47,567,514
Advance and Other Debit Balances Written Off	68,578	3,596,969
Donations	22,380,780	7,744,000
Brokerage	21,833,731	1,834,004
Directors' Fees and Travelling Expenses	4,268,461	1,853,888
Commission to Non-executive Directors	4,000,000	2,500,000
Provision for diminution in value of Investment	1,192,158	—
Provision for Doubtful Advances	20,195,376	5,800,000
Repairs and Society Maintenance Charges	36,471,381	13,361,699
Project Expenses Written Off / Amortised	162,667,672	9,747,946
Legal and Professional Fees	76,929,597	154,408,201
Cost allocable to project management services	47,038,015	82,487,214
Other Expenses	92,489,904	48,341,310
Loss on Foreign Currency fluctuation (Net)	—	16,029
Loss on Sale / Discardment of Fixed Assets (Net)	7,971,540	181,871
Loss on liquidation of subsidiary	1,115,538	—
	<u>626,124,804</u>	<u>387,601,856</u>
Less: Costs allocated to Contractual Interests in Projects executed through Subsidiaries, Joint Ventures, etc.	<u>67,669,188</u>	<u>55,065,936</u>
<b>Per Profit and Loss Account</b>	<u><u>558,455,616</u></u>	<u><u>332,535,920</u></u>

**SCHEDULE 'N'**

**INTEREST AND FINANCE CHARGES**

(Net of amounts recovered from other entities  
₹ 861,575,500/- (P.Y. ₹ 681,167,034))

Interest		
— Debentures	134,541,192	117,097,599
— Fixed Loans (Includes Interest on Fixed Deposit paid / payable to Managing and Whole time Director ₹ 206,812/- (P.Y. ₹ 6,087,205/-))	1,158,784,312	892,560,465
— Interest Others	166,066,829	105,999,880
	<u>1,459,392,333</u>	<u>1,115,657,944</u>
Loan Processing Fees and Other Finance Charges	178,848,128	91,493,917
	<u>1,638,240,461</u>	<u>1,207,151,861</u>
Less: Costs allocated to Contractual Interests in Projects executed through Subsidiaries, Joint Ventures, etc.	<u>13,664,572</u>	<u>10,306,012</u>
<b>Per Profit and Loss Account</b>	<u><u>1,624,575,889</u></u>	<u><u>1,196,845,849</u></u>

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

### SCHEDULE 'O'

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared and presented under the historical cost convention, in accordance with the accounting principles generally accepted in India and in accordance with the applicable Accounting Standards, Guidance Notes and the relevant provisions of the Companies Act, 1956.

##### II. USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

##### III. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured.

###### A. Revenue from Construction / Development Activity

- i. Revenue from sale of finished properties / buildings is recognized on transfer of property and once significant risks and rewards of ownership have been transferred to the buyer. Similarly, revenue from sale of Transferable Development Rights (TDR) is recognized on transfer of the rights to the buyer. Revenue recognition is postponed to the extent of significant uncertainty.
- ii. Revenue from sale of incomplete properties is recognized on the basis of percentage of completion method, subject to the actual cost incurred being atleast 25 % of the total estimated project cost involved and receipt of atleast 10% of the total sale consideration. Further, revenue recognized in the aforesaid manner and related costs are both restricted to 90% until the construction activity and related formalities are substantially completed. Costs relating to construction / development are charged to the Profit and Loss Account in proportion with the revenue recognized during the year. The balance costs are carried as part of 'Incomplete Projects' under inventories. Amounts receivable / payable are reflected as Debtors / Unbilled Receivables or Advances from Customers, respectively, after considering income recognized in the aforesaid manner. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfillment of obligations / conditions imposed on the Company by statutory authorities, is postponed till such obligations are substantially discharged.

Estimated costs of the project are based on the management's estimate of the cost to be incurred upto the completion of the project and include cost of land, Floor Space Index (FSI), materials, services and other expenses attributable to the projects. Cost of construction / development is charged to the profit and loss account in proportion with the revenue recognized during the year. Adjustments, if required, are made on completion of respective projects.

- iii. The sale proceeds of the Investments held in the Subsidiaries, Joint Ventures, etc. developing Real Estate Projects are included in real estate revenue, net of cost.

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

### B. Profit/ Loss from Partnership Firms / Association of Persons:

Share of Profit / Loss from Partnership Firms / Association of Persons (AOP) is accounted in respect of the financial year of the Firm / AOP, ending on or before the balance sheet date, on the basis of their audited / unaudited accounts, as the case may be.

### C. Income from Leased Premises:

Income from providing facilities / lease of premises is accrued over the period mentioned in the facility / leave and license agreement.

### D. Interest and Dividend:

Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the shareholders right to receive dividend is established by the Balance Sheet date.

### E. Others:

Other Revenues / Incomes and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred.

## IV. FIXED ASSETS AND DEPRECIATION / AMORTISATION

- A. Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment loss, if any. Attention is also invited to Accounting Policy No. (V) (B).
- B. Depreciation is provided on the written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition, or upto the date of such sale/disposal, as the case may be.
- C. Cost of Leasehold Land is amortised on a straight line basis, over the primary lease period.
- D. Cost of customized software is amortised on a straight line basis over a period of five years.

## V. INVENTORIES

All inventories are stated at Cost or Net Realizable Value, whichever is lower.

- A. 'Incomplete Projects' include cost of incomplete properties for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure for the year in which they are incurred unless they are separately identifiable and it is probable that the respective project will be obtained.
- B. Finished properties given under operating lease are disclosed under the Fixed Assets Schedule as Leased Assets. The costs transferred to the Fixed Assets Schedule are shown as deductions from the costs carried in opening inventory and construction costs incurred during the year. These assets (including Furniture and Fixtures in furnished properties and land acquired on lease) are depreciated / amortised as per the Accounting Policy given under Accounting Policy Nos. (IV) (B) and (IV) (C). Although the Company considers these assets as Inventories held for sale in the ordinary course of business, the disclosure under the Fixed Assets Schedule and provision for depreciation / amortisation is made to comply with the requirements of Accounting Standard 19 – Leases.

Cost included in inventory include costs incurred upto the completion of the project viz. cost of land / rights, value of FSI, materials, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

### VI. CONTRACTUAL INTERESTS IN PROJECTS EXECUTED THROUGH SUBSIDIARIES, JOINT VENTURES, ETC.

Costs incurred by the Company allocable / attributable for execution of development projects undertaken through its Subsidiaries, Joint Ventures, etc. are carried at Cost or Net Realisable Value, whichever is lower. Such costs, incurred for execution of these projects, net of recoveries made thereagainst, are carried as "Contractual interests in projects executed through Subsidiaries, Joint Ventures, etc." under Current Assets. The manner of allocation of costs to such projects and the basis / principles applicable for recognition of such costs are same as that of costs incurred for projects executed solely by the Company.

### VII. INVESTMENTS

Investments are classified into current and long term investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize decline, other than temporary, in the value of long term investments.

### VIII. EMPLOYEE BENEFITS

- A. **Short Term Employee Benefits** are recognised as an expense at the undiscounted amount in the Profit and Loss Account for the year in which the related service is rendered;
- B. **Post Employment Benefits:**
  - i. Defined contribution plans: Company's contribution to State governed Provident Fund Scheme is recognised during the year in which the related service is rendered;
  - ii. Defined benefit plans: The present value of the gratuity obligation is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. In the case of gratuity which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis;
- C. **Other Long Term Benefits** (leave entitlement) are recognized in a manner similar to defined benefit plans;
- D. **Termination Benefits** are recognised as an expense in the Profit and Loss Account for the year in which they are incurred.

### IX. BORROWING COSTS

Interests and other borrowing costs (including front end processing fees) attributable to qualifying assets (including projects undertaken for sale by the Company directly or through its Subsidiaries, Joint Ventures, etc.) are allocated as part of the cost of construction / development of such assets. The borrowing costs incurred during the period in which activities, necessary to prepare the assets for their intended use or sale, are in progress, are allocated as aforesaid. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. Other borrowing costs are charged to the Profit and Loss Account.

### X. SHARE ISSUE EXPENSES

Share issue expenses, if any, are first charged against available balance in the Securities Premium Account.



## **NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

### **XI. FOREIGN CURRENCY TRANSACTIONS**

- A. All transactions in foreign currency are recorded in the reporting currency, at the rates of exchange prevailing on the dates the relevant transactions take place.
- B. Monetary Assets and Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.

### **XII. SEGMENT REPORTING**

The Company is engaged in the business of Real Estate Development, which as per Accounting Standards AS-17- 'Segment Reporting' is considered to be the only reportable business segment. The Company is also operating within the same geographical segment. Hence, disclosures under AS-17 are not applicable.

### **XIII. TAXATION**

Income tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 for the relevant assessment year. Deferred Tax Adjustments comprising of deferred tax asset and deferred tax liability is calculated by applying tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.

### **XIV. IMPAIRMENT OF ASSETS**

The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

### **XV. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving a substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.



## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

### 2. RELATED PARTIES DISCLOSURES

#### A. NAMES OF RELATED PARTIES AND DESCRIPTION OF RELATIONSHIPS

##### I) SUBSIDIARIES

1. Adhivitiya Properties Limited
2. Halitious Warehousing Limited (Formerly known as Ackruti Warehousing Limited)
3. Arnav Gruh Limited
4. Devkrupa Build Tech Limited
5. Gujarat Akruti - TCG Biotech Limited
6. Holiac Realty Limited
7. Urvi Build Tech Limited
8. Sheshan Housing & Area Development Engineers Limited
9. Heet Builders Private Limited (Formerly known as Vaishnavi Builders & Developers Private Limited)
10. Vama Housing Limited
11. Vishal Nirman (India) Limited
12. Vishal Techno Commerce Limited
13. Ackruti Safeguard Systems Private Limited (Formerly known as Ackruti Security Plates Private Limited)
14. Ackruti Campus of Research and Education Private Limited
15. Headland Farming Private Limited (Formerly known as Ackruti City Farming Private Limited)
16. Heddle Knowledge Private Limited (Formerly known as Ackruti City Knowledge Private Limited)
17. Heeler Hospitality Private Limited (Formerly known as Ackruti Guestline Private Limited)
18. Citygold Education Research Limited
19. Citygold Farming Private Limited
20. Harmony Erectors Private Limited
21. Sunmist Builders Private Limited (Formerly known as Oracle Shelters Private Limited)
22. Nova Realty Private Limited
23. Jihant Housing Private Limited
24. ABP Realty Advisors Private Limited
25. India Development and Construction Venture Capital Private Limited
26. Superaction Realty Private Limited
27. Yantti Buildcon Private Limited
28. Upvan Lake Resorts Private Limited
29. Merrygold Buildcon Private Limited
30. Vega Developers Private Limited (Formerly known as Pure Gold Developers Private Limited)
31. Ackruti City Magnum Limited (w.e.f. F. Y. 2010-11)
32. Diviniti Projects Private Limited (Formerly known as TDR Properties Private Limited)
33. Ackruti Center Infotech Limited (Subsidiary upto the previous year)
34. Ackruti Middle East FZE (Subsidiary upto the previous year)
35. E Commerce Magnum Solution Limited (Subsidiary upto the previous year)
36. Pushpak Healthcare Services Private Limited





**ACKRUTI CITY**  
L I F E T I M E V A L U E

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

**II) ASSOCIATES, WHERE TRANSACTIONS HAVE TAKEN PLACE**

1. Ackruti City Bus Terminal (Ahmedabad) Private Limited (w.e.f. F. Y. 2010-11)
2. Ackruti City Bus Terminal (Surat) Private Limited
3. Buildbyte.Com. (India) Private Limited
4. Whitebud Developers Limited (Formerly known as Agreeem Properties Limited)
5. Forefront Realty Private Limited (Formerly known as V D Developers Private Limited)
6. Gallant Infotech Private Limited
7. Glamorous Properties Private Limited
8. Harbinger Developers Private Limited
9. Comral Realty Private Limited (Formerly known as Kamla Shanti Realties Private Limited)
10. Pristine Developers Private Limited
11. Citywood Builders Private Limited (Formerly known as Shree Swami Samarth Developers Private Limited)
12. Yellowcity Builders Private Limited
13. Sunstream City Private Limited (Formerly known as Zeus Infrastructure Private Limited)
14. Joynest Premises Private Limited (Formerly known as Zeal Ventures Private Limited)
15. Leading Work Properties Private Limited
16. Bigcity Developers Private Limited (Formerly known as Nectar Developers Private Limited)

**III) JOINTLY CONTROLLED ENTITIES**

1. Aarti Projects & Constructions
2. Akruti Forefront JV
3. Akruti GM JV
4. Akruti Jay Chandan JV
5. Ackruti Jay Developers
6. Akruti Kailash Constructions
7. Akruti Realty Forefront Combine
8. Akruti Steelfab Corporation
9. Hiranandani Akruti JV
10. Gandhi Adhivitiya Combine (Partner M/s. Adhivitiya Properties Limited, a wholly owned subsidiary of Ackruti City Limited)
11. Shreenath Realtors
12. Commercial Construction Corporation
13. DLF Ackruti Info Parks (Pune) Limited
14. Rare Townships Private Limited (Formerly known as Infrastructure Ventures India Private Limited )
15. Joyous Housing Limited
16. Akruti SMC JV (Co-venturer Arnav Gruh Limited, a Wholly Owned Subsidiary of Ackruti City Limited)
17. Hoary Realty Limited (Formerly known as Chaitra Realty Limited) (Associate during the previous year)
18. Ackruti City Bus Terminal (Vadodara) Private Limited (Associate during the previous year)
19. Ackruti City Bus Terminal (Mehsana) Private Limited (Associate during the previous year)
20. Ackruti City Bus Terminal (Adajan) Private Limited (Associate during the previous year)



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

**IV) (a) KEY MANAGEMENT PERSONNEL**

1. Mr. Hemant M. Shah (Executive Chairman)
2. Mr. Vyomesh M. Shah (Managing Director)
3. Mr. Madhukar B. Chobe (Wholetime Director)

**(b) RELATIVES OF KEY MANAGEMENT PERSONNEL (where transactions have taken place)**

1. Mrs. Kunjal H. Shah
2. Mrs. Falguni V. Shah
3. Mrs. Lata M. Shah
4. Mr. Rushank V. Shah
5. Mr. Khilen V. Shah
6. Master Kushal H. Shah
7. Hemant M. Shah HUF
8. Vyomesh M. Shah HUF
9. Mahipatray V. Shah HUF

**(c) ENTERPRISES WHERE KEY MANAGERIAL PERSONNEL OR THEIR RELATIVES EXERCISE SIGNIFICANT INFLUENCE (where transactions have taken place)**

1. Citygold Management Services Private Limited
2. Ackruti Safety Innovations Limited
3. Ackruti Salt Works Limited
4. Ichha Constructions Private Limited
5. Saicharan Consultancy Private Limited
6. Sanskriti Developers Private Limited

**Note: Related Party relationships are identified by the Company and relied upon by the auditors**



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

**B) Transactions with Related Parties:**

(₹)

Sr. No.	Nature of transaction	Subsidiary Companies	Associate Companies	Joint Ventures / Partnership Firms	Key Management Personnel, their Relatives and Enterprises
<b>i.</b>	<b>Loans and Advances received/ recovered/ adjusted</b>				
	Vishal Techno Commerce Limited	845,073,272 (658,450,000)	- (-)	- (-)	- (-)
	Citygold Farming Private Limited	21,000,000 (542,156,711)	- (-)	- (-)	- (-)
	DLF Ackruti Info Parks (Pune) Limited	- (-)	- (-)	- (850,859,869)	- (-)
	Akruti Jay Chandan JV	- (-)	- (-)	910,277,612 (218,808,759)	- (-)
	Ackruti Jay Developers	- (-)	- (-)	493,052,168 (529,000,000)	- (-)
	Ackruti City Bus Terminal (Mehsana) Private Limited	- (-)	- (-)	548,884,835 (-)	- (-)
	Others	608,388,712 (850,686,875)	135,944,296 (437,637,927)	974,816,538 (177,700,000)	82,593,474 (304,175,186)
<b>ii.</b>	<b>Loans and Advances given/ repaid/ adjusted</b>				
	Akruti Jay Chandan JV	- (-)	- (-)	953,637,100 (26,382,100)	- (-)
	Heddle Knowledge Private Limited (Formerly known as Ackruti City Knowledge Private Limited)	406,522,000 (576,110,050)	- (-)	- (-)	- (-)
	Sunstream City Private Limited (Formerly known as Zeus Infrastructure Private Limited)	- (-)	1,385,515,385 (2,289,780,000)	- (-)	- (-)
	Others	2,205,561,823 (1,407,054,395)	635,475,747 (559,726,349)	1,559,071,700 (352,730,661)	367,732,345 (490,125,560)
<b>II.</b>	<b>Interest received</b>				
	Sunstream City Private Limited (Formerly known as Zeus Infrastructure Private Limited)	- (-)	660,147,689 (222,560,174)	- (-)	- (-)
	Ackruti Jay Developers	- (-)	- (-)	53,335,915 (277,427,561)	- (-)
	Others	198,638,817 (450,041,547)	112,376,327 (120,307,169)	118,900,595 (251,333,757)	29,067,758 (14,269,191)
<b>II.</b>	<b>Interest paid</b>				
	Akruti Jay Chandan JV	- (-)	- (-)	44,240,711 (-)	- (-)
	Mr. Vyomesh M. Shah	- (-)	- (-)	- (-)	175,802 (2,088,329)
	Mr. Hemant M. Shah	- (-)	- (-)	- (-)	- (1,829,068)
	Mahitpatray V. Shah (HUF)	- (-)	- (-)	- (-)	782,250 (1,504,795)
	Others	- (1,090,917)	- (-)	4,104,301 (-)	3,601,904 (3,537,194)



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

**B) Transactions with Related Parties:**

(₹)

Sr. No.	Nature of transaction	Subsidiary Companies	Associate Companies	Joint Ventures / Partnership Firms	Key Management Personnel, their Relatives and Enterprises
<b>III.</b>	<b>Deposits received</b>				
	Mr. Vyomesh M. Shah	-	-	-	5,000,000 (-)
	Mr. Hemant M. Shah	-	-	-	-
	Mrs. Kunjal H. Shah	(-)	(-)	(-)	(2,000,000)
	Mrs. Falguni V. Shah	-	-	-	2,000,000
	Mrs. Lata M. Shah	(-)	(-)	(-)	(4,000,000)
	Mrs. Falguni V. Shah	-	-	-	8,000,000
	Mrs. Lata M. Shah	(-)	(-)	(-)	(-)
	Mrs. Lata M. Shah	-	-	-	5,000,000
	Mrs. Lata M. Shah	(-)	(-)	(-)	(1,500,000)
	Others	-	-	-	7,500,000
	Others	(-)	(-)	(-)	(3,500,000)
<b>IV.</b>	<b>Deposits repaid</b>				
	Mr. Khilen V. Shah	-	-	-	2,500,000
	Mr. Khilen V. Shah	(-)	(-)	(-)	(-)
	Mr. Vyomesh M. Shah	-	-	-	-
	Mr. Vyomesh M. Shah	(-)	(-)	(-)	(45,777,800)
	Mr. Hemant M. Shah	-	-	-	-
	Mr. Hemant M. Shah	(-)	(-)	(-)	(45,500,000)
	Hemant M. Shah (HUF)	-	-	-	-
	Hemant M. Shah (HUF)	(-)	(-)	(-)	(30,000,000)
	Others	-	-	-	-
	Others	(-)	(-)	(-)	(11,634,620)
<b>V.</b>	<b>Directors' Remuneration</b>				
	Mr. Hemant M. Shah	-	-	-	26,396,200
	Mr. Hemant M. Shah	(-)	(-)	(-)	(23,632,200)
	Mr. Vyomesh M. Shah	-	-	-	23,770,400
	Mr. Vyomesh M. Shah	(-)	(-)	(-)	(21,006,400)
	Mr. Madhukar B. Chobe	-	-	-	5,100,000
	Mr. Madhukar B. Chobe	(-)	(-)	(-)	(4,560,000)
<b>VI.</b>	<b>Investments made</b>				
	Joynest Premises Private Limited (Formerly known as Zeal Ventures Private Limited)	-	78,750,320	-	-
	Joynest Premises Private Limited (Formerly known as Zeal Ventures Private Limited)	(-)	(-)	(-)	(-)
	Akruti Chandan JV	-	-	-	-
	Akruti Chandan JV	(-)	(-)	(-)	(-)
	Akruti City Bus Terminal (Mehsana) Private Limited	-	-	63,150,000	-
	Akruti City Bus Terminal (Mehsana) Private Limited	(-)	(-)	(-)	(-)
	Akruti City Bus Terminal (Adajan) Private Limited	-	-	48,150,000	-
	Akruti City Bus Terminal (Adajan) Private Limited	(-)	(-)	(-)	(-)
	Akruti GM JV	-	-	26,255,000	-
	Akruti GM JV	(-)	(-)	(13,110,000)	(-)
	Citywood Builders Private Limited (Formerly known as Shree Swami Samarth Developers Private Limited)	-	-	-	-
	Citywood Builders Private Limited (Formerly known as Shree Swami Samarth Developers Private Limited)	(-)	(-)	(7,000,000)	(-)
	Halitious Warehousing Limited (Formerly known as Ackruti Warehousing Limited)	-	-	-	-
	Halitious Warehousing Limited (Formerly known as Ackruti Warehousing Limited)	(59,500,000)	(-)	(-)	(-)



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

**B) Transactions with Related Parties:**

(₹)

Sr. No.	Nature of transaction	Subsidiary Companies	Associate Companies	Joint Ventures / Partnership Firms	Key Management Personnel, their Relatives and Enterprises
	Others	3,480,000 (11,823,466)	526,300 (6,057,458)	31,136,068 (166,929,832)	- (-)
<b>VII.</b>	<b>Investments transferred/ withdrawn (At cost)</b>				
	Akruti Jay Chandan JV	- (-)	- (-)	230,269,515 (-)	- (-)
	Citywood Builders Private Limited (Formerly known as Shree Swami Samarth Developers Private Limited)	- (-)	- (-)	- (293,500,000)	- (-)
	Others	4,274,425 (-)	- (-)	- (-)	200,000 (-)
<b>VIII.</b>	<b>Advance against Share Application</b>				
	Vega Developers Private Limited (Formerly known as Pure Gold Developers Private Limited)	16,600,000 (-)	- (-)	- (-)	- (-)
	Rare Townships Private Limited (Formerly known as Infrastructure Ventures India Private Limited)	- (-)	- (-)	64,233,000 (-)	- (-)
	Jihant Housing Private Limited	- (-)	- (-)	- (120,000,000)	- (-)
	Heeler Hospitality Private Limited (Formerly known as Ackruti Guestline Private Limited)	- (-)	- (-)	- (670,000,000)	- (-)
	Others	31,473,597 (15,250,000)	10,000,000 (1,045,000)	- (-)	- (-)
<b>IX.</b>	<b>Advance against Share Application adjusted/refunded</b>				
	Heeler Hospitality Private Limited (Formerly known as Akruti Guestline Private Limited)	210,741,000 (432,100,000)	- (-)	- (-)	- (-)
	Jihant Housing Private Limited	18,000,000 (-)	- (-)	- (-)	- (-)
	Joynest Premises Private Limited (Formerly known as Zeal Ventures Private Limited)	- (-)	40,645,740 (-)	- (-)	- (-)
	Heddle Knowledge Private Limited (Formerly known as Ackruti City Knowledge Private Limited)	- (464,200,000)	- (-)	- (-)	- (-)
	Headland Farming Private Limited (Formerly known as Ackruti City Farming Private Limited)	- (192,197,000)	- (-)	- (-)	- (-)
	Citygold Farming Private Limited	- (239,100,000)	- (-)	- (-)	- (-)
	Others	10,289,390 (242,215,000)	- (-)	- (50,000,000)	- (850,000)
<b>X.</b>	<b>Services received/availed</b>				
	Citygold Management Services Private Limited	- (-)	- (-)	- (-)	89,801,848 (-)
	Akruti Center Infotech Limited	- (8,603,005)	- (-)	- (-)	- (-)
	Others	- (-)	946,012 (946,012)	- (-)	856,798 (5,240)



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

**B) Transactions with Related Parties:**

(₹)

Sr. No.	Nature of transaction	Subsidiary Companies	Associate Companies	Joint Ventures / Partnership Firms	Key Management Personnel, their Relatives and Enterprises
<b>XI.</b>	<b>Services Rendered</b>				
	Akruti Jay Chandan JV	-	-	11,360,995	-
		(-)	(-)	(-)	(-)
	DLF Ackruti Info Parks (Pune) Limited	-	-	9,552,435	-
		(-)	(-)	(30,455,615)	(-)
	Citygold Management Services Private Limited	-	-	-	-
		(-)	(-)	(-)	(26,977,174)
	Joyous Housing Limited	-	-	5,007,620	-
		(-)	(-)	(-)	(-)
	Others	-	-	-	-
		(-)	(-)	(5,649,474)	(509,900)
<b>XII.</b>	<b>Rent Received</b>				
	Citygold Management Services Private Limited	-	-	-	-
		(-)	(-)	(-)	(13,632,915)
<b>XIII.</b>	<b>Rent Paid</b>				
	Ichha Constructions Private Limited	-	-	-	-
		(-)	(-)	(-)	(502,710)
<b>XIV.</b>	<b>Purchase of TDR/Materials</b>				
	Akruti Steelfab Corporation	-	-	-	-
		(-)	(-)	(9,400,000)	(-)
	Others	-	-	-	-
		(38,605)	(398,001)	(-)	(1,400,000)
<b>XV.</b>	<b>On behalf payments (Including Reimbursement of Expenses)</b>				
	Sunstream City Private Limited (Formerly known as Zeus Infrastructure Private Limited)	-	599,861,019	-	-
		(-)	(4,141,034)	(-)	(-)
	Vishal Techno Commerce Limited	8,571,963	-	-	-
		(25,574,807)	(-)	(-)	(-)
	Pristine Developers Private Limited	-	-	-	-
		(-)	(20,175,457)	(-)	(-)
	Others	26,248,743	64,968,574	197,165,389	135,000
		(47,746,491)	(13,906,253)	(69,834,376)	(48,762)
	Security by way of shares in the Company Pledged against loans availed by the Company	-	-	-	-
		(-)	(-)	(-)	-
	Corporate Guarantees given for loans availed by others (net of guarantees vacated)	(930,000,000)	(780,000,000)	(271,514,000)	-
		-	-	-	-
	Corporate Guarantees vacated for loans availed by others (net of guarantees given)	-	-	-	-
		(-)	(-)	(-)	(-)
	<b>Share of profit from Partnerships/Joint Ventures</b>				
	Akruti Kailash Constructions	-	-	1,368,611,846	-
		(-)	(-)	(380,885,837)	(-)
	Akruti Chandan JV	-	-	8,817,841	-
		(-)	(-)	(47,030,187)	(-)
	Others	-	-	4,850,604	-
		(-)	(-)	(2,623,575)	(-)
	<b>Share of loss from Partnerships/Joint Ventures</b>				
	Akruti Forefront JV	-	-	-	-
		(-)	(-)	(20,468,352)	(-)
	Others	-	-	662,654	-
		(-)	(-)	(191,913)	(-)

# amounts not quantifiable since they fluctuate based on market price of the quoted shares



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

**B) Transactions with Related Parties:**

(₹)

Sr. No.	Nature of transaction	Subsidiary Companies	Associate Companies	Joint Ventures / Partnership Firms	Key Management Personnel, their Relatives and Enterprises
	<b>Advance received towards purchase of Flat</b>				
	Mr. Hemant M. Shah – Karta Hemant M. Shah (HUF)	-	-	-	3,000,000 (-)
	<b>Sale of Land</b>				
	Yantti Buildcon Private Limited	262,000 (-)	-	-	-
	<b>Purchase of Shares</b>				
	Vishal Nirman (India) Limited	836,068 (-)	-	-	-
	Mrs. Kunjal H. Shah	-	-	-	320,000 (-)
	Mrs. Falguni V. Shah	-	-	-	320,000 (-)
	Mrs. Lata M. Shah	-	-	-	320,000 (-)
	Mr. Khilen V. Shah	-	-	-	320,000 (-)
	Master Kushal H. Shah	-	-	-	320,000 (-)
	<b>Advance paid towards purchase of TDR</b>				
	Vinca Developer Private Limited	-	5,000,000 (-)	-	-
	<b>Advance receivable towards purchase of TDR</b>				
	Vinca Developer Private Limited	-	5,000,000 (-)	-	-
	<b>Balance Outstanding *</b>				
	<b>Receivable</b>				
	Sunstream City Private Limited (Formerly known as Zeus Infrastructure Private Limited)	-	4,875,781,210 (2,925,404,806)	-	-
	Akruti Kailash Constructions	-	-	2,004,696,463 (614,484,044)	-
	Others	3,237,307,576 (2,894,475,907)	1,167,689,875 (264,401,254)	1,039,024,353 (1,111,999,465)	246,280,111 (63,508,474)
	<b>Payable</b>				
	Akruti City Bus Terminal (Mehsana) Private Limited	-	-	190,541,339 (-)	-
	Akruti City Bus Terminal (Adajan) Private Limited	-	-	132,376,958 (-)	-
	Akruti City Bus Terminal (Vadodara) Private Limited	-	-	83,424,231 (-)	-
	Citygold Farming Private Limited	-	-	-	-
		(18,431,923)	(-)	(-)	(-)
	Comral Realty Private Limited (Formerly known as Kamla Shanti Realities Private Limited)	-	-	-	-
		(-)	(88,000,000)	(-)	(-)
	Others	303,773 (8,202,361)	1,236,967 (1,408,559)	15,152,794 (-)	78,802,899 (37,948,726)
	Guarantees / Securities Security by way of shares in the Company pledged against loans availed by the Company	-	-	-	Amount not quantifiable #
	Corporate Guarantees given for loans availed by others (amount outstanding thereagainst)	-	284,754,371 (780,000,000)	1,444,957,836 (1,740,147,681)	-

\* including balances relating to transactions entered when these were not related

# amounts not quantifiable since they fluctuate based on market price of the quoted shares



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

**1. DETAILS OF INVESTMENTS MADE IN CAPITAL OF PARTNERSHIP FIRMS AND JOINT VENTURES AS AT 31-03-2011 ARE AS UNDER:**

**A) PARTNERSHIP FIRMS**

**I) M/s. Aarti Projects & Constructions**

	<b>Name of the Partners</b>	<b>Share of Partner</b>	<b>Capital (₹)</b>
A)	Ackruti City Limited	33.00%	101,354
B)	Dilip Shingarpure	9.00%	27,642
C)	Surendra Sanas	33.00%	101,352
D)	Classic City Infopark Private Limited	25.00%	76,783
	<b>Total</b>	<b>100.00%</b>	<b>307,131</b>

**II) M/s. Ackruti Jay Developers**

	<b>Name of the Partners</b>	<b>Share of Partner</b>	<b>Capital (₹)</b>
A)	Ackruti City Limited	66.66%	246,750,001
B)	Hazel Erectors Limited	33.34%	2,400,000
	<b>Total</b>	<b>100.00%</b>	<b>249,150,001</b>

**III) M/s. Akruti Kailash Constructions**

	<b>Name of the Partners</b>	<b>Share of Partner</b>	<b>Capital (₹)</b>
A)	Ackruti City Limited	90.00%	50,000
B)	Ketan D. Shah	10.00%	7,500
	<b>Total</b>	<b>100.00%</b>	<b>57,500</b>

**IV) M/s. Akruti Steelfab Corporation**

	<b>Name of the Partners</b>	<b>Share of Partner</b>	<b>Capital (₹)</b>
A)	Ackruti City Limited	55.00%	2,878,736
B)	Steelfab Turnkey Projects Limited	45.00%	2,595,267
	<b>Total</b>	<b>100.00%</b>	<b>5,474,003</b>

**V) M/s. Commercial Construction Corporation**

	<b>Name of the Partner</b>	<b>Share of Partner</b>	<b>Capital (₹)</b>
A)	Eklavya Securities Private Limited	11.25 %	-
B)	Money Link Securities Private Limited	11.25 %	-
C)	Amal Finance Private Limited	5.00 %	-
D)	Mukesh M Doshi	12.50 %	-
E)	Mukesh M Doshi (HUF)	5.00 %	-
F)	Kaushal M Doshi	5.00 %	-
G)	Ackruti City Limited	50.00 %	-
	<b>Total</b>	<b>100.00%</b>	<b>-</b>





**ACKRUTI CITY**  
LIFE TIME VALUE

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

**VI) M/s. Shreenath Realtors**

	<b>Name of the Partner</b>	<b>Share of Partner</b>	<b>Capital (₹)</b>
A)	Ackruti City Limited	46.25%	77,500,000
B)	Farooq Y. Patel	10.41%	25,252,250
C)	Sailesh R. Mahimtura HUF	7.52%	8,626,625
D)	Hiten R. Mahimtura HUF	7.52%	8,876,625
E)	Dolbi Incon Private Limited	20.80%	86,743,784
F)	Vakratunda Housing Private Limited	7.50%	5,000,000
	<b>Total</b>	<b>100.00%</b>	<b>211,999,284</b>

**VII) M/s. Gandhi Adhivitiya Combine**

	<b>Name of the Partner</b>	<b>Share of Partner</b>	<b>Capital (₹)</b>
A)	Rajendra M Gandhi	10.00 %	675,000
B)	Ajitkumar M Gandhi	10.00 %	1,175,000
C)	Kirankumar M Gandhi	10.00 %	1,175,000
D)	Kiritkumar M Gandhi	10.00 %	1,175,000
E)	Adhivitiya Properties Limited (wholly owned subsidiary of Ackruti City Limited)	45.00 %	42,374,826
F)	Forefront Property Developers Private Limited	15.00 %	1,387,500
	<b>Total</b>	<b>100.00%</b>	<b>47,962,326</b>

**B) INTEREST IN JOINT VENTURES**

	<b>Name of the Joint Ventures</b>	<b>Share of Interest</b>
	<b>- In Association of Persons</b>	
i)	Akruti Jay Chandan JV	50.00 %
ii)	Akruti GM JV	50.00 %
iii)	Akruti Forefront JV	75.00 %
iv)	Hiranandani Akruti JV	55.00 %
v)	Akruti Realty Forefront Combine	90.00 %
vi)	Akruti SMC JV (Co-venturer Arnav Gruh Limited, a Wholly Owned Subsidiary of Ackruti City Limited)	50.00 %
	<b>- In Bodies Corporate</b>	
vii)	Joyous Housing Limited	25.00 %
viii)	Rare Townships Private Limited (formerly known as Infrastructure Ventures India Private Limited)	40.00 %
ix)	DLF Ackruti Info Parks (Pune) Limited	33.33 %
x)	Hoary Realty Limited (formerly known as Chaitra Realty Limited)	32.13%
xi)	Ackruti City Bus Terminal (Vadodara) Private Limited	50.00%
xii)	Ackruti City Bus Terminal (Mehsana) Private Limited	50.00%
xiii)	Ackruti City Bus Terminal (Adajan) Private Limited	50.00%



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

**C) INTEREST IN THE ASSETS, LIABILITIES, INCOME AND EXPENSES WITH RESPECT TO ENTITIES UNDER JOINT CONTROL AS AT 31ST MARCH, 2011**

(₹)

<b>A. Assets:</b>	<b>2010-2011</b>
a) Fixed Assets (Net Block)	1,267,651,444
Capital Work-in-Progress	853,463,261
b) Investments	7,579,321
c) Current Assets, Loans and Advances :	
Inventories	2,822,722,021
Sundry Debtors	2,069,132,616
Cash and Bank Balances	375,749,797
Other Current Assets	125,872,972
Loans and Advances	852,569,048
<b>B. Liabilities:</b>	
a) Loan Funds:	
Secured	1,545,383,755
Unsecured	1,440,197,557
b) Current Liabilities and Provisions:	
Current Liabilities	1,435,527,246
Provisions	8,294,792
c) Deferred Tax Liability (Net)	801,643
<b>C. Total Income</b>	
a) Total Revenue	2,100,759,586
b) Prior Period Adjustments (Net)	264,750
c) Excess Provision of Taxes in respect of earlier years written back	180,190,650
<b>D. Expenditure:</b>	
a) Cost of Construction / Development	993,386,835
b) (Increase)/Decrease in Inventories	(876,003,610)
c) Employment Cost	4,752,510
d) Administrative, Selling and Other Expenses	3,152,158
e) Interest and Finance Charges	467,055,726
f) Depreciation and Amortization	38,460,267
g) Current Year Tax Expenses (including deferred)	8,465,489

**4. LEASE RENTAL OBLIGATION IN RESPECT OF PREMISES TAKEN UNDER OPERATING LEASE:**

	As at 31-03-2011 (₹)	As at 31-03-2010 (₹)
Lease rental payable not later than one year	6,000,000	160,000
Later than one year but not later than five years	5,500,000	-
Later than five years	-	-



**ACKRUTI CITY**  
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**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

**5. LEASE RENTAL INCOME IN RESPECT OF PREMISES GIVEN UNDER OPERATING LEASE:**

	As at 31-03-2011 (₹)	As at 31-03-2010 (₹)
Lease rental receivable not later than one year	769,384	-
Later than one year but not later than five years	689,538	-
Later than five years	-	-

**6. DEFERRED TAXATION FOR THE YEAR ENDED 31ST MARCH, 2011:**

	As at 31-03-2010 (₹)	Charge / (Credit) during the year (₹)	As at 31-03-2011 (₹)
<b>Deferred Tax Liability / (Asset) on account of</b>			
i. Depreciation	(11,964,978)	5,811,500	(6,153,478)
ii. Expenses allowable for Tax Purpose in subsequent year(s)	(39,087,245)	(2,540,827)	(41,628,072)
iii. Net Deferred Tax Liability / (Asset)	(51,052,223)	3,270,673	(47,781,550)
Previous Year	(103,704,377)	52,652,154	(51,052,223)

**7. DETAILS OF SECURITY GIVEN AGAINST:**

SR	NAME OF THE LENDER	SECURITY OFFERED (Further secured by personal guarantee of one or more Directors)
1	State Bank of India	i. Pari Passu charge on proposed structures at Projects Solaris and Sunmist, Andheri (East). ii. Charge on all revenues/ receivables of the Projects at Solaris and Sunmist, Andheri (East) through Escrow Account. iii. First Charge over property at Mahalaxmi and Vedant, Sion. iv. Pledge of equity shares in the Company held by the Promoters and their family members.
2	Punjab National Bank	i. Mortgage over Projects at a) Mount Mary, Bandra b) Mayanagar, Worli c) Shankarwadi, Jogeshwari d) Akruti Gardenia, Mira Road; and ii. First charge by way of Escrow of receivables from above Projects.
3	UCO Bank	i. Registered Mortgage on land and structures thereto in respect of Projects at Majiwade, Thane (Projects-Ackruti Lakewoods, Ackruti Greenwoods) and in respect of Project at Telekar Road, Pune (Project Ackruti Countrywoods). ii. Registered Mortgage of Residential Sale Building and Property Rights at Shastri Nagar, Bandra (East), Mumbai.
4	ICICI Bank	i. Pari Passu charge on land and structures thereto at Projects Solaris and Sunmist, Andheri (East). ii. Charge on all revenues/ receivables of the Projects by way of Escrow.
5	Central Bank of India	First charge over Project land and structures thereto at J P Road, Andheri (West).
6	SICOM Limited	i. First pari passu charge on Unit 701 of 7th Floor at Ackruti Trade Centre at Andheri (East). ii. First charge by way of mortgage on agricultural land at Taluka Panvel, District Raigad. iii. Pledge of equity shares in the Company held by the Promoters and their family members.
7	ILMS Homepark Private Limited (Debentures)	i. Second ranking mortgage over Projects land and structures thereto at J. P. Road, Andheri (West). ii. Second Charge on all receivables and advances arising from such Project. iii. Exclusive charge over land situated at Village Mogra, Andheri.
8	Kotak Alternative Opportunities (India) Limited (Debentures)	i. First charge by way of mortgage on the immovable properties located at Harinagar & Shivajinagar, Village Mogra, Jogeshwari, (East), Mumbai. ii. Pledge of equity shares in the Company held by the Promoters and their family members.



**ACKRUTI CITY**  
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**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

SR	NAME OF THE LENDER	SECURITY OFFERED (Further secured by personal guarantee of one or more Directors)
9	Canara Bank (Overdraft)	Registered Mortgage of the office premises at Unit No. 301 at 3rd floor, Akruti Softech Park, Pocket No.7, Marol, MIDC.
10	Loans from Financial Institutions and other companies	Pledge of equity shares in the Company held by the Promoters.

**8. CONTINGENT LIABILITIES (NOT PROVIDED FOR):**

Sr. No.	Particulars	As at 31/03/2011 (₹)	As at 31/03/2010 (₹)
(A)	Claims against the Company, not acknowledged as debts on account of: -		
1	Income Tax matters under appeal Service Tax matter under appeal (Thru Maharashtra Chamber of Housing Industry)	607,837,385 29,268,756	- -
2	Demand notice issued by Brihanmumbai Municipal Corporation for Land Under Construction charges (property tax).	54,714,411	48,051,625
3	Petition filed against the Company, under the Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971, in relation to a Project.	-	5,000,000
4	Development Permission from Forest Department	15,622,000	15,622,000
(B)	On account of corporate guarantees issued by the Company to Bankers on behalf of other companies and joint ventures for facilities availed by them (amount outstanding thereagainst.)	7,129,712,206	9,332,850,075

**Note:**

Further interest / penalty that may accrue on original demands are not ascertainable, at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice, are not sustainable.

9. Estimated amount of contracts remaining to be executed on capital account, not provided for amount to ₹ 6,343,454 /- (net of advances) (Previous year : ₹ 3,749,648/-).

**10. VALUE OF PAYMENTS MADE IN FOREIGN EXCHANGE:**

(a) Value of imports on CIF basis :

Particulars	2010-2011	2009-2010

	(₹)	(₹)
Travelling Expenses	736,805	916,734
Professional / Architect fees	11,763,766	3,260,930
Recruitment Fees	774,591	254,207



**ACKRUTI CITY**  
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**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

**11. AUDITORS' REMUNERATION (INCLUDING SERVICE TAX):**

Particulars	2010-2011 (₹)	2009-2010 (₹)
Audit Fees	36,39,900	2,812,652
Tax Audit Fees	110,300	110,300
Certification and Other Matters	4,339,754	1,901,176
Fees for representation before Statutory Authorities	-	3,200,000
Certifying documents for Qualified Institutional Placement	-	1,555,442
Out-of-pocket expenses	170,400	29,681

**12. A) EMPLOYMENT COSTS INCLUDE MANAGERIAL REMUNERATION PAID / PAYABLE DURING THE YEAR, IN ACCORDANCE WITH THE PROVISIONS OF SECTIONS 198 / 349 OF THE COMPANIES ACT, 1956:**

Particulars	2010-2011 (₹)	2009-2010 (₹)
Salary, House Rent Allowance & Leave Travel Allowance	41,763,000	37,183,000
Contribution to Provident and Other Funds	2,613,600	2,325,600
Performance Incentives	10,890,000	9,690,000

The employee-wise break-up of liability on account of employee benefits based on actuarial valuation, is not ascertainable. The amounts relating to the Directors are therefore, not considered above.

**B) STATEMENT SHOWING THE COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 198 / 349 OF THE COMPANIES ACT, 1956.**

Particulars	2010-2011 (₹)	2009-2010 (₹)
Profit before Tax – per Profit and Loss Account	1,556,727,518	2,385,945,165
Add / (Less):		
Managerial Remuneration paid / provided	55,266,600	49,198,600
Directors' Sitting Fees and Commission	4,960,000	3,460,000
Surplus on sale of Long Term Investments (net)	(267,822)	-
Surplus on sale of Current Investments (net)	(1,032,225)	-
Diminution in value of Investments	1,192,158	-
Loss on cessation of subsidiary	1,115,538	-
Prior period adjustments (net)	2,249,467	314,665
Net Profit in accordance with Sections 198 (1) / 349	1,620,211,234	2,438,918,430
Commission to Non-Executive Directors not exceeding 1% of the annual net profit restricted to	4,000,000	2,500,000

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

**13. PRIOR PERIOD ADJUSTMENTS INCLUDE:**

	2010-2011 (₹)	2009-2010 (₹)
Debits relating to earlier years	6,189,595	101,811
Credits relating to earlier years	8,439,062	416,476
<b>Total</b>	<b>2,249,467</b>	<b>314,665</b>

**14. EARNINGS PER SHARE**

Particulars		2010-2011	2009-2010
Net Profit as per Profit and Loss Account available for Equity Shareholders	In ₹	1,714,817,636	1,737,948,269
Number of equity shares outstanding at the end of the year	In Nos.	72,735,871	72,735,871
Weighted average number of equity shares outstanding during the year	In Nos.	72,735,871	70,056,936
Earnings per Share of ₹10/- each (Basic and Diluted)	In ₹	23.58	24.81

**15. DISCLOSURE OF DERIVATIVES:**

- A. No derivative instruments were outstanding at the close of the year.  
 B. Uncovered risks in foreign currency transactions disclosed as at 31st March, 2011:

	USD	EURO	U.K. Pound	SG\$	DHRMS	AED
Cash on hand	4,570 (1,629)	110 (110)	667 (740)	165 (32)	400 (400)	200 (-)
Creditors	- (12,195)	- (-)	- (-)	- (25,200)	- (-)	87,860.56 (-)
Loans given	- (-)	- (-)	- (-)	- (-)	- (50,000)	- (-)
Advances to supplier	11,510.70 (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Previous year figures are given in brackets.

**16. (I) Loans and Advances in the nature of loans disclosed under Schedule 'F' include:**

A. LOANS TO SUBSIDIARY COMPANIES:

Sr. No.	Name of the Loanee	As at 31-03-2011 (₹)	Maximum Balance 2010-2011 (₹)	As at 31-03-2010 (₹)	Maximum Balance 2009-2010 (₹)
1	Adhivitiya Properties Limited	76,141,959	76,141,959	73,602,379	74,593,010
2	Akruti Middle East (FZE)	-	700,725	700,725	700,725
3	Halitious Warehousing Limited (Formerly known as Ackruti Warehousing Limited) *	213,955,000	213,955,000	99,745,113	22,4945,112
4	ABP Realty Advisors Private Limited	-	2,673,597	2,673,597	2,673,597
5	Heddle Knowledge Private Limited (Formerly known as Ackruti City Knowledge Private Limited) *	247,122,000	466,622,000	125,100,000	289,300,000

\* Interest free loan has been given to this wholly owned subsidiary.



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**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

Sr. No.	Name of the Loanee	As at 31-03-2011 (₹)	Maximum Balance 2010-2011 (₹)	As at 31-03-2010 (₹)	Maximum Balance 2009-2010 (₹)
6	Citygold Education Research Limited*	353,207,000	353,207,000	307,368,055	359,317,533
7	Arnav Gruh Limited	270,054,288	270,054,288	223,217,808	223,217,808
8	Devkrupa Build Tech Limited \$	323,154,687	323,154,687	241,005,152	241,016,179
9	Holiac Realty Limited	76,126,000	76,126,000	64,570,629	64,570,629
10	Diviniti Projects Private Limited (Formerly known as TDR Properties Private Limited)	-	449,425	99,425	99,425
11	Urvi Build Tech Limited \$	235,071,896	235,071,896	210,129,978	210,129,978
12	Heet Builders Private Limited (Formerly known as Vaishnavi Builders & Developers Private Limited)	118,986,214	118,986,214	77,825,057	77,825,057
13	Vama Housing Limited*	45,000,000	45,376,831	44,376,831	81,536,527
14	Vishal Nirman (India) Limited	-	1,110,000	3,548,009	3,548,009
15	Vishal Techno Commerce Limited	5,250,000	154,073,272	118,873,272	298,865,172
16	Superaction Realty Private Limited	3,208,211	3,208,211	608,211	608,211
17	Yanfti Buildcon Private Limited	147,397,915	147,397,915	2,255,148	97,455,148
18	Upvan Lake Resorts Private Limited	22,174,757	22,174,757	5,214,520	5,214,520
19	Ackruti Safeguard Systems Private Limited (Formerly known as Ackruti Security Plates Private Limited)	71,798,534	71,798,534	54,812,291	54,812,291
20	Ackruti Campus of Research & Education Private Limited	-	187,360	187,360	187,360
21	Headland Farming Private Limited (Formerly known as Ackruti City Farming Private Limited)*	104,219,000	256,383,820	194,783,820	194,783,820
22	Sunmist Builders Private Limited (Formerly known as Oracle Shelters Private Limited)*	2,237,060	2,237,060	137,060	137,060
23	Citygold Farming Private Limited*	395,126,923	399,126,923	-	-
24	Gujarat Akruiti-TCG Biotech Limited	-	4,500,000	-	-
25	Nova Realty Private Limited	-	25,000	-	-
26	Sheshan Housing & Area Development Engineers Limited	-	110,000	-	-
27	Harmony Erectors Private Limited	22,663	22,663	-	-
28	Merrygold Buildcon Private Limited* @	600,000	1,200,000	-	-
29	India Development and Construction Venture Capital Private Limited	590,600	590,600	520,352	520,352
30	Pushpak Healthcare Services Private Limited \$	377,384	382,372	332,498	332,957

Notes:

1. No shares are held by any Loanee in the Company.
2. \* Interest free loan has been given to this wholly owned subsidiary.
3. @ Subsidiaries w.e.f. F. Y. 2010-11.
4. \$ backed by corporate guarantees.



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**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

B. OTHER THAN SUBSIDIARY COMPANIES:

(a) ASSOCIATE COMPANIES:

Sr. No.	Name of the Loanee	As at 31-03-2011 (₹)	Maximum Balance 2010-2011 (₹)	As at 31-03-2010 (₹)	Maximum Balance 2009-2010 (₹)
1	Ackruti City Bus Terminal (Mehsana) Private Limited @	-	29,08,87,085	37,291,170	37,291,170
2	Ackruti City Bus Terminal (Vadodara) Private Limited @	-	10,39,45,524	16,847,625	16,847,625
3	Whitebud Developers Limited (Formerly known as Agreeem Properties Limited)	49,186,180	49,186,180	40,008,839	40,008,839
4	Joyous Housing Limited@	81,253,001	81,453,001	-	-
5	Pristine Developers Private Limited	4,168,840	4,168,840	483,049	75,915,793
6	Sunstream City Private Limited (Formerly known as Zeus Infrastructure Private Limited)	4,071,475,000	4,475,959,615	2,730,959,615	2,730,959,615
7	Yellowcity Builders Private Limited	-	10,000,000	10,000,000	10,000,000
8	Ackruti City Bus Terminal (Adajan) Private Limited @	-	199,763,030	26,055,563	28,184,288
9	Ackruti City Bus Terminal (Surat) Private Limited	12,177,035	12,177,035	9,814,624	9,814,624
10	Citywood Builders Private Limited (Formerly known as Shree Swami Samarth Developers Private Limited)	426,862,869	439,922,869	319,181,978	319,181,978
11	Joynest Premises Private Limited (Formerly known as Zeal Ventures Private Limited)	17,404,100	19,705,040	-	-
12	Ackruti Bus Terminal (Ahmedabad) Private Limited	246,253,212	246,253,212	-	-
13	Comral Realty Private Limited (Formerly known as Kamla Shanti Realities Private Limited)	171,971,198	171,971,198	-	-
14	Hoary Realty Limited (formerly known as Chaitra Realty Limited)	72,955,019	72,965,019	33,310,891	185,450,565

Notes:

1. No shares are held by any Loanee in the Company.
2. \$ Associate w.e.f. F.Y. 2010-11
3. @Jointly controlled entities w.e.f. F.Y.2010-11
4. \*Interest free loans





**ACKRUTI CITY**  
LIFE TIME VALUE

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

**C Partnerships and Others**

Sr. No.	Name of the Loanee	As at 31-03-2011 (₹)	Maximum Balance 2010-2011 (₹)	As at 31-03-2010 (₹)	Maximum Balance 2009-2010 (₹)
1	Aarti Project & Constructions \$	72,987,000	78,015,000	42,765,000	42,765,000
2	Akruti Kailash Constructions \$	125,120,782	287,482,905	223,982,906	485,039,681
3	Akruti Steelfab Corporation *\$	-	3,690,301	3,690,301	3,744,306
4	Ackruti Jay Developers \$	-	200,249,177	45,675,461	550,922,861
5	Shreenath Realtors \$	117,631,250	117,631,250	63,831,250	63,831,250
6	Commercial Construction Corporation \$	73,912,962	73,912,962	59,957,411	59,957,411
	<b>Total (Firms)</b>	<b>389,651,994</b>		<b>439,902,329</b>	
1	Ackruti Citygold Institute*	-	2,521,000	1,738,000	1,738,000
2	Kanan Investment & Properties Private Limited*	-	-	-	500,000
3	Namdeo P. Gadkari*	2,000,000	2,000,000	2,000,000	2,000,000
	<b>Total (others)</b>	<b>2,000,000</b>		<b>3,738,000</b>	

Note:

1. No shares are held by any Loanee in the Company.
  2. \* Interest free loans.
  3. \$ Partnership Firms in which company is a partner.
17. (a) 'Sundry Creditors' in Schedule 'G' to the Accounts include (i) ₹ 459,509/- (PY.- ₹ Nil) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) ₹ 985,953,066/- (PY.- ₹ 477,386,540/-) due to other creditors.
- (b) No interest was paid / payable to micro or small enterprises during the year.
- (c) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.
18. "Sundry Debtors" as at 31<sup>st</sup> March, 2011, include ₹ 51.81 Crore (₹ 61.24 Crore as at 31.03.2010), due from two customers who had during an earlier year, requested the Company for extending the credit period originally granted in their respective sale agreements. The Parties had affirmed to remain committed to the consideration originally agreed to and have, during the current year, discharged a part of the total outstanding debt. These Parties have requested the management for further extension upto 30<sup>th</sup> September, 2011. Based on the above, the management considers the debt to be good and fully recoverable as at the balance sheet date.
19. An amount of ₹ 7,252,195/- (PY. - ₹ 7,229,718/-) as contribution towards defined contribution plan is recognised as expense in the Profit and Loss Account.

The disclosures in respect of the Defined Benefit Gratuity Plan (to the extent of information made available by LIC) are given below:

	2010-2011 (₹)	2009-2010 (₹)
<b>Change in present value of obligation :</b>		
Obligation at beginning of the year	13,905,048	18,645,622
Current Service Cost	3,991,877	3,146,622
Interest Cost	1,110,221	1,436,114
Actuarial (Gain) / Loss	(889,622)	(9,093,068)
Benefits paid	(54,565)	(230,242)
Obligation at the end of the year	18,062,959	13,905,048



**ACKRUTI CITY**  
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**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

	2010-2011 (₹)	2009-2010 (₹)
<b>Change in Plan Assets :</b>		
Fair value of Plan Assets at beginning of the year	10,996,297	2,676,423
Expected return on Plan Assets	1,199,200	608,900
Actuarial Gain / (Loss)	(123,596)	(245,494)
Contributions	3,991,354	8,186,710
Benefits paid	(54,565)	(230,242)
Fair Value of Plan Assets at end of the year	16,008,690	10,996,297
<b>Reconciliation of present value of the obligation and the fair value of Plan Assets and amounts recognized in the Balance Sheet:</b>		
Present value of the obligation at the end of the year	18,062,959	13,905,048
Fair Value of Plan Assets at the end of the year	16,008,690	10,996,297
Net Liability recognized in the Balance Sheet	(2,054,269)	(2,908,751)
<b>Gratuity cost recognised for the year :</b>		
Current Service Cost	3,991,877	3,146,622
Interest Cost	1,110,221	1,436,114
Expected return on Plan Assets	(1,199,200)	(608,900)
Actuarial (Gain) / Loss	(766,026)	(8,847,574)
Net Gratuity cost	3,136,872	(4,873,738)

<b>Assumptions:</b>	<b>2010-2011</b>	<b>2009-2010</b>	<b>2008-2009</b>	<b>2007-2008</b>
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount Rate	8.30%	8.00%	7.75%	8.00%
Rate of Increase in compensation	5.00%	5.00%	5.00%	3.00%
Withdrawal Plan	3.00%	3.00%	3.00%	3.00%
Present value of Obligations (₹)	18,062,959	13,905,048	18,645,622	5,372,657
Fair Value of Plan Assets (₹)	16,008,690	10,996,297	2,676,423	1,819,974
Surplus or (Deficit) in the Plan (₹)	(2,054,269)	(2,908,751)	(15,969,199)	(3,552,683)

\* The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.



**ACKRUTI CITY**  
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**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

20. Costs of construction/development includes:

<b>Nature of expenditure</b>	<b>2010-2011</b> (₹)	<b>2009-2010</b> (₹)
Land / Rights Acquired	436,602,195	1,636,049,912
Material and Labour Costs	925,857,731	690,456,102
Approval and Consultation Expenses	244,555,617	354,603,264
Other Direct Development Expenses	209,363,550	243,104,169
<b>Total</b>	<b>1,816,379,093</b>	<b>2,924,213,447</b>

21. Previous year's figures have been regrouped / recast wherever necessary.

As per our report of even date

For and on behalf of  
**DOSHI DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

For and on behalf of  
**SUDIT K. PAREKH & CO.**  
Firm Registration No. 110512W  
Chartered Accountants

For and on behalf of the Board

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**VIRAL D. DOSHI**  
PARTNER  
Membership No. F-105330

**RAMAN JOKHAKAR**  
PARTNER  
Membership No. F-103241

**CHETAN MODY**  
COMPANY SECRETARY

**BHARAT MODY**  
CHIEF FINANCE  
OFFICER

MUMBAI  
Date: May 30, 2011

MUMBAI  
Date: May 30, 2011



**ACKRUTI CITY**  
LIFE TIME VALUE

# CONSOLIDATED ACCOUNTS

## CONSOLIDATED AUDITORS' REPORT

### Auditors' Report on the Consolidated Financial Statements of Ackruti City Limited.

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The Board of Directors of Ackruti City Limited

1. We have audited the attached Consolidated Balance Sheet of Ackruti City Limited (the "Company") and its subsidiaries, its jointly controlled entities and associates; hereinafter referred to as the "Group" (refer Note 1 (III) and (IV) of Schedule 'O' to the attached consolidated financial statements) as at 31st March, 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 misstatement. 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. We did not audit the financial statements of (i) Fifteen subsidiaries and Eighteen jointly controlled entities included in the consolidated financial statements, which constitute total assets of ₹ 8,121,620,148/- as at 31st March, 2011, total income of ₹ 2,138,882,795/-, net profit of ₹ 1,354,867,259/- and net cash flows amounting to ₹ 22,591,337/- for the year then ended; and (ii) Fourteen associates which constitute net loss of ₹ 1,807,715/- for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
  - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For Doshi Doshi & Associates**

Firm Registration Number: 121773W  
Chartered Accountants

**Viral D. Doshi**

Partner  
Membership No.: F - 105330

Mumbai: 30th May, 2011

**For Sudit K. Parekh & Co.**

Firm Registration Number: 110512W  
Chartered Accountants

**Raman Jakhakar**

Partner  
Membership Number: F - 103241

Mumbai: 30th May, 2011



**ACKRUTI CITY**  
LIFE TIME VALUE

**CONSOLIDATED BALANCE SHEET As At 31st MARCH, 2011**

	Schedule	31st March, 2011 ₹	31st March, 2010 ₹
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	A	727,358,710	727,358,710
Reserves and Surplus	B	15,353,654,966	13,803,847,732
		<b>16,081,013,676</b>	14,531,206,442
Share Application Money		96,387,000	53,497,019
<b>LOAN FUNDS</b>			
Secured Loans	C	14,801,058,629	10,815,524,553
Unsecured Loans		3,724,881,191	2,239,707,312
		<b>18,525,939,820</b>	13,055,231,865
<b>MINORITY INTEREST</b>		1,382,538	1,349,283
<b>TOTAL</b>		<b>34,704,723,034</b>	<b>27,641,284,609</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	D	2,545,743,207	1,573,715,377
Less: Depreciation and Amortisation		327,567,626	162,355,047
Net Block		2,218,175,581	1,411,360,330
Capital Work-in-Progress		1,103,250,960	988,803,990
		<b>3,321,426,541</b>	2,400,164,320
<b>GOODWILL ON CONSOLIDATION (Refer Note 1(I)(iv))</b>		1,737,936,746	969,203,445
<b>INVESTMENTS</b>	E	2,921,367,079	3,563,167,191
<b>DEFERRED TAX ASSETS (Net) (Refer Note 4)</b>		54,728,449	50,242,052
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	F		
Inventories		9,393,418,995	7,902,503,726
Sundry Debtors		4,294,946,761	3,207,641,806
Cash and Bank Balances		1,140,529,297	1,216,315,318
Other Current Assets		2,276,451,204	478,574,835
Loans and Advances		14,507,880,550	11,215,662,831
		<b>31,613,226,807</b>	24,020,698,516
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>	G		
Current Liabilities		4,526,040,771	2,418,710,567
Provisions		417,921,817	943,480,348
		<b>4,943,962,588</b>	3,362,190,915
<b>NET CURRENT ASSETS</b>		<b>26,669,264,219</b>	20,658,507,601
<b>TOTAL</b>		<b>34,704,723,034</b>	<b>27,641,284,609</b>
Notes forming part of the Accounts	O		

As per our report of even date

For and on behalf of  
**DOSHI DOSHI & ASSOCIATES**  
Firm Registration No.121773W  
Chartered Accountants

For and on behalf of  
**SUDIT K. PAREKH & CO.**  
Firm Registration No.110512W  
Chartered Accountants

For and on behalf of the Board

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**VIRAL D. DOSHI**  
PARTNER  
Membership No F-105330

**RAMAN JOKHAKAR**  
PARTNER  
Membership No. F-103241

**CHETAN MODY**  
COMPANY SECRETARY

**BHARAT MODY**  
CHIEF FINANCE OFFICER

MUMBAI:  
DATE: 30<sup>th</sup> May, 2011

MUMBAI:  
DATE: 30<sup>th</sup> May, 2011



**ACKRUTI CITY**  
LIFE TIME VALUE

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	Year Ended 31st March, 2011 ₹	Year Ended 31st March, 2010 ₹
<b>INCOME</b>			
Sales and Income from Operations	H	6,767,613,490	5,796,335,971
Other Income	I	365,544,821	384,621,475
<b>TOTAL</b>		<b>7,133,158,311</b>	<b>6,180,957,446</b>
<b>EXPENDITURE</b>			
Cost of Construction / Development	J	4,090,484,360	3,128,930,664
(Increase) in Inventories	K	(2,124,178,859)	(1,814,830,062)
Employment Costs	L	263,219,023	140,779,650
Administrative, Selling and Other Expenses	M	935,736,494	515,898,427
Interest and Finance Charges	N	2,092,315,504	1,680,040,840
Depreciation and Amortisation		128,524,137	71,431,823
<b>TOTAL</b>		<b>5,386,100,659</b>	<b>3,722,251,342</b>
<b>PROFIT BEFORE TAX, BEFORE MINORITY INTEREST AND SHARE OF PROFIT / (LOSS) OF ASSOCIATES</b>		<b>1,747,057,652</b>	<b>2,458,706,104</b>
Add/(Less) :			
Provision for Taxation			
-Current Tax		(244,453,399)	(764,643,044)
-Deferred Tax (Charge) / Credit (Refer Note 4)		4,486,397	(51,781,319)
-Wealth Tax		(266,000)	(131,000)
<b>PROFIT AFTER TAX, BEFORE MINORITY INTEREST AND SHARE OF PROFIT / (LOSS) OF ASSOCIATES</b>		<b>1,506,824,650</b>	<b>1,642,150,741</b>
Add / (Less) :			
Excess / (Short) Provision for Taxation in respect of earlier years		382,681,835	(27,540,972)
Prior Period Adjustments (Refer Note)		(41,179,974)	7,013,094
Share of Profit from Associate Companies		18,538,077	36,224,672
Minority Interest		(22,413)	157,831
Pre-acquisition Gain		(5,581)	(8,103,608)
Adjustment of Goodwill on consolidation		(107,872,325)	-
on revenue recognition (Net of Tax) (Refer Note 1(I)(iv))			
(Loss) / Gain on cessation / sale / conversion of share in Subsidiaries / JVs / Associates		2,883,941	(761,022)
<b>NET PROFIT</b>		<b>1,761,848,210</b>	<b>1,649,140,736</b>
Add / (Less) :			
Balance brought forward from previous year		5,947,789,652	5,149,135,577
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>		<b>7,709,637,862</b>	<b>6,798,276,313</b>
<b>Appropriations :</b>			
Transfer to Debenture Redemption Reserve		747,500,000	250,000,000
Proposed Dividend		181,839,678	363,679,355
Tax on Proposed Dividend		30,201,298	61,807,306
General Reserve		189,000,000	175,000,000
<b>Balance carried to Balance Sheet</b>		<b>6,561,096,886</b>	<b>5,947,789,652</b>
<b>Earnings per share of ₹ 10/- each (Basic and Diluted) (Refer Note 8)</b>		<b>24.22</b>	<b>23.54</b>
Notes forming part of the Accounts			

As per our report of even date

For and on behalf of  
**DOSHI DOSHI & ASSOCIATES**  
Firm Registration No.121773W  
Chartered Accountants

For and on behalf of  
**SUDIT K. PAREKH & CO.**  
Firm Registration No.110512W  
Chartered Accountants

For and on behalf of the Board

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**VIRAL D. DOSHI**  
PARTNER  
Membership No F-105330

**RAMAN JOKHAKAR**  
PARTNER  
Membership No. F-103241

**CHETAN MODY**  
COMPANY SECRETARY

**BHARAT MODY**  
CHIEF FINANCE OFFICER

MUMBAI:  
DATE: 30<sup>th</sup> May, 2011

MUMBAI:  
DATE: 30<sup>th</sup> May, 2011



**ACKRUTI CITY**  
LIFE TIME VALUE

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	2010-2011		2009-2010	
	Amount	Amount	Amount	Amount
<b>I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES</b>				
Net Profit before tax as per Profit and Loss Account		1,747,057,652		2,458,706,104
<b>Add / (Less) :</b>				
Prior Period Adjustments	2,166,743		7,013,094	
Minority Interest	(22,413)		157,831	
Pre-acquisition Profit / (Loss)	(5,581)		(8,103,608)	
Goodwill on acquisition / dilution	6,938,155		11,961,494	
Interest and Finance Charges	2,092,315,504		1,680,040,840	
Provision for doubtful debts	20,195,376		5,800,000	
Project expenses written off	162,667,672		11,745,173	
Depreciation and Amortisation	128,524,137		71,431,823	
Loss on Sale / Discardment of Assets	7,971,540		181,871	
Dividend Income	2,487,172		(2,159,280)	
Profit on Sale of Current Investments	(1,315,086)		-	
Interest Income	(313,665,521)		(213,057,097)	
		<b>2,108,257,698</b>		<b>1,565,012,141</b>
Operating Profit Before Working Capital Changes		<b>3,855,315,350</b>		<b>4,023,718,245</b>
<b>Add / (Less) :</b>				
(Increase) in Inventories	(1,490,915,269)		(1,350,847,842)	
(Increase) in Trade & Other Receivables	(5,431,538,529)		13,917,508	
Increase in Trade Payables	2,253,588,733		(189,861,253)	
Direct Taxes Paid	(337,712,061)		(661,889,277)	
		<b>(5,006,577,126)</b>		<b>(2,188,680,864)</b>
<b>Net Cash flow in the course of Operating Activities</b>		<b>(1,151,261,776)</b>		<b>1,835,037,381</b>
<b>II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES</b>				
<b>Inflow / (Outflow) on account of :</b>				
Fixed Assets (Net)	(1,101,104,615)		(145,658,472)	
Dividend from Current Investments	(2,487,172)		2,159,280	
Interest Income	313,665,521		213,057,097	
Loans & Advances including land, interest and others	(994,922,637)		(2,914,462,637)	
Acquisition of Interest in Joint Ventures	(192,419,267)		755,242,101	
Other Long Term Investment acquired (Net)	(503,352,500)		(608,283,179)	
Current Investments acquired / disposed off (Net)	357,020,766		(363,284,998)	
<b>Net Cash flow in the course of Investing Activities</b>		<b>(2,123,599,904)</b>		<b>(3,061,230,808)</b>
<b>III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES</b>				
<b>Inflow / (Outflow) on account of :</b>				
Proceeds from issue of shares	-		60,358,710	
Securities Premium Account	-		3,165,854,269	
Share issue expenses	-		(139,031,439)	
Increase in Secured Loans	4,020,991,360		928,616,537	
Increase in Unsecured Loans	1,485,173,879		(168,973,971)	
Interest and Finance Charges	(2,277,772,141)		(1,481,212,919)	
Dividend & Dividend Tax paid	(425,486,661)		(78,035,665)	
<b>Net Cash flow in the course of Financing Activities</b>		<b>2,802,906,437</b>		<b>2,287,575,522</b>
<b>Net Increase in cash and cash Equivalents ( I + II + III )</b>		<b>(471,955,243)</b>		<b>1,061,382,095</b>
<b>Add: Balance at the beginning of the year</b>		<b>1,139,479,742</b>		<b>78,097,647</b>
<b>Cash and Cash Equivalents at the end of the year</b>		<b>667,524,499</b>		<b>1,139,479,742</b>
Reconciliation of Cash and Bank Balances given in Schedule F is as follows :-				
Cash and Bank Balances		1,140,529,297		1,216,315,318
Less: Margin Money balances		473,004,798		(76,835,576)
<b>Cash and Cash Equivalents at the end of the year</b>		<b>667,524,499</b>		<b>1,139,479,742</b>

As per our report of even date

For and on behalf of  
**DOSHI DOSHI & ASSOCIATES**  
Firm Registration No.121773W  
Chartered Accountants

For and on behalf of  
**SUDIT K. PAREKH & CO.**  
Firm Registration No.110512W  
Chartered Accountants

For and on behalf of the Board

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**VIRAL D. DOSHI**  
PARTNER  
Membership No F-105330

**RAMAN JOKHAKAR**  
PARTNER  
Membership No. F-103241

**CHETAN MODY**  
COMPANY SECRETARY

**BHARAT MODY**  
CHIEF FINANCE OFFICER

MUMBAI;  
DATE: 30<sup>th</sup> May, 2011

MUMBAI;  
DATE: 30<sup>th</sup> May, 2011





**ACKRUTI CITY**  
LIFE TIME VALUE

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	As at 31 <sup>st</sup> March, 2011 ₹	As at 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
125,000,000 Equity Shares of ₹ 10/- each	1,250,000,000	1,250,000,000
	<u>1,250,000,000</u>	<u>1,250,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
72,735,871 (P.Y. 72,735,871) Equity Shares of ₹ 10/- each fully paid-up	727,358,710	727,358,710
(Of the above, 58,500,000 Equity Shares allotted as fully paid-up bonus shares by way of capitalisation of General Reserve and surplus in Profit and Loss Account)		
(During the previous year, the Company issued 6,035,871 Equity Shares of ₹ 10/- each under Qualified Institutional Placement (QIP))		
<b>Per Balance Sheet</b>	<u>727,358,710</u>	<u>727,358,710</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
Securities Premium Account		
Balance as per last Account	6,081,586,987	3,257,005,765
Add / (Less) :		
Received during the year (On issue of 6,035,871 Equity Shares at a premium of ₹. 491/ each under QIP)	-	2,963,612,661
Share Issue Expenses on QIP	-	(139,031,439)
	<u>6,081,586,987</u>	<u>6,081,586,987</u>
	6,081,586,987	6,081,586,987
General Reserve		
Balance as per last Account	1,513,121,000	1,338,121,000
Add / (Less) :		
Transferred from Debenture Redemption Reserve	250,000,000	-
Transferred from Profit and Loss Account	189,000,000	175,000,000
	<u>1,952,121,000</u>	<u>1,513,121,000</u>
	1,952,121,000	1,513,121,000
Debenture Redemption Reserve		
Balance as per last Account	250,000,000	-
Add / (Less) :		
Transferred to General Reserve	(250,000,000)	-
Transferred from Profit and Loss Account	747,500,000	250,000,000
	<u>747,500,000</u>	<u>250,000,000</u>
	747,500,000	250,000,000
Surplus in Profit and Loss Account	4,960,004,903	5,823,121,520
Add : Share in Joint Ventures	1,601,091,983	124,668,132
	<u>6,561,096,886</u>	<u>5,947,789,652</u>
	6,561,096,886	5,947,789,652
Capital Reserve		
Balance as per last Account	11,350,093	11,350,093
<b>Per Balance Sheet</b>	<u>15,353,654,966</u>	<u>13,803,847,732</u>



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	As at 31 <sup>st</sup> March, 2011 ₹	As at 31 <sup>st</sup> March, 2010 ₹
<b>SCHEDULE 'C'</b>		
<b>LOAN FUNDS</b>		
<b>Secured Loans</b>		
a) Debentures		
One Secured, Redeemable, Non-cumulative, Non-convertible Debenture of the face value of ₹ 100 crore	-	1,000,000,000
Part A-Face value of ₹ 90 crore, Part B-Face value of ₹ 10 crore to be redeemed at the end of 48 months (prepaid during the year)		
1,000 Secured, Redeemable, Non-convertible Debentures of the face value of ₹ 1,000,000 each (Part A-30% to be redeemed on 01-Jan-2012, Part B - 30% on 01-Apr-2012, remaining 40% on 12-Jun-2012) (Prepaid Part A ₹ 17.50 crore during the year)	825,000,000	-
10,000 Secured, Redeemable Debentures of the face value of ₹ 100,000 each (Redeemable in three or lesser installments, within a period of 01-Sep-2012 to 01-Mar-2013, with a minimum installment of ₹ 15 crores)	1,000,000,000	-
b) Loans from Financial Institutions	978,650,001	1,651,966,441
c) Vehicle Loan from a company	20,655,947	72,062
d) Loans from Banks		
Interest accrued on above	9,829,509,073	6,057,496,178
	-	35,457,284
	<u>9,829,509,073</u>	<u>6,092,953,462</u>
e) Short Term and Working Capital Loan from Banks	149,184,510	-
f) Loan from other companies	452,675,343	345,134,023
	<u>13,255,674,874</u>	<u>9,090,125,988</u>
Add : Share in Joint Ventures	1,545,383,755	1,725,398,565
<b>Per Balance Sheet</b>	<u>14,801,058,629</u>	<u>10,815,524,553</u>
<b>Unsecured Loans</b>		
Fixed Deposits	113,433,000	91,008,000
Short Term Loans from other companies	2,142,091,581	1,614,539,793
Loan from others	29,159,053	11,635,309
	<u>2,284,683,634</u>	<u>1,717,183,102</u>
Add : Share in Joint Ventures	1,440,197,557	522,524,210
<b>Per Balance Sheet</b>	<u>3,724,881,191</u>	<u>2,239,707,312</u>



**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

**SCHEDULE "D"  
FIXED ASSETS**

(Amount in ₹)

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 31 <sup>st</sup> March, 2010	Additions / Adjustments during the year	Deductions / Adjustments	As at 31 <sup>st</sup> March, 2011	Upto 31 <sup>st</sup> March, 2010	Provided during the year	Deductions / Adjustments	Upto 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2010
Freehold Land	795,680	292,000	795,680	292,000	-	-	-	-	292,000	795,680
Leasehold Land	-	364,290,000	-	364,290,000	-	6,088,134	-	6,088,134	358,201,866	-
Premises	13,221,950	135,287,937	7,849,937	140,659,950	2,373,613	3,768,269	1,456,990	4,684,892	135,975,058	10,848,337
Compound Wall	10,635,281	-	-	10,635,281	707,538	496,387	-	1,203,925	9,431,356	9,927,743
Mivan System	35,433,211	6,533,756	-	41,966,967	15,190,084	6,946,124	-	22,136,208	19,830,759	20,243,127
Generator	6,058,741	-	-	6,058,741	3,143,085	405,568	-	3,548,653	2,510,088	2,915,656
GC Laboratory	1,656,277	426,703	-	2,082,980	423,295	191,219	-	614,514	1,468,466	1,232,982
Air Conditioners	178,763	-	-	178,763	71,488	15,374	3,250	83,612	95,151	138,493
Computers	18,391,940	8,533,732	-	26,925,672	11,888,366	4,817,635	-	16,706,001	10,219,671	6,503,574
Office Equipment	10,732,590	5,311,123	1,257,609	14,786,104	3,313,637	1,256,720	194,492	4,375,865	10,410,239	7,418,953
Furniture and Fixtures	30,807,673	20,535,650	144,701	51,198,622	15,243,093	3,653,790	99,880	18,797,003	32,401,619	15,564,580
Vehicles	31,601,445	53,960,352	369,901	85,191,896	18,005,833	8,412,449	299,216	26,119,066	59,072,830	13,595,612
Plant and Machinery	1,861,710	-	-	1,861,710	622,736	173,610	9,126	787,220	1,074,490	1,238,974
<b>Total (I)</b>	<b>161,375,261</b>	<b>595,171,253</b>	<b>10,417,828</b>	<b>746,128,686</b>	<b>70,982,768</b>	<b>36,225,279</b>	<b>2,062,954</b>	<b>105,145,093</b>	<b>640,983,593</b>	<b>90,423,711</b>
<b>Assets for lease</b>										
Leasehold Land	246,005,554	12,101,487	3,369,460	254,737,581	5,219,942	866,377	-	6,086,319	248,651,262	240,785,612
Commercial Premises \$	57,577,563	65,508,497	339,290	122,746,770	14,161,899	3,272,645	(49,637)	17,484,181	105,262,589	45,157,680
Furniture and Fixtures	3,557,054	-	-	3,557,054	1,954,726	290,021	-	2,244,747	1,312,307	1,602,328
<b>Total (II)</b>	<b>307,140,171</b>	<b>77,609,984</b>	<b>3,708,750</b>	<b>381,041,405</b>	<b>21,336,567</b>	<b>4,429,043</b>	<b>(49,637)</b>	<b>25,815,247</b>	<b>355,226,158</b>	<b>287,545,620</b>
<b>Intangible Assets</b>										
<b>TOTAL</b>	<b>50,970,905</b>	<b>3,085,235</b>	<b>-</b>	<b>54,056,140</b>	<b>6,905,925</b>	<b>11,742,642</b>	<b>-</b>	<b>18,548,567</b>	<b>35,507,573</b>	<b>-</b>
Add: Share in Joint Venture	519,486,337	675,866,472	14,126,578	1,181,226,231	99,125,260	52,396,964	2,013,317	149,508,907	1,031,717,324	377,969,331
<b>GRAND TOTAL</b>				<b>1,364,516,976</b>		<b>76,127,173</b>		<b>178,058,719</b>	<b>1,186,458,257</b>	
Previous Year				<b>2,545,743,207</b>		<b>128,524,137</b>		<b>327,567,626</b>	<b>2,218,175,581</b>	
Capital Work-in-Progress (including expenditure on development of Software (Intangible) (PV: ₹ 988,803,990/-)				<b>1,573,715,377</b>				<b>162,355,047</b>	<b>1,411,360,330</b>	<b>1,103,250,960</b>

Note: \$ includes cost of shares held in companies (including one subsidiary and an associate) carrying the occupancy rights in the premises (Refer Note 1 (I) (viii) (b)).



**ACKRUTI CITY**  
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**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	As at 31st March, 2011 ₹	As at 31st March, 2010 ₹
<b>SCHEDULE 'E'</b>		
<b>INVESTMENTS (Unquoted) (Trade, unless otherwise specified)</b>		
<b>A) Long term Investments (At cost)</b>		
<b>I) Subsidiary Companies (Fully paid Equity Shares)</b>		
a) 50,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Ackruti Campus of Research and Education Private Limited</b>	500,000	100,000
b) 10,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Headland Farming Private Limited</b> (Formerly known as Ackruti City Farming Private Limited)	100,000	100,000
c) 10,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Heddle Knowledge Private Limited</b> (Formerly known as Ackruti City Knowledge Private Limited)	100,000	100,000
d) 50,000 Equity Shares of ₹ 10/- each (P.Y. 50,000) <b>ABP Realty Advisors Private Limited</b>	500,000	500,000
e) 50,000 Equity Shares of ₹ 10/- each (P.Y. 50,000) <b>India Development and Construction Venture Capital Private Limited</b>	500,000	500,000
f) 10,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Heeler Hospitality Private Limited</b> (Formerly known as Ackruti Guestline Private Limited)	100,000	100,000
g) 50,000 Equity Shares of ₹ 10/- each (P.Y. 50,000) <b>Citygold Education Research Limited</b>	500,000	500,000
h) 10,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Citygold Farming Private Limited</b>	100,000	100,000
i) 50,000 Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Harmony Erectors Private Limited</b>	500,000	100,000
j) C.Y. Nil Equity Shares of ₹ 10/- each (P.Y. 10,000) <b>Sunmist Builders Private Limited</b> (Formerly known as Oracle Shelters Private Limited)	-	100,000
	<b>2,900,000</b>	<b>2,200,000</b>
<b>II) Other Companies (Fully paid Shares / Debentures)</b>		
<b>A. Associate Companies</b>		
a) 8,000 Equity Shares of ₹ 10/- each (P.Y. 8,000) <b>Pristine Developers Private Limited</b>	80,000	80,000
Share of Accumulated Reserves / Profit / (Loss)	33,731,733	6,660,655
Share of Current Profit / (Loss)	20,345,793	27,071,078
	<b>54,157,526</b>	<b>33,811,733</b>
b) C.Y. Nil ( P.Y. 3,203 Equity Shares of ₹ 10/- each) <b>Hoary Realty Limited</b> (Formerly known as Chaitra Realty Limited)	-	883,316,289
Share of Accumulated Reserves / Profit / (Loss)	-	252,086
Share of Current Profit / (Loss)	-	2,862,670
	-	<b>886,431,045</b>
c) 13,630 Equity Shares of ₹ 10/- each (P.Y. Nil) <b>Leading Work Properties Private Limited</b>	136,300	-
Share of Current Profit / (Loss)	(12,152)	-
	<b>124,148</b>	-
c/f	<b>57,181,674</b>	<b>922,442,778</b>



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**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

SCHEDULE 'E' (Contd.)	As at 31st March, 2011 ₹	As at 31st March, 2010 ₹
b/f	57,181,674	922,442,778
d) 129,000 Equity Shares of ₹ 10/- each (PY. 100,000) <b>Sunstream City Private Limited</b> <b>(Formerly known as Zeus Infrastructure Private Limited)</b>	1,290,000	1,000,000
Share of Accumulated Reserves / Profit / (Loss)	866,111	(73,129)
Share of Current Profit / (Loss)	(983,223)	939,240
(Includes Goodwill ₹ 148,224)	<u>1,172,888</u>	<u>1,866,111</u>
e) 312,500 Equity Shares of ₹ 10/- each (PY. 312,500) <b>Glamorous Properties Private Limited</b>	30,000,000	30,000,000
Share of Accumulated Reserves / Profit / (Loss)	(184,951)	(19,839)
Share of Current Profit / (Loss)	(30,462)	(165,111)
(Includes Goodwill ₹ 30,023,975)	<u>29,784,587</u>	<u>29,815,050</u>
f) 25,000 Equity Shares of ₹ 10/- each (PY. 10,000) <b>Ackruti City Bus Terminal (Vadodara) Private Limited</b>	-	250,000
Share of Current Profit / (Loss)	-	(28,799)
(Includes Goodwill ₹ 5,443)	<u>-</u>	<u>221,201</u>
g) 25,000 Equity Shares of ₹ 10/- each (PY. 10,000) <b>Ackruti City Bus Terminal (Mehsana) Private Limited</b>	-	250,000
Share of Current Profit / (Loss)	-	(38,937)
(Includes Goodwill ₹ 10,034)	<u>-</u>	<u>211,063</u>
h) 25,000 Equity Shares of ₹ 10/- each (PY. 10,000) <b>Ackruti City Bus Terminal (Surat) Private Limited</b> <b>(Formerly known as Multicity Bus Terminal (Surat) Private Limited)</b>	250,000	250,000
Share of Accumulated Reserves / Profit / (Loss)	(38,388)	(38,388)
Share of Current Profit / (Loss)	(22,025)	-
(Includes Goodwill ₹ 34,381)	<u>189,587</u>	<u>211,612</u>
i) 25,000 Equity Shares of ₹ 10/- each (PY. 10,000) <b>Ackruti City Bus Terminal (Adajan) Private Limited</b> <b>(Formerly a public limited company)</b>	-	250,000
Share of Current Profit / (Loss)	-	(45,457)
(Includes Goodwill ₹ 2,316)	<u>-</u>	<u>204,543</u>
j) 5,000 Equity Shares of ₹ 10/- each (PY. Nil) <b>Harbinger Developers Private Limited</b>	50,000	50,000
Share of Current Profit / (Loss)	-	-
	<u>50,000</u>	<u>50,000</u>
k) 25,000 Equity Shares of ₹ 10/- each (PY. 26,580) <b>Whitebud Developers Limited</b> <b>(Formerly known as Agreeem Properties Limited)</b> <b>(previous year subsidiary)</b>	733,050	250,000
Share of Accumulated Reserves / Profit / (Loss)	(733,050)	483,050
Share of Current Profit / (Loss)	-	(733,050)
	<u>-</u>	<u>-</u>
l) 4,350 Equity Shares of ₹ 10/- each (PY. Nil) <b>Yellowcity Builders Private Limited</b>	43,500	43,500
Share of Accumulated Reserves / Profit / (Loss)	26,225	-
Share of Current Profit / (Loss)	104,976	26,225
	<u>174,701</u>	<u>69,725</u>
c/f	<u>88,553,437</u>	<u>955,092,083</u>



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**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

SCHEDULE 'E' (Contd.)		As at 31st March, 2011 ₹	As at 31st March, 2010 ₹
	b/f	88,553,437	955,092,083
m)	6,095 (Class 'A') Equity Shares of ₹ 10/- each (P.Y. Nil) <b>Vinca Developer Private Limited</b> Share of Current Profit / (Loss) (Includes Goodwill ₹ 15,991,860)	60,950 (60,950)	60,950 (60,950)
n)	C.Y. Nil (P.Y. 20000 Equity Shares of ₹ 10/- each) <b>Buildbyte.Com. (India) Private Limited</b> Share of Current Profit / (Loss)	- -	200,000 (6,224)
o)	2,600 Equity Shares of ₹ 10/- each (P.Y. Nil) <b>Forefront Realty Private Limited</b> Share of Accumulated Reserves / Profit / (Loss) Share of Current Profit / (Loss)	26,000 (2,311) (23,689)	26,000 - (2,311)
p)	275,000 Equity Shares of ₹ 10/- each (P.Y. Nil) <b>Comral Realty Private Limited</b> (Formerly known as Kamla Shanti Realities Private Limited) Share of Accumulated Reserves / Profit / (Loss) Share of Current Profit / (Loss)	2,771,038 191 (276,706)	2,771,038 - 191
q)	4,997 Equity Shares of ₹ 10/- each (P.Y. 4,997) <b>Citywood Builders Private Limited</b> (Formerly known as Shree Swami Samarth Developers Private Limited) Share of Accumulated Reserves / Profit / (Loss) Share of Current Profit / (Loss)	49,970 6,444,495 -	49,970 - 6,444,495
r)	7,862,595 (Class 'A') Equity Shares of ₹ 10/- each <b>Joyneest Premises Private Limited</b> (Formerly known as Zeal Ventures Private Limited) Share of Current Profit / (Loss)	78,750,320 (504,971)	- -
s)	5,000 Equity Shares of ₹ 10/- each <b>Bigcity Developers Private Limited</b> (Formerly known as Nectar Developers Private Limited) Share of Current Profit / (Loss)	50,000 (9,463)	- -
		40,537	-
	c/f	175,828,311	964,575,243



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**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

SCHEDULE 'E' (Contd.)	As at 31st March, 2011 ₹	As at 31st March, 2010 ₹
b/f	175,828,311	964,575,243
<b>B. Others</b>		
<b>(i) Fully paid Shares / Debentures :</b>		
a) 593,770 Equity Shares of ₹ 10/- each (P.Y. 593,770) <b>Citygold Investments Private Limited</b>	5,937,700	5,937,700
b) 240 Equity Shares of ₹ 100/- each (P.Y. 240) <b>Citygold Management Services Private Limited</b>	24,000	24,000
c) 37,815 Equity Shares of ₹ 10/- each (P.Y. 37,815) <b>Janakalyan Sahakari Bank Limited</b>	378,150	378,150
d) 3,616 Class 'A' Equity Shares of ₹ 500/-each (P.Y. 3,616) <b>Dharni Properties Private Limited</b>	382,750	1,095,250
e) 6,000 Class 'B' Equity Shares of ₹ 50/- each (P.Y. 6,000) <b>Hogmanay Niharika Buildings Limited (Formerly known as Akruti Niharika Buildings Limited)</b>	300,000	300,000
f) 25 Equity Shares of ₹ 29/- each and 125 Equity Shares of ₹ 25/- each (P.Y. 25 Equity Shares of ₹ 29/- each and 125 Equity Shares of ₹ 25/- each) <b>Shamrao Viithal Co-operative Bank Limited</b>	3,850	3,850
g) C.Y. Nil (P.Y. 4,900 Equity Shares of ₹ 10/- each) <b>Opulent Trading and Investment Private Limited</b>	-	49,000
h) 2,000 Equity Shares of ₹ 10/- each (P.Y. 2,000) <b>Suraksha Realty Limited</b>	20,000	20,000
i) 49,900 Equity Shares of ₹ 10/- each (P.Y. 49,900) <b>Mahanagar Co-op Bank Limited</b>	499,000	499,000
j) 80,000 Optionally Convertible Debentures of ₹ 1,000/- each. (P.Y. Nil) <b>Rukshmani Properties Private Limited</b>	314,000	-
k) 80,000 Optionally Convertible Debentures of ₹ 1,000/- each. (P.Y. 80,000) <b>Pivotal Infrastructure Private Limited</b>	160,000,000	80,000,000
l) 80,000 Optionally Convertible Debentures of ₹ 1,000/- each. (P.Y. Nil) <b>Asmeeta Infratech Private Limited</b>	319,100,000	-
m) 250,000 Optionally Convertible Debentures of ₹ 5,000/- each. (P.Y. 250,000) <b>Giraffe Developers Private Limited (Formerly known as Netzone Developers Private Limited)</b>	1,250,000,000	1,250,000,000
	<u>1,736,959,450</u>	<u>1,338,306,950</u>
n) <b>Partly paid shares :</b> 1,882,353 Equity Shares of ₹ 10/- each, (P.Y. 1,882,353 ₹ 9.46 Partly Paid up and ₹ 55.25 was uncalled) <b>City Corporation Limited</b>	1,000,000,000	896,000,000
c/f	<u>2,912,787,761</u>	<u>3,198,882,193</u>



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	As at 31st March, 2011 ₹	As at 31st March, 2010 ₹
<b>SCHEDULE 'E' (Contd.)</b>		
b/f	<b>2,912,787,761</b>	3,198,882,193
<b>III. Mutual Funds (Other than trade)</b>		
<b>Growth Option</b>		
404.755 of ₹ 2,470.63 units of UTI Treasury Advantage Fund (P.Y. Nil)	1,000,000	-
NAV: ₹ 1,005,490 per unit (P.Y. Nil)		
Current Year Nil (P.Y. 100,000 Units of Principal PNB Long Term Equity Fund of ₹ 10/- each (3 Year Plan))	-	1,000,000
NAV: C.Y. Nil (P.Y. ₹ 1,102,000/-)		
<b>Sub-total Long term</b>	<b>2,913,787,761</b>	<b>3,199,882,193</b>
<b>Current Investments (Other than Trade) (At lower of cost and fair value)</b>		
<b>In Mutual Funds (Units of ₹ 10/- each)</b>		
<b>Dividend Option</b>		
Current Year Nil (P.Y. 829,403.905) Units of ICICI Prudential Flexible Income Plan Premium - Daily Dividend of ₹ 10/- each	-	87,697,022
NAV: C.Y. Nil (P.Y. ₹ 87,697,023)		
Current Year Nil (P.Y. 5,858,781.234) Units of Reliance Medium Term Fund- Daily Dividend of ₹ 10/- each	-	100,158,794
NAV: C.Y. Nil (P.Y. ₹ 100,158,794)		
Current Year Nil (P.Y. 6,005,974.074) Units of Birla Sunlife Savings Fund - Daily Dividend Reinvestment of ₹ 10/- each	-	60,100,580
NAV : C.Y. Nil (P.Y. 60,100,581)		
Share in Joint Ventures	<b>7,579,318</b>	247,956,396 115,328,602
<b>Sub-total Current</b>	<b>7,579,318</b>	<b>363,284,998</b>
<b>Per Balance Sheet</b>	<b>2,921,367,079</b>	<b>3,563,167,191</b>
<b>SCHEDULE 'F'</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>INVENTORIES ( Refer Note 2 (V) )</b>		
<b>Stock-in-trade</b>		
Stock at site	29,723,528	-
Floor Space Index (FSI)	134,041,830	134,041,830
Incomplete Projects	6,438,979,111	5,969,796,184
Finished Properties	104,322,262	166,277,629
	<b>6,707,066,731</b>	<b>6,270,115,643</b>
Add : Share in Joint Ventures	<b>2,686,352,264</b>	1,632,388,083
c/f	<b>9,393,418,995</b>	7,902,503,726
	<b>9,393,418,995</b>	<b>7,902,503,726</b>





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**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	As at 31st March, 2011 ₹	As at 31st March, 2010 ₹
<b>SCHEDULE 'F' (Contd.)</b>		
b/f	<b>9,393,418,995</b>	7,902,503,726
<b>SUNDRY DEBTORS (Unsecured, Considered Good)</b>		
Sundry Debtors	<u>1,558,387,400</u>	2,338,578,623
	<b>1,558,387,400</b>	2,338,578,623
Add : Share in Joint Ventures	<u>2,736,559,361</u>	869,063,183
	<b>4,294,946,761</b>	3,207,641,806
<b>CASH AND BANK BALANCES</b>		
Cash on hand	<b>2,073,283</b>	2,384,240
Bank Balances with Scheduled Banks		
- In Current Accounts	<b>182,750,134</b>	718,160,610
- In Deposit Accounts	<b>106,951,285</b>	143,987,677
- In Margin Money Accounts (Including Interest accrued thereon)	<b>473,004,798</b>	76,835,576
	<u>762,706,217</u>	938,983,863
Add : Share in Joint Ventures	<u>375,749,797</u>	274,947,215
	<b>1,138,456,014</b>	1,213,931,078
	<b>1,140,529,297</b>	1,216,315,318
<b>OTHER CURRENT ASSETS</b>		
Contractual Interests in Projects executed through Associates, etc.	<b>40,392,710</b>	285,032,383
Unbilled Receivables	<b>2,111,656,462</b>	-
Income Tax Refund	<b>13,759,200</b>	37,044,425
	<u>2,165,808,372</u>	322,076,808
Add : Share in Joint Ventures	<u>110,642,832</u>	156,498,027
	<b>2,276,451,204</b>	478,574,835
<b>LOANS AND ADVANCES (Unsecured, Considered Good)</b>		
Loans to Subsidiary Companies	<b>1,100,333,072</b>	639,984,763
Loans and Advances to Others	<b>7,085,348,810</b>	5,353,851,353
Loans to Employees (Interest free)	<b>66,995</b>	236,747
Advance towards Share Application	<b>1,084,900,052</b>	823,134,640
Advance Recoverable in cash or in kind or for value to be received (Including advances against Land/Rights) Good	<b>4,572,128,647</b>	3,838,971,423
Doubtful	<b>89,357,755</b>	85,888,447
Less: Provision	<b>(89,357,755)</b>	(85,888,447)
	<u>4,572,128,647</u>	3,838,971,423
Taxes Paid / Deducted at Source	<b>205,262,033</b>	14,674,333
	<u>14,048,039,609</u>	10,670,853,259
Add : Share in Joint Ventures	<u>459,840,941</u>	544,809,572
	<b>14,507,880,550</b>	11,215,662,831
<b>Per Balance Sheet</b>	<b>31,613,226,807</b>	<b>24,020,698,516</b>



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**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	As at 31st March, 2011 ₹	As at 31st March, 2010 ₹
<b>SCHEDULE 'G'</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	1,252,615,681	625,145,538
Advances from Customers	1,174,811,999	526,615,119
Deposits from Customers	3,537,995	3,450,000
Overdrawn Bank Balances as per books of account	43,446,489	78,858,729
Other Liabilities	651,645,825	363,837,675
Interest accrued but not due on Loans	83,898,992	233,898,345
	<b>3,209,956,981</b>	<b>1,831,805,406</b>
Add : Share in Joint Ventures	1,316,083,790	586,905,161
	<b>4,526,040,771</b>	<b>2,418,710,567</b>
<b>PROVISIONS</b>		
Income Tax	138,166,358	309,625,315
Fringe Benefit Tax	-	117,442
Wealth Tax	266,000	-
Employees Benefit	3,981,122	7,721,946
Proposed dividend	181,839,678	363,679,355
Tax on proposed dividend	30,201,298	61,807,306
	<b>354,454,456</b>	<b>742,951,364</b>
Add : Share in Joint Ventures	63,467,361	200,528,984
	<b>417,921,817</b>	<b>943,480,348</b>
<b>Per Balance Sheet</b>	<b>4,943,962,588</b>	<b>3,362,190,915</b>
<b>SCHEDULE 'H'</b>		
<b>SALES AND INCOME FROM OPERATIONS</b>		
Sale of Properties / Rights	4,040,655,469	4,424,762,445
Project Management Services	14,955,322	26,194,656
Income from premises given on lease	6,142,921	31,293,361
	<b>4,061,753,712</b>	<b>4,482,250,462</b>
Add : Share in Joint Ventures	2,705,859,778	1,314,085,509
<b>Per Profit and Loss Account</b>	<b>6,767,613,490</b>	<b>5,796,335,971</b>
<b>SCHEDULE 'I'</b>		
<b>OTHER INCOME</b>		
Dividend from Current Investments	2,487,172	2,159,280
Interest		
-Loans	217,051,702	168,095,181
-Bank Fixed Deposits	42,599,112	8,583,320
-Others	54,014,707	36,378,596
	<b>313,665,521</b>	<b>213,057,097</b>
Gain on Foreign Currency Fluctuation (Net)	433,409	142,781
Surplus on Sale of Investments	1,315,086	-
Miscellaneous Income	12,019,657	15,726,623
	<b>329,920,845</b>	<b>231,085,781</b>
Add : Share in Joint Ventures	35,623,976	153,535,694
<b>Per Profit and Loss Account</b>	<b>365,544,821</b>	<b>384,621,475</b>



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	Year Ended 31st March, 2011 ₹	Year Ended 31st March, 2010 ₹
<b>SCHEDULE 'J'</b>		
<b>COST OF CONSTRUCTION / DEVELOPMENT</b>		
Construction Cost incurred during the year	3,100,900,541	2,562,335,826
Less : Transfer to Fixed Assets Schedule	3,803,016	-
Add : Written Down Value of Finished Properties transferred from Fixed Assets Schedule, on sale of property (Refer Note 2(V) (B))	-	56,182,481
	<u>3,097,097,525</u>	2,618,518,307
Add : Share in Joint Ventures	993,386,835	510,412,357
<b>Per Profit and Loss Account</b>	<u><u>4,090,484,360</u></u>	<u><u>3,128,930,664</u></u>
<b>SCHEDULE 'K'</b>		
<b>(INCREASE) / DECREASE IN INVENTORIES</b>		
<b>Opening Inventory</b>		
Floor Space Index (FSI)	134,041,830	145,043,709
Incomplete Projects	5,969,796,184	3,912,644,078
Finished Properties	166,277,629	33,441,691
	<u>6,270,115,643</u>	4,091,129,478
Less: Project expenses written off	162,667,672	-
Add : Addition to Inventory on acquisition of new subsidiary	103,489,894	-
Less: Transfer to Fixed Assets Schedule	612,875,675	-
Less: Transfer to Contractual Interest	-	37,886,217
Less: Reduction of inventory on account of dilution in Subsidiary	550,937,672	-
	<u>5,047,124,518</u>	4,053,243,261
<b>Closing Inventory</b>		
Floor Space Index (FSI)	134,041,830	134,041,830
Incomplete Projects	6,438,979,111	5,969,796,184
Finished Properties	104,322,262	166,277,629
	<u>6,677,343,203</u>	6,270,115,643
<b>(Increase) in Inventories</b>	<u><b>(1,630,218,685)</b></u>	<u><b>(2,216,872,382)</b></u>
Add : Share in Joint Ventures	(493,960,174)	402,042,320
<b>Per Profit and Loss Account</b>	<u><u>(2,124,178,859)</u></u>	<u><u>(1,814,830,062)</u></u>
<b>SCHEDULE 'L'</b>		
<b>EMPLOYMENT COSTS</b>		
Salaries, Bonus, etc.	257,197,712	175,116,010
Contribution to Provident and Other Funds	7,893,341	1,440,048
Staff Welfare Expenses	4,006,180	5,138,285
Other Fund Expenses	1,188,052	722,072
	<u>270,285,285</u>	182,416,415
Less: Costs allocated to Contractual Interests	11,818,772	59,945,163
	<u>258,466,513</u>	122,471,252
Add : Share in Joint Ventures	4,752,510	18,308,398
<b>Per Profit and Loss Account</b>	<u><u>263,219,023</u></u>	<u><u>140,779,650</u></u>



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	Year Ended 31st March, 2011 ₹	Year Ended 31st March, 2010 ₹
<b>SCHEDULE 'M'</b>		
<b>ADMINISTRATIVE, SELLING AND GENERAL EXPENSES</b>		
Insurance	41,092,068	3,630,365
Rent	5,582,132	1,775,326
Rates & Taxes	16,444,271	4,120,937
Advertisement	87,857,518	61,887,220
Advances and other debit balances written off	563,991	3,649,048
Donation	41,781,281	7,744,000
Brokerage	81,833,731	1,834,004
Directors' Fees and Travelling Expenses	4,848,526	1,853,888
Provision for diminution in value of investment	49,000	-
Commission to Non-Executive Directors	4,000,000	2,500,000
Provision for Doubtful Advances	20,195,376	5,800,000
Repairs and Society Maintenance Charges	37,368,850	13,903,915
Legal and Professional Fees	82,662,120	169,807,655
Cost allocable to project management services	42,498,015	77,174,843
Other Expenses	96,804,415	58,436,827
Project Expenses written off	162,667,672	11,745,173
Project Implementation Cost	3,969,453	13,573,967
Loss on sale / discardment of Fixed Assets (Net)	7,971,540	181,871
Goodwill on acquisition / dilution written off	6,938,155	11,961,494
	<u>745,128,114</u>	<u>451,580,533</u>
Less: Costs allocated to Contractual Interests	10,699,822	55,065,936
	<u>734,428,292</u>	<u>396,514,597</u>
Add : Share in Joint Ventures	201,308,202	119,383,830
<b>Per Profit and Loss Account</b>	<u><u>935,736,494</u></u>	<u><u>515,898,427</u></u>
<b>SCHEDULE 'N'</b>		
<b>INTEREST AND FINANCE CHARGES</b>		
(Net off amounts capitalized ₹ Nil, P.Y. : ₹ 38,901,321/-)		
Interest		
- Debenture and Fixed Loans	1,300,117,858	1,110,230,961
- Others	169,897,810	107,582,850
	<u>1,470,015,668</u>	<u>1,217,813,811</u>
Loan Processing Fees and Other Finance Charges	183,381,656	96,189,326
	<u>1,653,397,324</u>	<u>1,314,003,137</u>
Less: Costs allocated to Contractual Interests in Projects executed through Associates, etc.	3,098,905	10,306,012
	<u>1,650,298,419</u>	<u>1,303,697,125</u>
Add: Share in Joint Ventures	442,017,085	376,343,715
<b>Per Profit and Loss Account</b>	<u><u>2,092,315,504</u></u>	<u><u>1,680,040,840</u></u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2011.**

**SCHEDULE 'O'**

**1. PRINCIPLES OF CONSOLIDATION:**

- (I) The Consolidated Financial Statements relate to Ackruti City Limited ('the Company') and its Subsidiary Companies, Associates and Joint Ventures. The Consolidated Financial Statements have been prepared on the following basis:
- (i) The Financial Statements of the Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses as per Accounting Standard (AS-21) – Consolidated Financial Statements.
  - (ii) Investments in Associates have been accounted under the equity method as per Accounting Standard (AS-23) – Accounting for Investments in Associates in Consolidated Financial Statements.
  - (iii) Investments in Joint Ventures have been accounted under the proportionate consolidation method as per Accounting Standard (AS-27) – Financial Reporting of Interests in Joint Ventures.
  - (iv) The excess of the Company's portion of equity in the Subsidiaries as at the date of its investment over the cost of its investment is treated as Capital Reserve. The excess of cost of investment over the Company's portion of equity as at the date of investment is treated as Goodwill and the same is written off in the year in which it arises. However, Goodwill arising on consolidation of entities acquired by the Group representing value of land / rights held by such entities is carried forward and recognised as an expense in Profit and Loss Account in proportion to the related revenue. Further, such Goodwill is tested for impairment at each balance sheet date.
  - (v) The difference between the proceeds from disposal of investment in a Subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated statement of Profit and Loss Account as the profit or loss on disposal of investment in a Subsidiary.
  - (vi) Intra-group balances and intra-group transactions and resulting unrealized profits have been eliminated.
  - (vii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. In case of any differences in accounting treatment of subsidiaries, jointly controlled entities and associates, they are brought in line with the Holding Company's Accounting policies and treatment, if any, for differences have been duly considered.
  - (viii) (a) The Company has investments in ABP Realty Advisors Private Limited (100%), Ackruti Campus of Research and Education Private Limited (100%), Headland Farming Private Limited (Formerly known as Ackruti City Farming Private Limited) (100%), Heddle Knowledge Private Limited (Formerly known as Ackruti City Knowledge Private Limited) (100%), Heeler Hospitality Private Limited (Formerly known as Ackruti Guestline Private Limited) (100%), Citygold Education Research Limited (100%), Citygold Farming Private Limited (100%), Harmony Erectors Private Limited (100%) and India Development and Construction Venture Capital Private Limited (100%) where the shareholdings exceed 50%. The same are in the nature of temporary investments and therefore, not considered for consolidation.
  - (b) The Company has investments in Gallant Infotech Private Limited (38.81%) where the proportion of ownership exceeds 20%. These investments are temporary in nature and therefore not considered for consolidation. The costs of these shares are included in the cost of Commercial Premises under Fixed Assets since they carry the occupancy rights in those premises.
- (II). Investments other than in Subsidiaries, Associates and Joint Ventures, have been accounted as per Accounting Standard (AS-13) "Accounting for Investments".

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.**

(III). The list of Subsidiary Companies considered for consolidation, and the Company's holdings therein are as under:

<u>Name of the Subsidiaries:</u>	<u>Country of Incorporation</u>	<u>Proportion of ownership interest</u>
Ackruti Safeguard Systems Private Limited (formerly known as Ackruti Security Plates Private Limited)	India	53.57 %
Halitious Warehousing Limited (formerly known as Ackruti Warehousing Limited)	India	100.00 %
Adhivitiya Properties Limited.	India	100.00 %
Akruti Middle East, FZE (Upto May 19, 2010)	UAE	100.00 %
Ackruti City Magnum Limited (w.e.f. F.Y. 2010-2011)	India	100.00%
Arnav Gruh Limited	India	100.00 %
Devkrupa Build Tech Limited	India	90.00 %
E Commerce Magnum Solution Limited (Upto September 30, 2010)	India	100.00 %
Gujarat Akruti-TCG Biotech Limited	India	74.00 %
Holiac Realty Limited	India	60.00 %
Jihant Housing Private Limited	India	100.00 %
Merrygold Buildcon Private Limited (w.e.f. F.Y. 2010-2011)	India	100.00 %
Nova Realty Private Limited	India	100.00 %
Pushpak Healthcare Services Private Limited	India	80.00%
Sheshan Housing & Area Development Engineers Limited	India	100.00 %
Sunmist Builders Private Limited (formerly known as Oracle Shelters Private Limited) (w.e.f. F.Y. 2010-2011)	India	100.00%
Superaction Realty Private Limited	India	100.00 %
Diviniti Projects Private Limited (formerly known as TDR Properties Private Limited) (w.e.f. F.Y. 2010-2011)	India	100.00 %
Upvan Lake Resorts Private Limited	India	75.00 %
Urvi Build Tech Limited	India	95.00 %
Heet Builders Private Limited (formerly known as Vaishnavi Builders and Developers Private Limited) (w.e.f. F.Y. 2010-2011)	India	88.10 %
Vama Housing Limited	India	100.00 %
Vega Developers Private Limited (formerly known as Pure Gold Developers Private Limited) (w.e.f. F.Y. 2010-2011)	India	80.00%
Vishal Nirman (India) Limited	India	51.02 %
Vishal Techno Commerce Limited	India	100.00 %
Yantti Buildcon Private Limited	India	100.00 %

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2011.**

(IV). The significant Associate companies and Joint Ventures considered in the consolidated financial statements are:

<u>Name</u>	<u>Country of Incorporation</u>	<u>Proportion of ownership interest</u>
<b>Associates:</b>		
Ackruti City Bus Terminal (Ahmedabad) Private Limited	India	50.00 %
Joyneest Premises Private Limited (formerly known as Zeal Ventures Private Limited)	India	39.00%
Leading Work Properties Private Limited	India	49.03%
Whitebud Developers Limited (formerly known as Agreeem Properties Limited).	India	50.00 %
Buildbyte.Com. (India) Private Limited (upto September 30, 2010)	India	50.00 %
Bigcity Developers Private Limited (formerly known as Nectar Developers Private Limited) (w.e.f. FY 2010-2011)	India	50.00 %
Forefront Realty Private Limited	India	26.00 %
Glamorous Properties Private Limited	India	25.00 %
Harbinger Developers Private Limited	India	50.00 %
Comral Realty Private Limited (formerly known as Kamla Shanti Realities Private Limited)	India	30.56 %
Ackruti City Bus Terminal (Surat) Private Limited	India	50.00 %
Pristine Developers Private Limited	India	40.00 %
Citywood Builders Private Limited (Formerly known as Shree Swami Samarth Developers Private Limited)	India	49.97 %
Vinca Developer Private Limited	India	49.00 %
Yellowcity Builders Private Limited	India	43.50 %
Sunstream City Private Limited (formerly known as Zeus Infrastructure Private Limited)	India	43.00 %
<b>Jointly Controlled Entities :</b>		
Ackruti City Bus Terminal (Adajan) Private Limited (Associate in the Previous Year)	India	50.00 %
Ackruti City Bus Terminal (Mehsana) Private Limited (Associate in the Previous Year)	India	50.00 %
Ackruti City Bus Terminal (Vadodara) Private Limited (Associate in the Previous Year)	India	50.00 %
Aarti Projects & Constructions	India	33.00 %
Akruti Forefront JV	India	75.00 %
Akruti GM JV	India	77.00 %
Akruti Jay Chandan JV	India	50.00 %
Ackruti Jay Developers	India	66.66 %
Akruti Kailash Constructions	India	90.00 %
Akruti Realty Forefront Combine	India	90.00 %
Akruti Steelfab Corporation	India	55.00 %
Hiranandani Akruti JV	India	50.00 %
Shreenath Realtors	India	46.25%
Commercial Construction Corporation	India	50.00 %
Akruti SMC JV (#)	India	50.00 %
Hoary Realty Limited (Formerly known as Chaitra Realty Limited) (Associate in the Previous Year)	India	32.13 %
Gandhi Adhivitiya Combine (#)	India	45.00 %
DLF Ackruti Info Parks (Pune) Limited	India	33.00%
Rare Townships Private Limited (formerly known as Infrastructure Ventures India Private Limited) (Associate in the Previous Year)	India	40.00%
Joyous Housing Limited	India	25.00%
(#) Interests through subsidiaries		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2011.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared and presented under the historical cost convention, in accordance with the accounting principles generally accepted in India and in accordance with the applicable Accounting Standards, Guidance Notes and the relevant provisions of the Companies Act, 1956.

#### II. USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

#### III. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured.

##### A. Revenue from Construction / Development Activity

- i. Revenue from sale of finished properties / buildings is recognized on transfer of property and once significant risks and rewards of ownership have been transferred to the buyer. Similarly, revenue from sale of Transferable Development Rights (TDR) is recognized on transfer of the rights to the buyer. Revenue recognition is postponed to the extent of significant uncertainty.
- ii. Revenue from sale of incomplete properties is recognized on the basis of percentage of completion method, subject to the actual cost incurred being atleast 25 % of the total estimated project cost involved and receipt of atleast 10% of the total sale consideration. Further, revenue recognized in the aforesaid manner and related costs are both restricted to 90% until the construction activity and related formalities are substantially completed. Costs relating to construction / development are charged to the Profit and Loss Account in proportion with the revenue recognized during the year. The balance costs are carried as part of 'Incomplete Projects' under inventories. Amounts receivable / payable are reflected as Debtors / Unbilled Receivables or Advances from Customers, respectively, after considering income recognized in the aforesaid manner. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfillment of obligations / conditions imposed on the Company by statutory authorities, is postponed till such obligations are substantially discharged.

Estimated costs of the project are based on the management's estimate of the cost to be incurred upto the completion of the project and include cost of land, Floor Space Index (FSI), materials, services and other expenses attributable to the projects. Cost of construction / development is charged to the Profit and Loss Account in proportion with the revenue recognized during the year. Adjustments, if required, are made on completion of respective projects.

- iii. The Sale proceeds of the Investments held in the Subsidiaries, Joint Ventures, etc. developing Real Estate Projects are included in real estate revenue, net of cost.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.**

**B. Profit/ Loss from Partnership Firms / Association of Persons:**

Share of Profit / Loss from Partnership Firms / Association of Persons (AOP) is accounted in respect of the financial year of the Firm / AOP, ending on or before the Balance Sheet date, on the basis of their audited / unaudited accounts, as the case may be.

**C. Income from Leased Premises:**

Income from providing facilities / lease of premises is accrued over the period mentioned in the facility / leave and license agreement.

**D. Interest and Dividend:**

Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the shareholders' right to receive dividend is established by the Balance Sheet date.

**E. Others:**

Other Revenues / Incomes and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred.

**IV. FIXED ASSETS AND DEPRECIATION / AMORTISATION**

- A. Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment loss, if any. Attention is also invited to Accounting Policy No. (V) (B).
- B. Depreciation is provided on the written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition, or upto the date of such sale/disposal, as the case may be.
- C. Cost of Leasehold Land is amortised on a straight line basis, over the primary lease period.
- D. Cost of customized software is amortised on a straight line basis over a period of five years.

**V. INVENTORIES**

All inventories are stated at Cost or Net Realizable Value, whichever is lower.

- A. 'Incomplete Projects' include cost of incomplete properties for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure for the year in which they are incurred unless they are separately identifiable and it is probable that the respective project will be obtained.
- B. Finished properties given under operating lease are disclosed under the Fixed Assets Schedule as Leased Assets. The costs transferred to the Fixed Assets Schedule are shown as deductions from the costs carried in opening inventory and construction costs incurred during the year. These assets (including Furniture and Fixtures in furnished properties and land acquired on lease) are depreciated / amortised as per the Accounting Policy given under Accounting Policy Nos. (IV) (B) and (IV) (C).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.

Although the Company considers these assets as Inventories held for sale in the ordinary course of business, the disclosure under the Fixed Assets Schedule and provision for depreciation / amortisation is made to comply with the requirements of Accounting Standard 19 – Leases.

Cost included in inventory include costs incurred upto the completion of the project viz. cost of land / rights, value of FSI, materials, services and other expenses (including borrowing costs) attributable to the projects.

Cost formula used is average cost.

### VI. CONTRACTUAL INTERESTS IN PROJECTS EXECUTED THROUGH SUBSIDIARIES, JOINT VENTURES, ETC.

Costs incurred by the Company allocable / attributable for execution of development projects undertaken through its Subsidiaries, Joint Ventures, etc. are carried at 'Cost or Net Realisable Value', whichever is lower. Such costs, incurred for execution of these projects, net of recoveries made thereagainst, are carried as "Contractual interests in projects executed through Subsidiaries, Joint Ventures, etc." under Current Assets. The manner of allocation of costs to such projects and the basis / principles applicable for recognition of such costs are same as that of costs incurred for projects executed solely by the Company.

### VII. INVESTMENTS

Investments are classified into current and long term investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize decline, other than temporary, in the value of long term investments.

### VIII. EMPLOYEE BENEFITS

- A. Short Term Employee Benefits** are recognised as an expense at the undiscounted amount in the Profit and Loss Account for the year in which the related service is rendered;
- B. Post Employment Benefits**
- i. Defined contribution plans: The Company's contribution to State governed Provident Fund Scheme is recognised during the year in which the related service is rendered;
  - ii. Defined benefit plans: The present value of the gratuity obligation is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. In the case of gratuity which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis;
- C. Other Long Term Benefits** (leave entitlement) are recognized in a manner similar to defined benefit plans;
- D. Termination Benefits** are recognised as an expense in the Profit and Loss Account for the year in which they are incurred.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.

### IX. BORROWING COSTS

Interests and other borrowing costs (including front end processing fees) attributable to qualifying assets (including projects undertaken for sale by the Company directly or through its Subsidiaries, Joint Ventures, etc.) are allocated as part of the cost of construction / development of such assets. The borrowing costs incurred during the period in which activities, necessary to prepare the assets for their intended use or sale, are in progress, are allocated as aforesaid. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. Other borrowing costs are charged to the Profit and Loss Account.

### X. SHARE ISSUE EXPENSES

Share issue expenses, if any, are first charged against available balance in the Securities Premium Account.

### XI. FOREIGN CURRENCY TRANSACTIONS

- A. All transactions in foreign currency are recorded in the reporting currency, at the rates of exchange prevailing on the dates the relevant transactions take place.
- B. Monetary Assets and Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.

### XII. SEGMENT REPORTING

The Company is engaged in the business of Real Estate Development, which as per Accounting Standards AS-17- 'Segment Reporting' is considered to be the only reportable business segment. The Company is also operating within the same geographical segment. Hence, disclosures under AS-17 are not applicable.

### XIII. TAXATION

Income tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 for the relevant assessment year. Deferred Tax Adjustments comprising of deferred tax asset and deferred tax liability is calculated by applying tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.

### XIV. IMPAIRMENT OF ASSETS

The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2011.**

**XV. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving a substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

**3. RELATED PARTIES DISCLOSURES**

**A. NAMES OF RELATED PARTIES AND DESCRIPTION OF RELATIONSHIPS**

**I) SUBSIDIARIES**

1. ABP Realty Advisors Private Limited
2. Ackruti Campus of Research and Education Private Limited
3. Ackruti Center Infotech Limited
4. Headland Farming Private Limited (Formerly known as Ackruti City Farming Private Limited)
5. Heddle Knowledge Private Limited (Formerly known as Ackruti City Knowledge Private Limited)
6. Heeler Hospitality Private Limited (Formerly known as Ackruti Guestline Private Limited)
7. Citygold Education Research Limited
8. Citygold Farming Private Limited
9. Harmony Erectors Private Limited
10. India Development And Construction Venture Capital Private Limited
11. Sunmist Builders Private Limited (Formerly known as Oracle Shelters Private Limited)

**II) ASSOCIATES, WHERE TRANSACTIONS HAVE TAKEN PLACE**

1. Ackruti City Bus Terminal (Adajan) Private Limited (Formerly a public limited company)
2. Ackruti City Bus Terminal (Mehsana) Private Limited
3. Ackruti City Bus Terminal (Vadodara) Private Limited
4. Whitebud Developers Limited (Formerly known as Agreem Properties Limited)
5. Buildbyte.Com. (India) Private Limited (upto September 30, 2010)
6. Hoary Realty Limited (Formerly known as Chaitra Realty Limited)
7. Forefront Realty Private Limited
8. Gallant Infotech Private Limited.
9. Glamorous Properties Private Limited
10. Harbinger Developers Private Limited

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.**

11. Comral Realty Private Limited (Formerly known as Kamla Shanti Realities Private Limited)
12. Ackruti City Bus Terminal (Surat) Private Limited (Formerly known as Multicity Bus Terminal (Surat) Private Limited)
13. Pristine Developers Private Limited
14. Citywood Builders Private Limited (Formerly known as Shree Swami Samarth Developers Private Limited)
15. Vinca Developer Private Limited
16. Yellowcity Builders Private Limited
17. Sunstream City Private Limited (Formerly known as Zeus Infrastructure Private Limited)

**III) JOINTLY CONTROLLED ENTITIES**

1. Aarti Projects & Constructions
2. Akruti Forefront JV
3. Akruti GM JV
4. Akruti Jay Chandan JV
5. Ackruti Jay Developers
6. Akruti Kailash Constructions
7. Akruti Realty Forefront Combine
8. Akruti Steelfab Corporation
9. Hiranandani Akruti JV
10. Niharika Shopping Mall JV
11. Shreenath Realtors
12. Commercial Construction Corporation
13. DLF Ackruti Info Parks (Pune) Limited
14. Rare Townships Private Limited (Formerly known as Infrastructure Ventures India Private Limited)
15. Joyous Housing Limited
16. Akruti SMC JV
17. Gandhi Adhivitiya Combine

**IV) (a) KEY MANAGEMENT PERSONNEL**

1. Mr. Hemant M. Shah (Executive Chairman)
2. Mr. Vyomesh M. Shah (Managing Director)
3. Mr. Madhukar B. Chobe (Wholetime Director)



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.**

**(b) RELATIVES OF KEY MANAGEMENT PERSONNEL** (where transactions have taken place)

1. Mrs. Kunjal H. Shah
2. Mrs. Falguni V. Shah
3. Mrs. Lata M. Shah
4. Mr. Rushank V. Shah
5. Mr. Khilen V. Shah
6. Master Kushal H. Shah
7. Hemant M. Shah HUF
8. Vyomesh M. Shah HUF
9. Mahipatray V. Shah HUF

**(c) ENTERPRISES WHERE KEY MANAGERIAL PERSONNEL OR THEIR RELATIVES EXERCISE SIGNIFICANT INFLUENCE**  
(where transactions have taken place)

1. Citygold Management Services Private Limited
2. Ackruti Safety Innovations Limited
3. Ackruti Salt Works Limited
4. Boulevard Realty Private Limited
5. Fourjone Realtors Private Limited
6. Ichha Constructions Private Limited
7. Refresh Buildcon Private Limited
8. Saicharan Consultancy Private Limited
9. Sanskriti Developers Private Limited
10. Ackruti City Bus Terminal (Ahmedabad) Private Limited

**Note: Related Party relationships are identified by the Company and relied upon by the auditors**



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2011.**

**B. TRANSACTIONS WITH RELATED PARTIES**

(₹)

Nature of transaction	Subsidiary Companies	Associate Companies	Jointly Controlled Entities	Other parties, where control exists	Key Management Personnel (including relatives)
Loans & Advances received / recovered	475,260,957 (1,106,126,761)	72,205,471 (437,637,927)	1,258,148,888 (927,918,660)	82,593,474 (325,215,240)	- (210,000)
Loans & Advances given / repaid/ adjusted	963,347,882 (1,151,551,217)	1,143,661,501 (2,880,957,031)	1,112,467,523 (199,553,486)	367,732,345 (490,125,560)	- (-)
Interest received	81,012 (248,057,119)	435,864,649 (342,867,343)	67,361,221 (207,503,806)	29,067,758 (14,269,191)	- (-)
Interest paid	- (-)	- (-)	24,377,721 (-)	- (1,213,068)	4,559,956 (8,901,934)
Advance against share application	25,473,597 (670,000,000)	5,650,000 (1,045,000)	38,539,800 (-)	- (-)	- (-)
Advance against share adjusted	210,741,000 (1,465,312,000)	24,793,901 (2,224,500,000)	- (30,000,000)	- (850,000)	- (-)
Services received/ availed	- (8,603,005)	946,012 (946,012)	- (-)	90,658,646 (44,977,070)	- (-)
On behalf payments (including reimbursement of expenses)	- (-)	374,543,412 (38,222,744)	65,742,641 (24,487,898)	135,000 (48,762)	- (55,920)
Services rendered	- (-)	- (-)	15,836,344 (20,213,392)	- (509,900)	- (-)
Rent received	- (-)	- (-)	- (-)	- (13,632,915)	- (-)
Rent paid	- (-)	- (-)	- (-)	- (502,710)	- (-)
Directors' remuneration	- (-)	- (-)	- (-)	- (-)	42,561,600 (49,198,600)
Purchase of TDR / Project / material	- (38,605)	- (-)	- (4,494,153)	- (-)	- (-)
Advances received towards purchase of Flat	- (-)	- (-)	- (-)	- (-)	3,000,000 (-)
Purchase of Flat	- (-)	- (-)	- (-)	- (-)	- (1,400,000)
Purchase of Shares	- (-)	- (-)	- (-)	- (-)	1,600,000 (-)
Advances paid towards purchase of Development Rights	- (-)	2,550,000 (-)	- (-)	- (-)	- (-)
Recovery of advances paid towards purchase of Development Rights	- (-)	2,550,000 (-)	- (-)	- (-)	- (-)
Investments made	800,000 (2,200,000)	48,322,467 (6,057,458)	85,434,939 (20,110,000)	- (-)	- (-)
Investments withdrawn	- (45,600,000)	- (15,800)	23,026,952 (293,500,000)	200,000 (-)	- (-)
Share of Profit from Joint Ventures & Partnerships	- (-)	- (-)	143,532,736 (430,539,599)	- (-)	- (-)
Share of Loss from Joint Ventures & Partnerships	- (-)	- (-)	369,115 (46,117,207)	- (-)	- (-)
Deposits received	- (-)	- (-)	- (-)	- (-)	27,500,000 (11,000,000)
Deposits repaid	- (-)	- (-)	- (-)	- (1,234,620)	2,500,000 (131,677,800)
Security by way of shares in the Company pledged against loans availed by Company	- (-)	- (-)	- (-)	- (-)	Amount not quantifiable #
Corporate Guarantees given for loans availed by others (net of guarantees vacated)	- (-)	- (780,000,000)	- (391,934,380)	- (-)	- (-)
Corporate Guarantees given for loans availed by others (net of guarantees vacated)	- (-)	- (-)	- (-)	- (-)	- (-)

# amounts not quantifiable since they fluctuate based on market price of the quoted shares



**ACKRUTI CITY**  
LIFE TIME VALUE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.**

**B. TRANSACTIONS WITH RELATED PARTIES**

(₹)

Nature of transaction	Subsidiary Companies	Associate Companies	Jointly Controlled Entities	Other parties, where control exists	Key Management Personnel (including relatives)
<b>Balances Outstanding *</b>					
Receivable	1,230,970,783 (1,120,223,583)	3,403,617,153 (3,189,806,060)	712,704,022 (582,161,977)	246,280,111 (63,508,474)	- (-)
Payable	- (26,634,284)	1,236,967 (1,334,453,993)	210,741,209 (74,888,440)	168,982 (61,614,867)	78,633,917 (37,607,019)
Security by way of shares in the Company, pledged against loans availed by Company	- (-)	- (-)	- (-)	- (-)	Amount not quantifiable #
Corporate Guarantees given for loans availed by others (amount outstanding there against.)	- (-)	- (780,000,000)	- (1,130,632,661)	- (-)	- (-)

\* including balances relating to transactions entered when these were not related

# amounts not quantifiable since they fluctuate based on market price of the quoted shares

**4. DEFERRED TAXATION FOR THE YEAR ENDED 31ST MARCH, 2011:**

	As at 31-03-2010 (₹)	Charge/(Credit) during the year (₹)	As at 31-03-2011 (₹)
<b>Deferred Tax Liability / (Asset) on account of</b>			
i. Depreciation	(10,740,169)	5,368,590	<b>(5,371,579)</b>
ii. Expenses allowable for tax purpose in subsequent year(s)	(39,501,883)	(2,126,189)	<b>(41,628,072)</b>
iii. Others	-	(7,728,798)	<b>(7,728,798)</b>
Net Deferred Tax Liability / (Asset)	(50,242,052)	(4,486,397)	<b>(54,728,449)</b>

**5. CONTINGENT LIABILITIES (INCLUDING SHARE OF JOINT VENTURE) (NOT PROVIDED FOR):**

Sr. No.	Particulars	As at 31/03/2011 (₹)	As at 31/03/2010 (₹)
(A)	Claims against the Company, not acknowledged as debts on account of: -		
1.	Income Tax matters under appeal (including share in joint venture ₹ 1,252,991/-, P.Y. ₹ 1,252,991/-).	681,784,634	7,178,868
2.	Service Tax matter under appeal (Thru Maharashtra Chamber of Housing Industry).	29,268,756	-
3.	Demand notice issued by Brihanmumbai Municipal Corporation for Land under Construction charges (property tax). (including share in joint venture ₹ 50,696,589/-, P.Y. Nil).	105,411,000	48,051,625
4.	Charge created on the assets of Jointly Controlled Entity in favour of IL&FS Trust Company Limited for loan availed by other body corporate.	321,300,000	-
5.	Charge created on the assets of Jointly Controlled Entity in favour of IL&FS Trust Company Limited for loan availed by other body corporate (extent of outstanding loan).	271,973,841	-
6.	Others (including share in joint venture ₹ 1,986,562/-, P.Y. ₹ 1,986,562/-).	44,890,756	23,170,274
(B)	On account of corporate guarantees issued by the company to bankers on behalf of other companies and joint ventures for facilities availed by them (amount outstanding there against.)	6,531,335,989	621,175,507



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2011.**

**NOTE:**

Further interest / penalty that may accrue on original demands are not ascertainable at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice, are not sustainable.

6. The details of subsidiaries in terms of General Circular No. 2/2011 dated 8<sup>th</sup> February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956, are disclosed in Annexure I to these financial statements.

**7. PRIOR PERIOD ADJUSTMENTS INCLUDE:**

	<b>2010-2011</b> (₹)	2009-2010 (₹)
Depreciation Adjustments	<b>(43,346,717)</b>	-
Debits relating to earlier years	<b>(6,280,731)</b>	(900,982)
Credits relating to earlier years	<b>8,447,474</b>	7,914,076
<b>Total</b>	<b>(41,179,974)</b>	7,013,094

**8. EARNINGS PER SHARE**

<b>Particulars</b>		<b>2010-2011</b>	2009-2010
Net Profit as per Profit and Loss Account available for Equity Shareholders	In ₹	1,761,848,210	1,649,140,736
Number of Equity Shares outstanding at the end of the year	In Nos.	72,735,871	72,735,871
Weighted average number of equity shares outstanding during the year	In Nos.	72,735,871	70,056,936
Earnings per Share of ₹ 10/- each (Basic and Diluted)	In ₹	24.22	23.54

9. The Consolidated Financial Statements present the consolidated accounts of the Company with its Subsidiaries, Joint Ventures and Associates, which incorporate Ackruti Safeguard Systems Private Limited (ASSPL) (formerly known as Ackruti Security Plates Private Limited), a subsidiary of the Company that is yet to commence commercial operations. The operations of this subsidiary will fall within a segment separate from the existing one of Real Estate Development. However, consolidated segment information would be given once ASSPL commences operations. Further, the Group operates within a single geographical segment.

10. "Sundry Debtors" as at 31<sup>st</sup> March, 2011, include ₹ 51.81 crore (₹ 61.24 crore as at 31.03.2010), due from two customers who had during the previous year, requested the Company for extending the credit period originally granted in their respective sale agreements. The Parties had affirmed to remain committed to the consideration originally agreed to and have, during the current year, discharged a part of the total outstanding debt. These Parties have requested the management for further extension upto 30<sup>th</sup> September, 2011. Based on the above, the management considers the debt to be good and fully recoverable as at the balance sheet date.



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2011.**

11. Following the principles of consolidation (refer note I(i)(vii)), the audited accounts of M/s. Ackruti Jay Developers have been restated to align with the consolidated accounting principles. The resultant impact has increased revenue by ₹ 44.49 crore and the impact on the profit for the year is nil.
12. Previous year's figures have been regrouped / recast wherever necessary.
- 

As per our report of even date

For and on behalf of  
**DOSHI DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

For and on behalf of  
**SUDIT K. PAREKH & CO.**  
Firm Registration No. 110512W  
Chartered Accountants

For and on behalf of the Board

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**VIRAL D. DOSHI**  
PARTNER  
Membership No. F-105330

**RAMAN JOKHAKAR**  
PARTNER  
Membership No. F-103241

**CHETAN MODY**  
COMPANY SECRETARY

**BHARAT MODY**  
CHIEF FINANCE  
OFFICER

MUMBAI  
Date: May 30, 2011

MUMBAI  
Date: May 30, 2011



**ACKRUTI CITY**  
LIFE TIME VALUE

**SUMMARY OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2011**

**ANNEXURE - I**

Disclosure in terms of directions under Section 212 (8) of the Companies Act, 1956 issued by the Ministry of Corporate Affairs vide General Circular No. 2/2011 dated February 8, 2011.

(₹ in lac)

Name of Subsidiary Company	Issued and Subscribed Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments Other than investments in subsidiary companies (included in total assets)	Turnover and Other Income	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend and Tax thereon
ABP Realty Advisors Private Limited	5.00	(181.33)	26.72	203.05	—	—	(154.70)	—	(154.70)	—
Ackruti Campus of Research and Education Private Limited	5.00	(2.42)	2.83	0.25	—	—	(0.60)	—	(0.60)	—
Ackruti City Magnum Limited	5.00	(0.53)	5.10	0.63	—	—	(0.53)	—	(0.53)	—
Ackruti Safeguard Systems Private Limited (formerly Ackruti Security Plates Private Limited)	26.76	(341.31)	426.90	741.45	—	4.60	(107.18)	—	(107.18)	—
Adhivitiya Properties Limited	5.00	(128.18)	650.31	773.49	433.75	160.64	47.57	—	47.57	—
Arnav Gruh Limited	5.00	(534.42)	2,493.96	3,023.38	146.10	334.57	(37.95)	9.42	(47.37)	—
Citygold Education Research Limited	230.50	2,311.65	6,107.31	3,565.16	—	13.41	(47.38)	—	(47.38)	—
Citygold Farming Private Limited	259.75	2,869.27	13,418.25	10,289.23	—	110.08	24.31	10.54	13.77	—
Devkrupa Build Tech Limited	5.00	(1,023.41)	2,654.12	3,672.53	—	1,473.98	(587.45)	1.23	(588.68)	—
Diviniti Projects Private Limited (formerly TDR Properties Private Limited)	5.00	416.32	444.30	22.98	0.23	57.19	55.91	15.00	40.91	—
Gujarat Akruti-TCG Biotech Limited	5.00	(185.56)	2,382.04	2,562.60	—	0.01	(69.96)	—	(69.96)	—
Hallitius Warehousing Limited (formerly Ackruti Warehousing Limited)	10.00	(58.09)	2,310.28	2,358.37	—	400.03	(597.31)	(77.29)	(520.02)	—
Harmony Erectors Private Limited	5.00	(1.34)	4.76	1.10	—	—	(0.66)	—	13.77	—
Headland Farming Private Limited (formerly Ackruti City Farming Private Limited)	1.00	163.64	1,954.57	1,789.93	—	17.65	13.50	8.61	4.89	—
Heddle Knowledge Private Limited (formerly Ackruti City Knowledge Private Limited)	1.00	367.22	7,894.34	7,526.12	0.27	127.05	80.33	15.67	64.66	—
Heeler Hospitality Private Limited (formerly Ackruti Guestline Private Limited)	1.00	15.81	1,069.43	1,052.62	—	—	(4.55)	—	(4.55)	—
Heet Builders Private Limited (formerly Vaishnavi Builders and Developers Private Limited)	5.00	(12.04)	1,545.14	1,552.18	—	2.00	(0.13)	—	(0.13)	—
Hollac Realty Limited	5.00	(100.30)	935.29	1,030.59	—	—	(3.51)	(0.06)	(3.45)	—
India Development and Construction Venture Capital Private Limited	5.00	(13.19)	7.53	15.72	—	—	(2.88)	—	(2.88)	—
Jihant Housing Private Limited	5.00	(1.00)	4.20	0.20	—	0.05	(0.60)	—	(0.60)	—



**ACKRUTI CITY**  
L I F E T I M E V A L U E

**SUMMARY OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2011**

**ANNEXURE - I**

Disclosure in terms of directions under Section 212 (8) of the Companies Act, 1956 issued by the Ministry of Corporate Affairs vide General Circular No. 2/2011 dated February 8, 2011.

(₹ in lac)

Name of Subsidiary Company	Issued and Subscribed Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments Other than investments in subsidiary companies (included in total assets)	Turnover and Other Income	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend and Tax thereon
Merrygold Buildcon Private Limited	1.00	(0.72)	7.63	7.35	—	—	(0.40)	—	(0.40)	—
Nova Realty Private Limited	5.00	(1.06)	4.10	0.16	—	—	(0.68)	—	(0.68)	—
Pushpak Healthcare Services Private Limited	3.13	111.80	576.05	461.12	4.99	7.48	6.04	1.80	4.24	—
Sheshan Housing and Area Development Engineers Limited	5.00	63.66	72.16	3.50	—	7.28	6.26	2.00	4.26	—
Sunmist Builders Private Limited (formerly Oracle Shelters Private Limited)	5.00	(1.83)	26.43	23.26	—	—	(0.76)	—	(0.76)	—
Superaction Realty Private Limited	5.00	(0.95)	41.47	37.42	—	—	(0.61)	—	(0.61)	—
Upvan Lake Resorts Private Limited	1.20	(10.01)	279.95	288.76	—	2.90	(1.29)	—	(1.29)	—
Urvi Build Tech Limited	5.00	(1,378.58)	1,100.67	2,474.25	—	573.50	(420.72)	3.03	(423.75)	—
Vama Housing Limited	5.00	(270.89)	184.89	450.78	12.00	0.83	(10.23)	0.18	(10.41)	—
Vega Developers Private Limited (formerly Pure Gold Developers Private Limited)	1.00	(0.46)	1,223.38	1,222.84	—	—	—	—	—	—
Vishal Nirman (India) Limited	5.00	17.56	25.79	3.23	3.14	0.17	(1.46)	0.05	(1.51)	—
Vishal Techno Commerce Limited	5.00	2,795.35	4,638.75	1,838.40	41.21	5,683.87	3,901.81	1,339.87	2,561.94	—
Yantti Buildcon Private Limited	5.00	0.62	3,970.78	3,965.16	—	3.04	0.93	0.40	0.53	—

For and on behalf of the Board

**Hemant M. Shah**  
Executive Chairman

**Vyomesh M. Shah**  
Managing Director

**Chetan Mody**  
Company Secretary

**Bharat Mody**  
Chief Financial Officer

Mumbai  
Date: May 30, 2011



**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**

**I. REGISTRATION DETAILS:**

Registration No. 

L	4	5	2	0	0	M	H	1	9	8	9	P	L	C	0	5	0	6	8	8
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Balance Sheet Date 

3	1	.	0	3	.	2	0	1	1
---	---	---	---	---	---	---	---	---	---

 State Code 

1	1
---	---

**II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ THOUSANDS):**

Public Issue 

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

 Rights Issue 

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

Bonus Issue 

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

 Private Placement 

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

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ THOUSANDS):**

Total Liabilities 

3	4	3	8	9	1	7	6
---	---	---	---	---	---	---	---

 Total Assets 

3	4	3	8	9	1	7	6
---	---	---	---	---	---	---	---

**SOURCES OF FUNDS:**

Paid-up Capital 

		7	2	7	3	5	9
--	--	---	---	---	---	---	---

Reserves & Surplus 

1	5	3	0	8	0	5	7
---	---	---	---	---	---	---	---

Secured Loans 

1	3	2	5	5	6	7	5
---	---	---	---	---	---	---	---

Unsecured Loans 

	2	4	8	5	1	2	9
--	---	---	---	---	---	---	---

Deferred Tax Liability 

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

**APPLICATION OF FUNDS:**

Net Fixed Assets 

		8	4	7	0	6	4
--	--	---	---	---	---	---	---

Investments 

	5	2	8	2	3	5	9
--	---	---	---	---	---	---	---

Deferred Tax Asset 

			4	7	7	8	2
--	--	--	---	---	---	---	---

Net Current Assets 

2	5	5	9	9	0	1	5
---	---	---	---	---	---	---	---

Misc. Expenditure 

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

**IV. PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSANDS):**

Turnover (Total Income) 

	4	7	5	1	3	4	9
--	---	---	---	---	---	---	---

Profit Before Tax 

	1	5	5	6	7	2	8
--	---	---	---	---	---	---	---

Earning per Share in ₹ 

		2	3	.	5	8
--	--	---	---	---	---	---

Total Expenditure 

	3	1	9	4	6	2	1
--	---	---	---	---	---	---	---

Profit After Tax 

	1	7	1	4	8	1	8
--	---	---	---	---	---	---	---

Dividend Rate % 

					2	5	%
--	--	--	--	--	---	---	---

**V. PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSAND):**

ITEM CODE NO. (ITC CODE)

N.A.

PRODUCT DESCRIPTION

Real Estate Development

As per our report of even date

For and on behalf of  
**DOSHI DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

For and on behalf of  
**SUDIT K. PAREKH & CO.**  
Firm Registration No. 110512W  
Chartered Accountants

For and on behalf of the Board

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**VIRAL D. DOSHI**  
PARTNER  
Membership No. F-105330

**RAMAN JOKHAKAR**  
PARTNER  
Membership No. F-103241

**CHETAN MODY**  
COMPANY SECRETARY

**BHARAT MODY**  
CHIEF FINANCE  
OFFICER

MUMBAI  
Date: May 30, 2011

MUMBAI  
Date: May 30, 2011









**ACKRUTI CITY LIMITED**

Registered Office : Ackruti Trade Centre, 6th Floor, Road No.7, Marol MIDC, Andheri (East), Mumbai 400 093

Folio No. / Client ID. No.	
No. of shares held	

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the Twenty Third Annual General Meeting of the Company held on **Thursday, August 11, 2011 at 2.00 p.m.** at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Fort, Mumbai 400 001.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF PROXY	

Notes:

1. You are requested to sign and handover this slip at the entrance to the Meeting Venue.
2. If you intend to appoint a proxy to attend the Meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

**ACKRUTI CITY LIMITED**

Registered Office : Ackruti Trade Centre, 6th Floor, Road No.7, Marol MIDC, Andheri (East), Mumbai 400 093

Folio No. / Client ID. No.	
No. of shares held	

**FORM OF PROXY**

I/We..... of ..... in the district of ..... being a member/members of **ACKRUTI CITY LIMITED** hereby appoint ..... of ..... in the district of ..... or failing him.....of .....in the district of ..... as my/our proxy to vote for me/us on my/our behalf at the Twenty Third Annual General Meeting of the Company to be held on **Thursday, August 11, 2011 at 2.00 p.m.** at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Fort, Mumbai 400 001 and at any adjournment thereof.

Signed this ..... day of ....., 2011.



Signature \_\_\_\_\_

**N.B. :** The proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



**ACKRUTI CITY**  
ANNUAL REPORT 2011



**ACKRUTI CITY**  
L I F E T I M E V A L U E

An ISO 9001: 2008 Certified Company

Regd. Off.: Ackruti Trade Centre,  
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