



# **Twentieth Annual Report 2013 - 2014**

Board of Directors	D.Sudhakara Reddy - Chairman & Managing Director D. Deeptha - Director Rukmini Roy Basu - Director
Annual General Meeting	30-09-2013
Venue	No.138, Nungambakkam High Road, Nungambakkam, Chennai – 600 034.
Compliance Officer	G. Sundaramurthi
Legal Advisor	Mr. George Cherian, No.16/2, First Floor, Pycrafts Garden Road, Chennai – 600 006.
Auditors	M/s. B.B.Naidu & Co., Chartered Accountants Parkway, No.36, Marshalls Road, Egmore, Chennai – 600 008.
Bankers	Indian Bank
Registered Office	No. 138, Nungambakkam High Road, 2nd Floor, Ameen Manor, “A’ Block, Nungambakkam, Chennai – 600 034.
Corporate Office	No. 138, Nungambakkam High Road, Nungambakkam, Chennai – 600 034. Ph : 044 – 28331454 / 55

E – mail	info@regaliaarealty.com
Website	www.regaliaarealty.com
CIN	L70101TN1994PLC028978
Listing of Equity Shares	Bombay Stock Exchange Ltd., No.25, P.J. Towers, Dalal Street, Mumbai – 400 001  Madras Stock Exchange Ltd No.11, Second Line Beach Chennai – 600 001
Stock Code	530807
ISIN No.	INE098H01011
Share Transfer Agent	Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai – 600 002. Phone : 044 2846 0390.

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 20th Annual General Meeting of the Company will be held at 9.30 A.M. on 29th September 2014 at the Registered Office of the Company located at Ameen Manor , 'A' Block, IInd Floor No. 138, Nungambakkam High Road, Nungambakkam, Chennai – 600 034, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at and the Statement of Profit & Loss for the year ended 31.03.2014 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Rukmini Roy Basu (DIN: 05134948), who retires by rotation and is eligible for re-appointment.
3. To re-appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the fourth consecutive AGM and to fix their remuneration and to pass following resolution thereof.

"RESOLVED that pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. B.B. Naidu & Co., Chartered Accountants, Chennai (Firm's Regn. No. 002291S), be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM until the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors.

### SPECIAL BUSINESS:

#### 4. **To appoint Ms. Rukmini Basu as Independent Director.**

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

**RESOLVED FURTHER THAT** pursuant to provision of Section 149(10) of the Companies Act, 2013, Ms. Rukmini Basu, who holds office up to the date of this annual general meeting, and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 along with deposit of Rs.1 lakh signifying his intention to propose the appointment of Ms. Rukmini Basu as an Independent Director, be and is hereby appointed as Independent Director for a period of consecutive term of 5 years from the date of this general meeting.

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

**RESOLVED THAT** in supersession of the earlier resolution passed by the shareholders and consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board) under Section 180(1)(c) of the Companies Act, 2013, and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, for borrowing, from time to time, as it may consider fit, any sum or sums of moneys from any person, whether or not the moneys so borrowed together with the moneys already borrowed by the Company and remaining outstanding at any one time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose provided that the total amount so borrowed and outstanding at any one time ( apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs. 50.00 Crores (Rupees Fifty Crores only) and that the Board be and is hereby empowered and authorized to arrange and fix the terms and conditions of all such moneys to be borrowed, from time to time, as to interest, repayment, security or otherwise as it may think fit..

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or a duly constituted committee thereof, be and is hereby authorized to finalise, settle and execute such documents /deeds /papers / agreements, as may be required and to do all such acts, deeds, matters and things, as it may in its discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

6. To consider, and if thought fit, to pass, with or without modification, the following resolution as a Special resolution.

**RESOLVED THAT** consent of the Company be and is hereby accorded, pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force) to the Board of Directors of the Company (hereinafter referred to as the "Board") to create security by way of mortgage and / or charge or otherwise in respect of all or any part of the Company's undertaking(s) / immovable properties and fixed assets including lands, buildings, plant and machineries, both present and future and a floating charge over the whole or any part of the undertaking(s) of the Company including moveable / current assets to secure the repayment of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and /or secured premium notes and / or floating rates notes / bonds or other debt instruments) borrowed or issued by the Company from time to time, to or in favor of banks, trustees and /or financial

institutions/other entities in such manner and on such terms and conditions as the Board may think fit, together with interest at the respective agreed rates, additional interest, commitment charges, premia on prepayment or on redemption, costs, charges and expenses, and all other monies payable by the Company in terms of loan agreement(s), heads of agreement(s), debenture trust deed, security or other document(s) entered into by the Company in respect of the foregoing.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or a duly constituted committee thereof, be and is hereby authorized to finalise, settle and execute such documents / deeds / papers / agreements, as may be required and to do all such acts, deeds, matters and things, as it may in its discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating a mortgage and / or charge as aforesaid.

For & on behalf of the Board of Directors

Place :- Chennai  
Date :- 22-08-2014

D.Sudhakara Reddy  
Chairman & Managing Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A FORM OF PROXY IS ENCLOSED. The Instrument appointing the proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and the Transfer Books will remain closed from 24-09-2014 to 29-09-2014 (both days inclusive)..
5. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting. ONLY MEMBERS/PROXIES WILL BE ADMITTED INTO THE HALL FOR THE MEETING.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting is annexed thereto.
7. Members are requested to intimate the Company regarding any change of address, if any. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General meeting. Shareholders are requested to kindly bring their copies to the meeting.
8. Members are requested to lodge their e-mail ID's along with their Name and Folio / Client ID No. to Company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, 'Subramanian Building', Company to send all future communications including Annual Report through electronic mode.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. Members desiring any information on accounts are requested to write to the Compliance Officer at an early date so as to enable the Management to reply.
11. The shares of the Company can also be held in DEMAT Form with NSDL & CDSL. Any shareholder who is desirous of availing the facility, can contact the Registrar and Transfer Agents of the Company, M/s. Cameo Corporate Services Limited at No.1, Subramaniam Building, Club House Road, Chennai- 600002.
12. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment / reappointment at the meeting are annexed.
13. The Company has implemented the “Green Initiative” as per circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs to enable electronic delivery of notices/ documents and annual reports to shareholders. Henceforth, the email addresses indicating in your respective Depository Participant (DP) accounts will be deemed to be your registered email address for serving notices / documents including those covered under Section 219 of the Companies Act, 1956.
14. Instructions for members for voting electronically:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):



# **I. In case of members receiving E-mail:**

- i) Log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Click on "Shareholders" tab.
- iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format	
Dividend Bank Details #	Enter the Dividend Bank Details as record in your demat account or in the Company records for the said demat account or folio.	

\* Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- ix) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- x) Click on <Company Name> on which you choose to vote.
- xi) On the voting page, you will see Resolution Description and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

## **II) In case of members receiving the physical copy:**

- A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- B) The voting period begins on 23.09.2014 (9:00 a.m.) and ends on 24.09.2014, (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29.08.2014, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- C) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **III. General instructions:**

- I) Mr. V. Suresh, Practising Company Secretary (Membership No. FCS 2969) has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

- ii) The Scrutinizer shall, within a period not exceeding three(3) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- iii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 29.08.2014.
- iv) The Results shall be declared at the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.regaliaarealty.com](http://www.regaliaarealty.com) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No 4**

It is proposed to appoint Ms. Rukmini Basu as an Independent Director of the Company under Section 149 of the Companies Act, 2013 and Clause 49 of the listing agreement to hold office for five (5) consecutive years, from conclusion of this Annual General Meeting of the Company.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing her candidature.

The Company has also received declaration from her that they meet with the criteria of independence as prescribed both under Section 149 of the Companies Act, 2013 and under Clause 49 of the listing agreement as also their consent to act as Directors.

None of the Director except Ms. Rukmini Basu are interested in these resolutions.

### **Item No. 5**

Approval for Borrowing in excess of Paid-up capital and Free Reserves :-

The members of the Company through the postal ballot process on 29.08.2014 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 50.00 Crores. As the Companies Act, 1956 is being repealed and replaced with Companies Act, 2013 the Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)© and other applicable provisions of the Companies Act, 2013, as set out at Item No.5 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto \*\*\*\*\* in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5

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

To secure the borrowings / loans availed by the Company, it may be necessary to mortgage / hypothecate / pledge the assets of the Company or part thereof as security.

Section 180(1) (a) of the Companies Act, 2013 stipulates that the Board is required to be authorized by shareholders by way of special resolution for creation of such security as stated above.

Hence, consent of the shareholders is sought pursuant to Section 180(1)(a) of the Companies Act, 2013 .

The Board therefore recommends the passing of the resolution by the Shareholders of the Company as set out in Item No 10 of the notice.

None of the Directors of the Company is in any way concerned or interested in the said Special resolution.

For & on behalf of the Board of Directors

Place :- Chennai  
Date :- 22-08-2014

D.Sudhakara Reddy  
Chairman & Managing Director

**ANNEXURE TO NOTICE:**

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of the Director	Mrs. Rukmini Roy Basu
Date of Birth	06-04-1978
Date of Appointment	01-12-2011
Expertise in specific functional Areas	Marketing
Qualifications	MBA (Marketing)
Details of shares held in the Company	NIL
List of Companies in which outside Directorship held as on 31.03.2014 (including private and foreign companies)	NIL

**DIRECTORS' REPORT:**

Your Directors have pleasure in presenting the 20th Annual Report of the Company together with the audited statement of accounts for the year ending 31st March 2014.

**FINANCIAL HIGHLIGHTS:**

	31.03.2014	31.03.2013
	(Rs. in lakhs)	
Profit/ Loss before Depreciation & Interest	(3.18)	(38.63)
Depreciation	4.34	6.91
Interest	6.70	63.93
Provision for Tax	--	--
Deferred Tax Asset / Liability	1.40	1.11
Profit / (Loss) after Tax	- (15.62)	(116.58)
Balance carried forward	(407.59)	(391.97)

**OPERATIONS:**

THE FERNS - The case filed by the Company against the Landlord for cancelling the Power of Attorney is in an advanced stage. In the meantime, Company is trying for an amicable out of court settlement with the landlord. In the absence of Power of Attorney, Company could not sell any villas and hence there is no revenue from the project.

**DIVIDEND:**

No provision has been made for dividend as the Company has incurred losses for the year ended 31st March 2014.

**FIXED DEPOSITS:**

Liability on account of Fixed Deposit held by the Company as on 31st March 2014 is Rs. 48,10,000/-. The Company has not accepted any fresh Fixed Deposits during the year under review.

**LISTING:**

The Equity shares of your Company are listed on the Bombay Stock Exchange Ltd., Mumbai. Listing fees for the year 2013-14 has been paid to the stock exchange. The Board would like to inform the shareholders that the shares of the Company are also available in form and shareholders are requested to make use of this opportunity.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm.

- a. That in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- b. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c. That they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That they have prepared the annual accounts on a going concern basis.

**AUDITORS:**

The Auditors M/s. B.B. Naidu & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and are eligible for reappointment. Your Directors recommend the re-appointment of M/s. B.B. Naidu & Co., Chartered Accountants, as statutory Auditors to hold office until the conclusion of the next Annual General Meeting of the Company. The members are requested to authorize the Board to fix their remuneration.

**ENERGY CONSERVATION, TECHNOLOGY TRANSFER AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is furnished hereunder:

- A. Details of Conservation of Energy: The Company tries to conserve energy wherever possible. The activity of the Company is not covered under the list of specified industries in the Schedule and rules as stated above.
- B. Research and Development: The Company has not undertaken any R&D activity in any specific area during the year under review and hence no cost has been incurred towards the same.
- C. Technology Absorption: Nil
- D. Foreign Exchange Earnings & Outgo:

**SECRETARIAL COMPLIANCE CERTIFICATE:**

The Company has obtained a Secretarial Compliance Certificate as required under Section 383A of the Companies Act, 1956 from a Practicing Company Secretary.

**PARTICULARS OF EMPLOYEES:**

The provisions under Section 217(2A) of the Companies Act, 1956 and the rules framed there under are not applicable since none of the employees were in receipt of remuneration in excess of the limits prescribed therein.

**CORPORATE GOVERNANCE:**

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditor's Certificate on the compliance of Corporate Governance, form part of the Annual Report.

**ACKNOWLEDGMENTS:**

Your Directors thank the Company's Customers, Vendors and Investors for their continued support during the year. Your Directors place on record their appreciation of the excellent contribution made by employees at all levels.

For & on behalf of the Board of Directors

Place :- Chennai  
Date :- 22-08-2014

D.Sudhakara Reddy  
Chairman & Managing Director



## **MANAGEMENT DISCUSSION & ANALYSIS**

This discussion covers the financial results for the Financial Year April 2013 – March 2014 taking into account the likely economic growth in both Global & Indian Economy.

### **GLOBAL & INDIAN ECONOMY**

The Global economy has been going through difficult times due to international political conflicts, cross border terrorism and several countries being compelled to resort the crisis management with other economies.

Due to increasing interest cost and tightening of money flow by RBI to control inflation, availability of funds at reasonable cost became impossible and thus impacted Realty Industry.

The growth in Realty Industry during the year was static with over supply in the market and the general recessionary environment and slow down in economy.

### **FUTURE PROSPECTS :**

The county is facing a difficult economic situation due to escalating interest rate and inflation. The prospects for the present year does not look bright for the Realty Industry.

### **OPPORTUNITIES :**

Once the Power of Attorney issue is resolved, the Company is looking at the possibility of selling the balance unsold villas and also take up for development of the next lot of Villas in Project “The Ferns” considering the fact that all the infrastructure has been completed.

### **THREATS :**

The interest rate on Housing Loan is on the higher side and there are no sign of substantial reduction. The competition is also increasing almost every month in the city of Chennai with several new Builders coming in from various parts of the country with established brand names.

There has been a substantial increase in the cost of labour, fluctuating cost of important construction materials and non availability of migrant labourers has affected the prospects of the Industry.

### **RISK MANAGEMENT:**

The Company has in place a risk management policy which lays down a vigorous and active process for identification and mitigation for risks. The Policy has been adopted by the Board of Directors of the Company and the Audit Committee reviews the risk management on the mitigation plan from time to time.

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2013-14

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company is committed to enhance the shareholders value by adopting transparent practices and through prudent business decisions.

### 2. BOARD OF DIRECTORS:

#### a. Composition and category of Directors

Name of the Director	Category	No. of Board meetings attended during 2013/14	Whether Attended last AGM on 30.9.2013	No. of Directorships in other Companies		No. of Audit / Investor Grievance Committee positions held in other Public Companies	
				Indian	Foreign	Chairman	Member
Mr.D.Sudhakara Reddy	Promoter, Chairman & Managing Director	4	YES	3	3	1	-
Ms.D Deeptha	Promoter Director	3	NO	-	-	-	-
Mrs. Rukmini Roy Basu	Independent Director	4	YES	-	-	-	-

#### b. Board Meetings:

During the year under review, the Board of Directors of the Company met four times on the following dates:

No.	Date of Meeting	For the Quarter
1	31-05-2013	April to June
2	01-08-2013	July to September
3	30-10-2013	October to December
4	03-02-2014	January to March

### 3. AUDIT COMMITTEE:

#### Constitution:

The Committee consists of 3 Directors

1. Mr. D. Sudhakara Reddy - Chairman
2. Ms. D. Deeptha - Director
3. Mrs. Rukmini Roy Basu - Director

The Committee is chaired by Mr. D. Sudhakara Reddy.

### Terms of Reference

The charter of the Committee is as prescribed under Clause 49 of the listing agreement with the Stock Exchanges.

### Meetings & Attendance

During the year under review four meetings of the Audit Committee were held on 31-05-2013, 01-08-2013, 30-10-2013 & 03-02-2014. Necessary quorum was present for all the meetings.

Name of the Member	Category	No. of meetings attended
Mr. D Sudhakara Reddy	Promoter, Chairman & Managing Director	4
Ms. D. Deeptha	Promoter	3
Mrs. Rukmini Roy Basu	Independent	4

### 4. REMUNERATION COMMITTEE:

- The Listing Agreement with the Stock Exchanges provides that a Company may appoint a Committee for recommending managerial remuneration payable to the Directors. The Company has in place a Remuneration Committee for the said purpose.
- The Remuneration Committee constituted as per the requirements of the Listing Agreement and the provisions of the Companies Act, 1956, determines the remuneration payable to the Managing Director, with agreed terms of reference and reviews the Company's policy on specific remuneration packages for Managing Director which may include pension rights and compensation payments, on behalf of the Board of Directors and the shareholders of the Company.
- The composition of the Remuneration Committee and particulars of meetings attended by Members of the Committee are as under :

Members	Category	Whether attended the Meetings held on 31-05-2013
Ms. D. Deeptha	Promoter	Yes
Ms. Rukmini Roy Basu	Independent Director	Yes

Remuneration paid to Mr.D.Sudhakara Reddy, Chairman & Managing Director, during the year 2013-14 is Nil.

### Remuneration to Non-executive Directors:

Name of the Director	Sitting Fees Paid
Ms. D. Deeptha	Nil
Ms. Rukmini Roy Basu	Nil

### 5. INVESTOR'S GRIEVANCE COMMITTEE:

#### Constitution:

The Committee consists of 2 directors:

1. Mr. D. Sudhakara Reddy - Chairman
2. Ms. D. Deeptha - Director

The Committee is chaired by Mr. D. Sudhakara Reddy.

#### Terms of Reference

The Committee has the required powers to carry out the handing of shareholders' / investors' grievances. The brief terms of reference of the Committee include redressing of complaints of shareholders and investors relating to transfer of shares, non-receipt of Annual Report, dividends etc.

#### Meetings & Attendance

During the year under review the Committee met on 01-08-2013. The composition and the attendance of members of the Committee at the meeting is given below:

Name of the Member	Category	Whether attended the Meeting held on 01-08-2013
Mr. D. Sudhakara Reddy	Promoter	Yes
Mr. Deeptha Reddy	Promoter	Yes

The status of complaints received from shareholders during the year 2013-14 is as under:

Complaints outstanding at the beginning of the year	Complaints received during the year	Complaints disposed off during the year	Complaints unresolved at the end of the year
Nil	Nil	Nil	Nil

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956 the Company is required to transfer dividends and matured deposits that remain unclaimed for a period of seven years from the date of declaration and from the due date for repayment respectively, to the Investor Education and Protection Fund (IEPF) established and administered by the Government of India.

Contact details of Compliance Officer:

Mr.G. Sundaramurthi,  
Regaliaa Realty Limited  
Ameen Manor, 'A' Block  
No. 138, Nungambakkam High Road,  
Nungambakkam,  
Chennai – 600 034

Phone : (044) 28331455

Email id : [info@regaliaarealty.com](mailto:info@regaliaarealty.com)

Email id designated for investor complaints : [info@regaliaarealty.com](mailto:info@regaliaarealty.com)

Pending Share Transfers: There are no pending share transfers as on 31st March 2014.

All the shares received from the Share Holders are processed, transferred and despatched by the Share Transfer Agent - M/s. Cameo Corporate Services Ltd., within the prescribed time limit.

## **6. GENERAL BODY MEETINGS:**

The last three Annual General Meetings of the Company were held at the date, time and location mentioned below:

<b>Date &amp; Time</b>	<b>Location</b>
1) 23rd September 2011 10.00 A.M.	138, Nungambakkam High Road Nungambakkam, Chennai – 600 034
2) 28th September 2012 09.30 A.M.	138, Nungambakkam High Road Nungambakkam, Chennai – 600 034
3) 30th September 2013 09.30 A.M.	138, Nungambakkam High Road Nungambakkam, Chennai – 600 034

Mr. D Sudhakara Reddy, Chairman and Managing Director chaired the last Annual General Meeting held on 30th September 2013.

## **7. DISCLOSURES**

### **a) Related Party Transaction:**

There have been no materially significant related party transactions with the Company's Promoters, Directors, and the Management, the subsidiaries or relatives which may have potential conflict with the interest of the Company at large.

### **b) Compliances of the Company:**

There have been no instances of non compliance by the Company on any matters related to the capital markets nor have any penalty/strictures been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on such matters.

**c) Whistle Blower Policy:**

The Company is yet to establish a mechanism for Whistle Blower Policy which is a non-mandatory requirement.

**d) Access to Audit Committee:**

No person has been denied access to the audit committee on any matter on any matter related to the Company.

**e) Non-mandatory requirements:**

- i. The Board : The Company has an Executive Chairman. The composition of the Board of Directors and Committees of the Board are in line with the provisions of the Companies Act, 1956, Listing Agreement and other applicable provisions.
- ii. Remuneration Committee : The Company has set up a Remuneration Committee with specific terms of reference.
- iii. Shareholder rights : The quarterly / annual financial results of the Company are published in one English and one Tamil newspaper. Hence half-yearly financial performance of the Company is not sent individually to the household of shareholders.
- iv. The Directors are taking steps to remit all the statutory dues in the current year.
- v. Training of Board members and Mechanism for evaluating non-executive Board members : The Directors on the Board are from diverse fields and have enough experience and expertise in their respective fields.

**8. COMMUNICATION:**

The Board of Directors of the Company approves and takes on record the unaudited/audited financial results and accounts in the proforma prescribed by the Listing Agreement with Stock Exchanges after the financial results were reviewed by the Audit Committee and thereafter, announces forthwith the results to all the Stock Exchanges where the shares of the Company are listed. The financial results are published in the 'News today' and 'Maalaichudar'.

**9. GENERAL SHAREHOLDER INFORMATION****Annual General Meeting**

Date : 29-09-2014  
Time : 09:30 a.m.  
Venue : Ameen Manor, 'A' Block  
No.138, Nungambakkam High Road,  
Nungambakkam, Chennai 600 034

Financial year : 1st April to 31st March  
Book Closure Date : 24-09-2013 to 29-09-2013 (both days included)  
Stock Code (BSE) : 530807  
ISIN No. : INE098H01011  
CIN : L70101TN1994PLC028978

**Registered Office:**

Ameen Manor, 'A' Block,  
No.138, Nungambakkam High Road,  
Chennai 600 034  
Phone No.: 044 – 28331455 / 56

**Registrar and Share Transfer Agent:**

Cameo Corporate Services Limited,  
Subramanian Building,  
No.1, Club House Road,  
Chennai – 600 002.  
Phone Number : 044 2846 0390

**STOCK MARKET DATA**

MONTH	SENSEX		COMPANY	
	HIGH	LOW	HIGH	LOW
Apr 13	19622	18144	14.75	14.75
May 13	20443	19451	-	-
Jun 13	19860	18467	-	-
Jul 13	20351	19126	-	-
Aug 13	19569	17448	-	-
Sep 13	20739	18166	14.02	14.02
Oct 13	21205	19264	-	-
Nov 13	21321	20137	-	-
Dec 13	21473	20568	-	-
Jan 14	21409	20343	14.50	14.50
Feb 14	21140	19963	-	-
Mar 14	22467	20920	14.50	14.50

**LISTING****Name and address of the Stock Exchange**

Bombay Stock Exchange Ltd., P.J. Towers,  
Dalal Street, Mumbai – 400 001.

## DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2014

Category	No. of Holders	% of Holders	No. of Shares	% of Shares
Upto 100	376.00	32.90	28,313.00	0.80
101 – 500	525.00	45.93	1,61,857.00	4.50
501 – 1000	104.00	9.10	87,643.00	2.43
1001 – 2000	57.00	4.99	91037.00	2.53
2001 - 3000	20.00	1.75	52,275.00	1.45
3001 – 4000	4.00	0.35	13,400.00	0.37
4001 - 5000	18.00	1.57	89,414.00	2.48
5001 – 10000	19.00	1.66	1,53,150.00	4.25
10001 – above	20.00	1.75	29,22,911.00	81.19
<b>Total</b>	<b>1143.00</b>	<b>100.00</b>	<b>36,00,000.00</b>	<b>100.00</b>

## SHAREHOLDING PATTERN AS ON 31ST MARCH 2013:

Shares Held by	No. of Shares	Percentage
Promoters	166670	4.63
Banks	3400	0.09
Bodies Corporate	2211743	61.44
NRI	62715	1.74
Public	1155472	32.10
<b>Total</b>	<b>36,00,000</b>	<b>100.00</b>

### Dematerialisation of Shares:

As on 31st March 2014, a total number of 2786100 shares, representing 77.39% are in dematerialised form as compared to 2788200 equity shares (77.45%) in the previous year.

### Investor Correspondence:

For any queries, shareholders are requested to either write to the Corporate Office of the Company or to the Company's Registrar and Transfer Agents, M/s Cameo Corporate Services Limited.

### DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT:

All the members of the Board of Directors and Senior Management have affirmed compliance with the code of conduct, laid down by the Board, for the financial year ended 31st March 2014.

**For Regaliaa Realty Ltd.**

Place :- Chennai  
Date :- 22-08-2014

D.Sudhakara Reddy  
Chairman & Managing Director



## **C E R T I F I C A T E**

To  
The Members  
Regaliaa Realty Limited

We have examined the compliance of conditions of Corporate Governance by Regaliaa Realty Limited for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2014, non investor grievances are pending against the Company as per the records maintained by the Company and presented to the Investor Services Committee.

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

For M/s. B. B. Naidu & Co.,  
Chartered Accountants  
Firm Regn. No. 002291S

Chennai  
30th May 2014

(A.Sandeep Thiru)  
Partner  
Mem. No. 201168

## **Independent Auditors' Report**

To the Members of  
**Regaliaa Realty Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Regaliaa Realty Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the

manner so required 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 March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the loss 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For M/s. B. B. Naidu & Co.,  
Chartered Accountants  
Firm Regn. No. 002291S

Chennai  
30th May 2014

(A.Sandeep Thiru)  
Partner  
Mem. No. 201168

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

The Annexure referred to in paragraph 3 of our report of even date:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) During the year, the company has not disposed off a major part of the plant and machinery.
2. During the year the Company has taken unsecured loans, from a party listed in the register maintained under section 301 of the Companies Act, 1956. The terms and conditions of such advances granted are not prima facie prejudicial to the interests of the Company. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
4. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
5. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA of the Companies Act 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
6. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
7. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the company.
8. (a) According to the records of the company, the company has not been regular in depositing the provident fund dues with the appropriate authorities.  
(b) According to the records of the company, there are no dues of sale tax, income-tax, customs tax/wealth-tax, excise duty/cess which have not been deposited on account of any dispute.  
(c) According to the information and explanations given to us, undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31st March 2014 for a period of more than six months from the date they became payable are :

A	S.No.	Nature of the statute	Nature of the Dues	Amount (Rs. in lacs)
	1.	Income Tax Act, 1961	Income Tax	24.29
	2.	Income Tax Act, 1961	TDS	2.87
	3.	Employees State Insurance Act, 1948	ESI	1.86
	4.	Provident Fund Act, 1952	PF	0.52
	5.	Chapter V of Finance Act, 1994	Service Tax	6.38
				35.92

The Company has accumulated losses at the end of the financial year and it has also incurred cash losses in the current and immediately preceding financial year.

10. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks and debenture holders, in accordance with freshly negotiated terms and conditions of borrowings.
11. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditors' Report) Order 2003 is not applicable to the Company.
13. In our opinion and according to the information and explanations given by the management, the company is not dealing or trading in securities.
14. According to the information and explanations given by the management, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
15. According to the information and explanations given to us, the Company has not taken any term loan during the year.
16. In our opinion, the funds raised on short-term basis have not been used for long-term investment and vice-versa.
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.
18. During the period covered by our audit report, the Company has not issued any debentures.
19. The company has not raised any money by way of public issues during the year.
20. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
21. In our opinion, clause (ii) of para 4 of the Companies (Auditors' Report) Order 2003 are not applicable to the Company at present.

For M/s. B. B. Naidu & Co.,  
Chartered Accountants  
Firm Regn. No. 002291S

Chennai  
30th May 2014

(A.Sandeep Thiru)  
Partner  
Mem. No. 201168

**Regaliaa Realty Limited**  
138, NUNGABMAKKAM HIGH ROAD, CHENNAI - 600 034

**BALANCE SHEET AS AT 31ST MARCH 2014**

	Particulars	Note No.	AS AT 31-03-2014	AS AT 31-03-2013
			Rs.	Rs.
	1	2	3	4
I	<b><u>EQUITY AND LIABILITIES</u></b>			
	(1) <b><u>Shareholder's Funds:</u></b>			
	(a) Capital	1	36,000,000	36,000,000
	(b) Reserves and Surplus	2	(36,114,366)	(34,552,522)
	(C) Money received against share Warrants		-	-
	(2) Share Application Money Pending Allotment		-	-
	(3) <b><u>Non-Current Liabilities</u></b>			
	(a) Long Term Borrowings	3	96,985,922	83,568,027
	(b) Deferred Tax Liabilities (Net)		-	-
	(c) Other Long Term Liabilities		-	-
	(d) Long Term Provisions		-	-
	(4) <b><u>Current Liabilities</u></b>			
	(a) Short Term Borrowings		5,000,000	14,402,500
	(b) Trade Payables	4	15,605,837	14,208,445
	(c) Other Current Liabilities	5	49,753,731	50,730,343
	(d) Short Term Provisions	6	5,900,000	5,900,000
	<b>Total</b>		<b>173,131,124</b>	<b>170,256,793</b>
II	<b><u>ASSETS</u></b>			
	(1) <b><u>Non - Current Assets</u></b>			
	(a) Fixed Assets			
	(i) Tangible Assets	7	7,382,836	7,903,855
	(ii) Intangible Assets	7	-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non Current Investments		-	-
	(c) Deferred tax Assets (Net)	8	6,209,919	6,349,497
	(d) Long term Loans and Advances		-	-
	(e) Other non-current assets		-	-
	(2) <b><u>Current Assets</u></b>			
	(a) Current Investments		-	-
	(b) Inventories	9	134,303,555	125,495,509
	(c) Trade Receivables	10	420,045	12,774,915
	(d) Cash and Cash equivalents	11	102,416	1,836,332
	(e) Short Term Loans and Advances	12	24,712,353	15,896,685
	(f) Other current assets	13	-	-
	<b>Total</b>		<b>173,131,124</b>	<b>170,256,793</b>
	Notes on accounts	18		

As per our report of even date

**For B.B.NAIDU & CO.**

**CHARTERED ACCOUNTANTS**

**FIRM REG. NO. 002291S**

**For REGALIAA REALTY LIMITED**

**A.SANDEEP THIRU**

Partner

M.No : 201168

Date : 30/05/2014

Place: Chennai

Director

Date : 30/05/2014

Place: Chennai

Managing Director

Date : 30/05/2014

Place: Chennai

**Regaliaa Realty Limited**  
138, NUNGABMAKKAM HIGH ROAD, CHENNAI - 600 034

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

	Particulars	Note No.	For the year ended 31-03-2014 Rs.	For the year ended 31-03-2013 Rs.
I	Revenue from Operations			38,169,343
II	Other Income	14	2,632,010	2,724,650
III	Total Revenue (I+II)		<b>2,632,010</b>	<b>40,893,993</b>
IV	<b>Expenses</b>			
	Cost of Raw Material Consumed		-	30,395,722
	Purchase of Stock in trade		-	-
	Changes in Finished Goods, WIP and Stock in Trade		-	-
	Employee Benefits Expenses	15	1,336,659	5,898,937
	Finance Cost	16	669,947	6,992,549
	Depreciation and Amortisation Expenses	7	434,380	691,067
	Other Expenses	17	1,613,291	8,462,658
	Total Expenses		<b>4,054,276</b>	<b>52,440,933</b>
V	<b>Profit before exceptional and extraordinary items and taxes (III - IV)</b>		(1,422,266)	(11,546,940)
VI	Exceptional Items		-	-
VII	<b>Profit before extra ordinary items and taxes (V-VI)</b>		(1,422,266)	(11,546,940)
VIII	Extra ordinary Items		-	-
IX	<b>Profit before Tax</b>		<b>(1,422,266)</b>	<b>(11,546,940)</b>
X	Tax Expenses			
	(i) Current Tax		-	-
	(ii) Deferred Tax		139,578	110,929
XI	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		(1,561,844)	(11,657,869)
XII	Profit/(Loss) from Discontinuing Operations		-	-
XIII	Tax Expenses of Discontinuing Operations		-	-
XIV	<b>Profit and Loss from Discontinuing Operations (after Tax) (XII-XIII)</b>		-	-
XV	Profit / (Loss) for the Period (XI+XIV)		(1,561,844)	(11,657,869)
XVI	Earning Per Equity Shares (Face Value Rs. 10/-)			
	Basic		-	-
	Diluted EPS		-	-
	Notes on Accounts	18		

As per our report of even date

**For B.B.NAIDU & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REG. NO. 002291S**

**For REGALIAA REALTY LIMITED**

**A.SANDEEP THIRU**  
Partner

M.No : 201168  
Date : 30/05/2014  
Place: Chennai

Director  
Date : 30/05/2014  
Place: Chennai

Managing Director  
Date : 30/05/2014  
Place: Chennai

**Regaliaa Realty Limited**

138, NUNGABMAKKAM HIGH ROAD, CHENNAI - 600 034

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b><u>NOTE 1: CAPITAL</u></b>		
Authorised Share Capital		
72,00,000 Equity Shares of Rs.10/= each	72,000,000	72,000,000
3,60,000 Preference Shares of Rs.100/= each	36,000,000	36,000,000
	108,000,000	108,000,000
Issued, Subscribed & Paid-up		
36,00,000 Equity Shares of Rs.10/= each	36,000,000	36,000,000
	<b>36,000,000</b>	<b>36,000,000</b>
<b><u>NOTE 2: RESERVES AND SURPLUS</u></b>		
<b><u>a) Profit &amp; Loss a/c</u></b>		
Opening Balance	(39,197,722)	(27,539,853)
Addition During the Year	(1,561,844)	(11,657,869)
Total	<b>(40,759,566)</b>	<b>(39,197,722)</b>
<b><u>b) Securities Premium a/c</u></b>		
Opening Balance	745,200	745,200
Addition During the Year	-	-
Total	<b>745,200</b>	<b>745,200</b>
<b><u>c) General Reserve a/c</u></b>		
Opening Balance	3,900,000	3,900,000
Addition During the Year	-	-
Total	<b>3,900,000</b>	<b>3,900,000</b>
	<b>(36,114,366)</b>	<b>(34,552,522)</b>
<b><u>NOTE 3: LONG TERM BORROWINGS</u></b>		
<b><u>a) Term Loans</u></b>		
<b>i) Secured Loans</b>		
From Banks - HDFC Bank Car Loan	19,073	241,657
Karvy Financial Services Ltd	70,000,000	70,000,000
	70,019,073	70,241,657
<b>ii) Unsecured Loans</b>		
Others	26,966,849	13,326,370
	26,966,849	13,326,370
	<b>96,985,922</b>	<b>83,568,027</b>



**Regaliaa Realty Limited**  
**138, NUNGABMAKKAM HIGH ROAD, CHENNAI - 600 034**

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2014**

<b>NOTE 4: TRADE PAYABLES</b>		
Advance received from Parties	5,708,313	8,308,743
Creditors for Trade	762,325	335,504
Mrs. Neetha Reddy	630,477	2,594,477
Creditors for Trade	8,504,722	2,969,722
	15,605,837	14,208,445
<b>NOTE 5: OTHER CURRENT LIABILITIES</b>		
Creditors for Expenses	29,875,820	28,618,351
Other Liabilities	19,877,911	22,111,992
	49,753,731	50,730,343
<b>NOTE 6: SHORT TERM PROVISIONS</b>		
Provision for Taxation	5,900,000	5,900,000
	5,900,000	5,900,000

**REGALIAA REALTY LIMITED**

31<sup>st</sup> March 2014

**Note - 7**

**Schedule For Fixed Assets**

S. No.	Particulars	Depn. Rate	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
			Cost as on 01.04.2013	Additions	Deletions	Cost as on 31.03.2014	Upto 01.04.2013	For the year	Adjustments	Upto 31.03.2014	W.D.V. as on 31.03.2014	W.D.V. as on 31.03.2013
<b>(A)</b>	<b><u>Tangible Assets</u></b>											
1	Land	0.00%	2869000.00	0.00	0.00	2869000.00	0.00	0.00	0.00	0.00	2869000.00	2869000.00
2	Buildings	5.00%	5643909.00	0.00	0.00	5643909.00	1939711.25	185210.00	0.00	2124921.25	3518987.75	3704197.75
3	Plant and Machinery	13.91%	3052455.27	0.00	0.00	3052455.27	2295044.10	105356.00	0.00	2400400.10	652055.17	757411.17
4	Electrical Fittings	13.91%	110315.42	0.00	0.00	110315.42	86336.06	3336.00	0.00	89672.06	20643.36	23979.36
5	Furnitures and Fittings(RRL)	18.10%	409402.00	0.00	77650.00	331752.00	309555.58	4018.00	9956.18	323529.76	8222.24	99846.42
6	Vehicles	25.89%	947427.00	0.00	8989.66	938437.34	575053.06	93519.00	2166.34	670738.40	267698.94	372373.94
7	Computers	40.00%	740598.05	0.00	0.00	740598.05	663551.96	30818.00	0.00	694369.96	46228.09	77046.09
			13773106.74	0.00	86639.66	13686467.08	5869252.01	422257.00	12122.52	6303631.53	7382835.55	7903854.73
<b>(B)</b>	<b><u>Intangible Assets</u></b>											
1	Softwares	40.00%	15839.44	0.00		15839.44	15839.44	0.00	0.00	15839.44	0.00	0.00
		Rs.	15839.44	0.00	0.00	15839.44	15839.44	0.00	0.00	15839.44	0.00	0.00
	Total (A + B)		13788946.18	0.00	86639.66	13702306.52	5885091.45	422257.00	12122.52	6319470.97	7382835.55	7903854.73

**Regaliaa Realty Limited**  
**138, NUNGABMAKKAM HIGH ROAD, CHENNAI - 600 034**

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2014**

<b><u>NOTE 8: DEFERRED TAX ASSETS:</u></b>			
As per last year's Balance Sheet	6,349,497	6,460,426	
For the period transferred from Profit & Loss A/c	(139,578)	(110,929)	
	<b>6,209,919</b>	<b>6,349,497</b>	
<b><u>NOTE 9: INVENTORIES</u></b>			
THE FERNS -WIP	129,498,256	111,190,210	
Bangalore Link Land	1,305,299	1,305,299	
Hyderabad Property (Saifabad)	-	9,500,000	
Land Advance - (Thirupathy Project)	3,500,000	3,500,000	
	<b>134,303,555</b>	<b>125,495,509</b>	
<b><u>NOTE 10: TRADE RECEIVABLES</u></b>			
[considered good & in respect of which the company holds no security other than debtors personal security]	-	-	
Outstanding over Six Months	-	-	
Other Debts	420,045	12,774,915	
	<b>420,045</b>	<b>128,995,509</b>	
<b><u>NOTE 11: CASH AND CASH EQUIVALENTS</u></b>			
Cash in Hand	97,541	1,715,273	
HDFC Bank	-	944	
Indian Bank - Homcourt A/c.	4,875	4,875	
Indian Bank	-	115,240	
	<b>102,416</b>	<b>1,836,332</b>	
<b><u>NOTE 12: SHORT TERM LOANS AND ADVANCES</u></b>			
[considered good & in respect of which the company holds no security other than personal security]	-	-	
Advances recoverable in cash or in kind	20,114,033	11,287,865	
Balance with Statutory Authorities	-	-	
Advances and Deposit - Others	82,000	92,500	
Advance Tax ,TDS	4,516,320	4,516,320	
	<b>24,712,353</b>	<b>15,896,685</b>	
<b><u>NOTE 14: OTHER INCOME</u></b>			
The Ferns - Infrastructure Fees	1,400,000	1,700,000	
The Ferns - Entrance Fees	850,000	1,020,000	
		#REF!	
Less : Closing Stock		2,080,649	
		2,080,649	
		#REF!	
<b><u>NOTE 15: EMPLOYEE BENEFITS EXPENSES</u></b>			
Salary	1,271,002	4,883,794	
Staff Welfare	65,657	233,898	
Salary - HC - Chen.	-	568,825	
Staff Welfare-HC-HYD	-	8,900	
PF Contribution	-	65,180	
ESI Contribution	-	132,100	
Leave Encashment	-	6,240	
	<b>1,336,659</b>	<b>5,898,937</b>	
<b><u>NOTE 16: FINANCE COST</u></b>			
Bank Charges	26,763	96,751	
Processing Fees	-	-	
Interest	643,184	6,895,798	
	<b>669,947</b>	<b>6,992,549</b>	

**Regaliaa Realty Limited**  
**No.138, NUMGAMBAKKAM HIGH ROAD, CHENNAI - 600 034**

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2014**

<b><u>NOTE 17: OTHER EXPENSES</u></b>		
Homcourt Expenses	-	2,788,052
Advertisement	43,364	95,661
AMC Charges		9,500
Books & Periodicals		299
Custodial Fee	13,550	-
Conveyance	60,320	243,949
Electricity Charges	78,976	708,970
Filing Fee		622
Freight & Cartage ( Transportation)		11,829
Insurance Premium	8,370	44,605
Interest on TDS		64,429
Legal Expenses		95,000
Listing Fee	17,029	47,687
Misc. Expenses	7,241	1,665
Office Maintenance	504	-
Parking / Toll Charges	1,581	16,020
Pooja Expenses	9,010	28,896
Postage & Courier	8,286	10,027
Printing & Stationery	13,746	30,004
Professional Charges	83,596	538,681
Rates & Taxes	15,825	9,619
Repairs & Maintenance	62,194	430,820
Security Charges		230,253
Service Charges	39,894	33,708
Subscription, Membership & Regn. Fees	83,557	131,880
Telephone Charges	84,510	296,602
Travelling Expenses	29,473	168,755
Rent	943,824	1,896,747
Loss on sale of Homcourt, Chennai assets		528,379
Vehicle Maintenance	8,440	
	<b>1,613,291</b>	<b>8,462,658</b>

Note – 18

### Notes on Accounts

#### I. Significant Accounting Policies:

1. The accounts are presented on accrual basis and in accordance with the Accounting Standards specified in Sub (3c) of Sec 211 of the Companies Act, 1956.
2. Fixed Assets are Stated at Cost.
3. Depreciation of Fixed Assets is provided in accordance with Schedule XIV of the Companies Act, 1956, on the Written Down Value of the individual Assets.
4. Development of Projects in Progress are valued at cost.

#### II. Notes

1. Dues to Micro, Small and Medium Enterprises to the extent identified - Rs.Nil (Previous Yr.-Nil).

No Interest has been paid / payable on such outstanding if any during the year.  
(Previous Yr. -Nil).

2. Basis & Diluted Earnings per share	3/31/2014	3/31/2013
Share Capital	36000000	36000000
Profit after Tax	(1561844)	(11657869)
Share Premium	745200	745200
General Reserve	3900000	3900000
	<u>39083356</u>	<u>28987331</u>
Weighted average No. of Equity Shares during the year	3600000	3600000
Basic & Diluted Earnings per share	(0.43)	(3.24)

3. Figures of previous period have been regrouped wherever necessary.

#### 4. Related Parties Disclosure :-

Name of the Key Management Personnel

Mr.D.Sudhakara Reddy - Chairman and Managing Director

Managerial Remuneration Paid during the Year - Rs. Nil

#### 5. Deferred Taxation

Deferred Tax resulting from timing difference that are temporary in nature being the difference between the depreciation under Companies Act. and Income Tax Act, has been made. As the depreciation under the Companies Act is more than the one under Income Tax Act, Deferred Tax Assets has been made and included with the existing deferred tax assets in the Balance Sheet.

#### 6. Provision for Taxation

Income Tax provision for the Current year has been made on the basis that , all the outstanding dues as on Balance Sheet Date to be remitted before the filing of the Return of Income.

7. Break up of Audit Fees	FY 2013-14	FY 2012-13
Statutory Audit Fees	-	-
Certification Fees	-	-
Service Tax	-	-
	<u>-</u>	<u>-</u>
Audit fee not provided during the year		

**REGALIAA REALTY LIMITED**  
**CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET**  
**FOR THE YEAR ENDED 31ST MARCH 2014**

	<u>31/03/2014</u> <u>Rs.(in lakhs)</u>	<u>31/03/2013</u> <u>Rs.(in lakhs)</u>
<b>(A) <u>Cash Flow from Operating Activities</u></b>		
Net profit before Tax as per Profit & loss Account	(14.22)	(115.47)
<u>Adjusted for :</u>		
Depreciation	4.34	6.91
Interest Expenses	6.70	69.93
Loss on Sale of asset	0.00	5.28
	<u>11.04</u>	<u>82.12</u>
<b>Operating Profit before Working Capital Changes</b>	<b>(3.18)</b>	<b>(33.35)</b>
<u>Adjustment for Working Capital Changes</u>		
Inventories	(88.08)	301.43
Trade and Other Receivables	123.55	110.58
Short Term Loans & Advances	(88.16)	(5.39)
Other Current Assets	0.00	0.00
Short Term Borrowings	(94.03)	(0.03)
Trade Payables	13.97	(329.27)
Other Current Liabilities	(9.77)	25.85
	<u>(142.51)</u>	<u>103.18</u>
<b>Net Cash Used in Operating Activities</b>	<b>(145.70)</b>	<b>69.83</b>
<b>(B) <u>Cash Flow from Investing Activities</u></b>		
Sale proceeds form Fixed Assets	0.88	5.55
Purchase of Fixed Assets	0.00	0.00
<b>Net Cash Used in Investing Activities</b>	<b>0.88</b>	<b>5.55</b>
<b>(C) <u>Cash Flow from Financing Activities</u></b>		
<u>Proceedings From</u>		
Secured Loan	134.18	3.53
Interest Paid	(6.70)	(69.93)
<b>Net Cash From/(used) financing Activities</b>	<b>127.48</b>	<b>(66.39)</b>
<b>Net Increase/decrease in Cash &amp; Cash Equivalents</b> ( A + B + C )	<b>(17.34)</b>	<b>8.98</b>
<b>Cash &amp; Cash Equivalents as on 01.04.2013</b>	<b>18.36</b>	<b>9.38</b>
<b>Cash &amp; Cash Equivalents as on 31.03.2014</b>	<b><u>1.02</u></b>	<b><u>18.36</u></b>

Director

Director

We have verified the above cash flow statement of REGALIAA REALTY LIMITED prepared in accordance with clause 32 of the listing agreement with stock exchange and is derieved from the audited financial statements of the Company for the period ended 31.03.2014 and found the same in-agreement therewith.

**Place : Chennai**  
**Date : 5/30/2014**

*As per our report even date*  
For M/s. B.B.Naidu & Co.  
Chartered Accountants  
Firm Reg. No : 002291S

A. Sandeep Thiru  
Partner  
[M.No.201168]

## Part IV – Balance Sheet Abstract and General Business Profile

### I. Registration details

State Code 

1	8
---	---

Registration No. 

0	2	8	9	8	7
---	---	---	---	---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	1	4
---	---	---	---

### II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue 

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

Right Issue 

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

Bonus Issue 

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

Private Placement 

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

### III. Position of Mobilisation and deployment of funds.

Total Liabilities 

	1	7	3	1	3	1
--	---	---	---	---	---	---

Total Assets 

	1	7	3	1	3	1
--	---	---	---	---	---	---

Sources of Funds  
Paid-up Capital 

		3	6	0	0	0
--	--	---	---	---	---	---

Reserves & Surplus 

-			3	6	1	1	4
---	--	--	---	---	---	---	---

Secured Loans 

		7	0	0	1	9
--	--	---	---	---	---	---

Unsecured Loans 

		2	6	9	6	7
--	--	---	---	---	---	---

Application of Funds  
Net Fixed Assets 

			7	3	8	2
--	--	--	---	---	---	---

Investments 

						0
--	--	--	--	--	--	---

Net Current Assets 

			3	2	7	8
--	--	--	---	---	---	---

Misc. Expenditure 

						0
--	--	--	--	--	--	---

Accumulated Losses 

		4	0	7	5	9
--	--	---	---	---	---	---

### IV. Performance of Company (Amount in Rs. Thousand)

Income 

			2	6	3	2
--	--	--	---	---	---	---

Total Expenditure 

			4	0	5	4
--	--	--	---	---	---	---

Profit / Loss before Tax  

-
---

			1	4	2	2
--	--	--	---	---	---	---

Profit / Loss after Tax  

-
---

			1	5	6	1
--	--	--	---	---	---	---

Earning per Share in Rs.  

			-			
--	--	--	---	--	--	--

Dividend Rate %  

			-			
--	--	--	---	--	--	--

### V. Generic names of the principal products / services of company (as per monetary terms)

Item Code No. 

C	O	N	S	T	R	U	C	T	I	O	N		&						
---	---	---	---	---	---	---	---	---	---	---	---	--	---	--	--	--	--	--	--

  
Product Description 

P	R	O	P	E	R	T	Y		D	E	V	E	L	O	P	M	E	N	T
---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	---	---

**For and on behalf of the Board**
**Director**
**Director**

**REGALIAA REALTY LTD**

Regd. Office: 10, Tarapore Avenue, Harrington Road, Chennai - 600 031.

**PROXY FORM**

I/We.....  
of ..... in the District of .....  
..... being the Member(s) of Regaliaa Realty Ltd., hereby appoint  
Mr./Ms..... of .....  
in the District of .....  
as my/our Proxy to attend and vote for me/us, on my/our behalf at the 16th Annual General  
Meeting of the Company to be held on Monday the 29th September 2014, at "Ameen Manor,  
No.138, Nungambakkam High Road, Nungambakkam, Chennai – 600 034 at 09.30 A.M. and at  
any adjournment thereof.

Signed 29th day of September 2014

Affix  
1 Rupees  
Revenue  
Stamp

The instrument appointing a Proxy must be deposited at the Registered Office of the Company  
not less than Forty Eight hours before the time of holding the Meeting.

**REGALIAA REALTY LTD**

Regd. Office: 10, Tarapore Avenue, Harrington Road, Chennai - 600 031.

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting Hall)

Full Name of the Member attending (in Block Letters) .....

Full Name of the First Joint-holder .....  
(To be filled-in if first named joint-holder does not attend the Meeting)

Name of the Proxy .....  
(To be filled-in if the Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 16th Annual General Meeting of the Company on Thursday  
the 29th September' 2014 at "Ameen Manor", No.138, Nungambakkam High Road,  
Nungambakkam, Chennai – 600 034.

Regd. Folio No .....

No. of Shares held .....

Member's/Proxy's Signature  
(to be signed at the time of handing over this slip)

**If Undelivered, Please Return to:  
REGALIAA REALTY LTD,  
NO.138, Nungambakkam High Road,  
Nungambakkam, Chennai (TN) - 600 034.**





# Regaliaa Realty Ltd

Regaliaa House "A" Block, 2nd Floor, No.138, Nungambakkam High Road, Chennai - 600 034  
Phone : 044 - 2833 1454, 2833 1455 Fax : 044 - 2833 1453

## FORM A

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1. Name of the Company - Regaliaa Realty Ltd.

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2. Annual Financial Statements for the - 31<sup>st</sup> March 2014  
Year ended

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3. Type of Audit observation - NIL

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4. Frequency of observation - N.A.

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5. Chairman & Managing Director - 

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