





6. To consider and if thought fit to pass with or without modification the following Resolution as an **ORDINARY RESOLUTION**:

**RESOLVED THAT** Mr. Navin Ajwani, who was appointed as an Additional Director of the Company with effect from 2<sup>nd</sup> February, 2010 in accordance with the provisions of Section 260 of the Companies Act, 1956 and provisions of Articles of Association of the Company to hold office till conclusion of this Annual General Meeting, be and is hereby appointed as Director of the Company.

For and on behalf of the Board

Place: Mumbai  
Dated: 29<sup>th</sup> April, 2010

  
Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Any instrument appointing a proxy or proxies should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the above resolution is appended hereto.

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

**Item No. 3:**

Mr. Preniel Nair was appointed as an Additional Director of the Company on 3<sup>rd</sup> September, 2009. In accordance with the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the said additional director would vacate his office on the date of the ensuing Annual General Meeting of the Company. Considering the varied experience and knowledge of director, the Board of Directors has thought it prudent to propose his appointment as Director of the company at the ensuing Annual General Meeting. The members' approval is required for his appointment as Director of the Company.

None of the Directors except Mr. Preniel Nair shall be deemed to be concerned or interested in this resolution.

**Item No. 4:**

Mr. Satish Agarwal was appointed as an Additional Director of the Company on 2<sup>nd</sup> February, 2010. In accordance with the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the said additional director would vacate his office on the date of the ensuing Annual General Meeting of the Company. Considering the varied experience and knowledge of director, the Board of Directors has thought it prudent to propose his appointment as Director of the company at the ensuing Annual General Meeting. The members' approval is required for his appointment as Director of the Company.

None of the Directors except Mr. Satish Agarwai shall be deemed to be concerned or interested in this resolution.

**Item No. 5:**

Mr. Rajendra Mirani was appointed as an Additional Director of the Company on 2<sup>nd</sup> February, 2010. In accordance with the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the said additional director would vacate his office on the date of the ensuing Annual General Meeting of the Company. Considering the varied experience and knowledge of director, the Board of Directors has thought it prudent to propose his appointment as Director of the company at the ensuing Annual General Meeting. The members' approval is required for his appointment as Director of the Company.

None of the Directors except Mr. Rajendra Mirani shall be deemed to be concerned or interested in this resolution.

**Item No. 6:**

Mr. Navin Ajwani was appointed as an Additional Director of the Company on 2<sup>nd</sup> February, 2010. In accordance with the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the said additional director would vacate his office on the date of the ensuing Annual General Meeting of the



Company. Considering the varied experience and knowledge of director, the Board of Directors has thought it prudent to propose his appointment as Director of the company at the ensuing Annual General Meeting. The members' approval is required for his appointment as Director of the Company.

None of the Directors except Mr. Navin Ajwani shall be deemed to be concerned or interested in this resolution.

**For and on behalf of the Board**

**Place: Mumbai**  
**Date: 29<sup>th</sup> April, 2010**

*Navin Ajwani*  
**Director**

# ROYAL NETRA CONSTRUCTIONS PRIVATE LIMITED

Registered Office: 808, Krushal Commercial Complex, G. M. Road, Chembur (W), Mumbai- 400 089  
Tel: (022) 25260582/88

Fax: (022) 25260589

## DIRECTORS' REPORT

The Members,  
ROYAL NETRA CONSTRUCTIONS PRIVATE LIMITED  
Mumbai

Your Directors have pleasure in presenting the First Annual Report on the operations of the Company together with the audited accounts for the period ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS:

The Financial performance of the Company for the period ended 31.03.2010 is as under:

	<b>2009-10</b>
	<b>(Rs.)</b>
Income (Work in progress)	49,640,098
Less: Expenditure	49,713,890
Profit/(loss) before tax	(73,792)
Less: Provision for Tax	(2,112)
Profit/(loss) after Tax	(71,680)
Balance b/f from earlier years	-
Balance carried to Balance Sheet	(71,680)

### DIVIDEND:

In view of losses made by the Company, your Directors do not recommend any Dividend for the period ended on 31<sup>st</sup> March 2010.

### FIXED DEPOSITS:

The Company has not accepted or renewed any deposit from public during the period under review.

### PARTICULARS OF EMPLOYEES:

The particulars of employees as required in accordance with Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, are not required to be furnished as there is no employee drawing salary more than Rs. 24,00,000/- p.a. where employed throughout the year or Rs. 2,00,000/- p.m. where employed for part of the year.

### DIRECTORS:

The Directors of the Company are not liable to retire by rotation and during the period under review, Mr. Chetan Shah resigned from Board w.e.f. 27.10.2009 and Mr. Preniel Nair was appointed as Director w.e.f. 03.09.2009. Further Mr. Satish Agarwal, Mr. Rajendra Mirani and Mr. Navin Ajwani were appointed as an Additional Director w.e.f. 02.02.2010.

Corporate Office: 105, Andheri Industrial Estate, Behind Janki Centre, Jeevan Nagar, Off Veera Desai Road, Andheri (W), Mumbai- 400 053  
Tel: (022) 67250088/99 Fax: (022) 26743101

# ROYAL NETRA CONSTRUCTIONS PRIVATE LIMITED

Registered Office: 808, Krushal Commercial Complex, G. M. Road, Chembur (W), Mumbai- 400 089  
Tel: (022) 25260582/88

Fax: (022) 25260589

## SHAREHOLDERS:

During the period under review, the Company has allotted 4000 Equity Shares on 20.02.2010. DB Man Realty Limited has acquired 3500 Equity Shares (70%) through aforesaid allotment pursuant to which the Company has become subsidiary of DB Man Realty Limited in accordance with provision of sec 4 (1)(b) of the Companies Act, 1956.

## DIRECTORS RESPONSIBILITY STATEMENT:

As required by the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- (i) That in the preparation of the annual accounts, the applicable standards had been followed alongwith proper explanations relating to material departures.
- (ii) That the Directors 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 loss of the Company for that period.
- (iii) That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the Annual Accounts on a going concern basis.

## AUDITORS:

M/s Shaparia & Mehta, Chartered Accountants were appointed as the first Statutory Auditors of the Company by Board and the said appointment will expire at the forthcoming Annual General Meeting. The said Auditors are eligible for re-appointment and have expressed their willingness to act as Auditors of the Company, if appointed. The Company has received a certificate from the said Auditors confirming that their appointment, if made, would be in conformity with the provisions of Section 224 (1B) of Companies Act, 1956.

## AUDITORS REPORT:

Observations made in the Auditors' Report are self explanatory and therefore, do not call for any further comments under section 217(3) of the Companies Act, 1956.

## CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, ADAPTATION & INNOVATIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

[DISCLOSURE OF INFORMATION PURSUANT TO SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988]

Corporate Office: 105, Andheri Industrial Estate, Behind Janki Centre, Jeevan Nagar, Off Veera Desai Road, Andheri (W), Mumbai- 400 053  
Tel: (022) 67250088/99  
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# ROYAL NETRA CONSTRUCTIONS PRIVATE LIMITED

Registered Office: 808, Krushal Commercial Complex, G. M. Road, Chembur (W), Mumbai- 400 089

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Fax: (022) 25260589

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The Company has not carried out any activity which requires disclosure of information as regards conservation of energy or technology absorption adaptation and innovation and hence the same is not furnished. There was no foreign exchange earnings & outgo during the period under review.

## ACKNOWLEDGEMENT:

The Directors wish to express their gratitude to the Bankers and all the business associates for their continuous support to the Company and to the Shareholders for the confidence reposed in the Company's management.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 29 APR 2010

  
N. Jayaram  
Director

  
XRM  
Director

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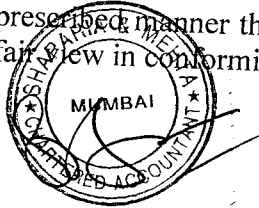
Corporate Office: 105, Andheri Industrial Estate, Behind Janki Centre, Jeevan Nagar, Off Veera Desai Road, Andheri (W), Mumbai- 400 053

Tel: (022) 67250088/99

Fax: (022) 26743101

**AUDITOR'S REPORT**

1. We have audited the attached Balance Sheet of **ROYAL NETRA CONSTRUCTIONS PRIVATE LIMITED** as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Further to our comments, in the Annexure referred to in Paragraph 1 above, we report that:-
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examinations of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) 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;
  - (e) On the basis of written representations received from the Directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon and attached thereto, given in the prescribed manner the information required by the Companies Act, 1956 give a true and fair view in conformity with the accounting principles generally accepted in India:





- i. in the case of the Balance Sheet, of the State of the Affairs of the Company as at 31st March, 2010;
- ii. in the case of the Profit & Loss Account, of the Loss for the year ended on that date; and
- iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR SHAPARIA & MEHTA  
CHARTERED ACCOUNTANTS

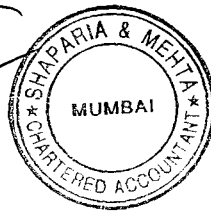
*Sj Mehta*

SANJIV B. MEHTA  
PARTNER

MEMBERSHIP NO.: 34950

PLACE: MUMBAI

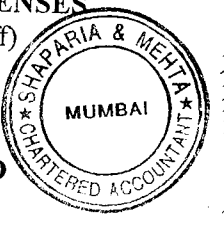
DATED: 29 APR 2010



**ROYAL NETRA CONSTRUCTIONS PVT. LTD.**

**BALANCE SHEET AS ON 31st MARCH, 2010**

PARTICULARS	SCH.	31.03.2010
<b>SHAREHOLDERS FUNDS</b>		
Share Capital	1	500,000
<b>LOAN FUNDS</b>		
Secured Loans		
Unsecured Loans	2	111,704,151
<b>TOTAL FUNDS EMPLOYED</b>		<b>112,204,151</b>
<b>APPLICATION OF FUNDS</b>		
<b>FIXED ASSETS</b>		
Gross Block	3	
Less: Depreciation		38,300
Net Block		1,427
		36,873
<b>INVESTMENTS</b>		
<b>DEFERRED TAX ASSET</b>		
		2,112
<b>CURRENT ASSETS</b>		
Work-in-progress	4	
Cash & Bank Balances		49,640,098
Loans and Advances & Deposits		13,178,730
		49,750,000
		112,568,828
<b>Less: CURRENT LIABILITIES</b>		
Sundry Creditors	5	
Duties & Taxes		24,423
		450,919
		475,342
<b>NET CURRENT ASSETS</b>		<b>112,093,486</b>
<b>MISCELLANEOUS EXPENSES</b> (To the extent not written off)		
Preliminary Expenses	6	
Profit & Loss a/c		71,680
<b>TOTAL FUNDS APPLIED</b>		<b>112,204,151</b>



For SHAPARIA & MEHTA  
CHARTERED ACCOUNTANTS

For ROYAL NETRA CONSTRUCTIONS PVT LTD

*[Signature]*  
SANJIV MEHTA  
PARTNER  
M.NO: 34950



*[Signature]*  
DIRECTOR  
VA

PLACE : MUMBAI  
DATE : 29 APR 2010

*[Signature]*  
RM

**ROYAL NETRA CONSTRUCTIONS PVT. LTD.**  
**PROFIT & LOSS ACCOUNT FOR THE PERIOD 29TH JULY 2009 TO 31ST MARCH 2010**

PARTICULARS	SCH.	31.03.2010
<b><u>INCOME</u></b>		
Work In Progress	7	49,640,098
		<b>49,640,098.00</b>
<b><u>EXPENDITURE</u></b>		
Purchase of Rights		45,000,000
Co-ordination Charges		2,500,000
Office & Administrative Expenses	8	318,962
Finance Charges	9	1,893,501
Depreciation	3	1,427
		<b>49,713,890</b>
<b>PROFIT BEFORE TAX</b>		(73,792)
<b><u>Less: Provision for Tax</u></b>		
Current tax		(2,112)
Deferred Tax		(2,112)
<b>PROFIT AFTER TAX</b>		(71,680)
Balance brought forward from earlier years		-
<b>Balance carried to the Balance Sheet</b>		(71,680)

For SHAPARIA & MEHTA  
 CHARTERED ACCOUNTANTS

For ROYAL NETRA CONSTRUCTIONS PVT LTD

*[Signature]*

SANJIV MEHTA  
 PARTNER  
 M.NO: 34950

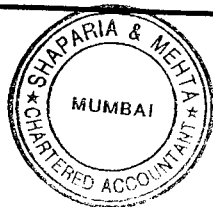


*[Signature]*  
 DIRECTOR

*[Signature]*  
 DIRECTOR

PLACE : MUMBAI

DATE : 29 APR 2010



**ROYAL NETRA CONSTRUCTIONS PVT. LTD.**

**CASH FLOW STATEMENT FOR THE PERIOD 29th JULY 2009 TO 31st MARCH, 2010**

**A. CASH FLOW FROM OPERATING ACTIVITIES**

Profit/(Loss) before tax and extraordinary items (Rupees in lakhs)  
(0.74)

**Adjustment for :**

Depreciation	0.01	
Interest paid	18.94	
Other Income	-	18.95

**Adjustment for :**

Inventory	(496.40)	
Deposits and Advances	(497.50)	
Current liabilities & Provisions	4.75	

<b>Net cash from operating activities - (A)</b>		<b>(989.15)</b>
		<b>(970.94)</b>

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Fixed Assets	(0.38)	
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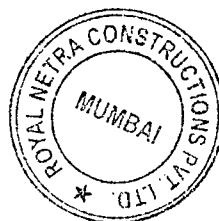
<b>Net cash used in investing activities- (B)</b>		<b>(0.38)</b>
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**C. CASH FLOW FROM FINANCING ACTIVITIES**

Issue of Share Capital	5.00	
Long term borrowings	1,117.04	
Interest Paid	(18.94)	

<b>Net cash from financing activities - (C)</b>		<b>1,103.11</b>
		<b>1,103.11</b>

....2



RM K  
VA & Vijay Arora

D. NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)	131.79
Opening cash and cash equivalent as at 31.03.2009	-
Closing cash and cash equivalent as at 31.03.2010	131.79
Increase in Cash Balance	131.79

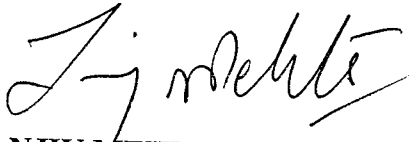
NOTES:

- 1 The above statements have been prepared in indirect method except in case of interest, dividend and purchase of investments, which have been considered on the basis of actual movement of cash.
- 2 Cash and cash equivalent represents cash and bank balances.

AS PER OUR REPORT OF EVEN DATE

For SHAPARIA & MEHTA  
CHARTERED ACCOUNTANTS

For ROYAL NETRA CONSTRUCTIONS PVT LTD



SANJIV MEHTA  
PARTNER  
MEMBERSHIP NO.: 34950

PLACE : MUMBAI

DATE : 29 APR 2010



  
DIRECTOR

RM



  
DIRECTOR

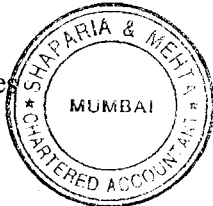
VA



**ROYAL NETRA CONSTRUCTIONS PVT. LTD.**

**SCHEDULES FORMING PART OF THE BALANCE SHEET  
AS AT 31st MARCH, 2010**

<b>PARTICULARS</b>	<b>31.03.2010</b>
<b>SCHEDULE : 1 SHARE CAPITAL</b>	
<u>Authorised Capital</u> 5000 shares of Rs 100/- each	500,000
<u>Issued, Subscribed and Paid up capital</u> 5000 shares of Rs 100/- each fully paid up (Of the above, 3500 shares are held by the holding company DB Man Realty Ltd)	500,000
	500,000
<b>SCHEDULE 2: UNSECURED LOAN</b>	
<u>From Companies</u>	111,704,151
	111,704,151
<b>SCHEDULE :4 CURRENT ASSETS, LOANS &amp; ADVANCES</b>	
<u>Work in progress</u>	49,640,098
<u>Cash &amp; Bank Balance</u> Bank of Baroda New India Co-op Bank	13,148,870 29,860 13,178,730
<u>Loans &amp; Advances</u> Advances Recoverable in cash or kind	49,750,000 49,750,000
<b>SCHEDULE 5: CURRENT LIABILITIES</b>	
<u>Sundry Creditors</u> Shaparia & Mehta ROC fees payable	23,823 600 24,423
<u>Duties &amp; Taxes</u> TDS on Professional Fees TDS on Co-ordination Charges TDS on Salary TDS on Interest	2,649 250,000 8,920 189,350 450,919
<b>SCHEDULE 6: PRELIMINARY EXPENSES</b>	
Opening Balance	-
Add: Incurred During the year	21,123
Less: Written off during the year	21,123
Carried to the balance sheet	-



RM

V A Vigneshwari

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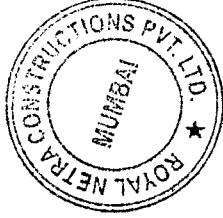
ROYAL NETRA CONSTRUCTIONS PVT LTD

SCHEDULE 3: FIXED ASSETS

Sr No	Particulars	Rate of Dep	Gross Block			Depreciation			Net Block as on 31.3.10		
			Op Bal	Additions	Deletions	CI Bal	Op Bal	During the year		Deletions	CI Bal
1	Computer	40%	-	38,300	-	38,300	-	1,427	-	1,427	36,873
			-	38,300	-	38,300	-	1,427	-	1,427	36,873

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*VA & Vignation*



**ROYAL NETRA CONSTRUCTIONS PVT. LTD.**

**SCHEDULES FORMING PART OF THE PROFIT & LOSS**

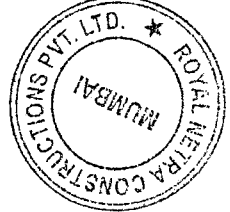
PARTICULARS	31.03.2010
<b><u>SCHEDULE : 7</u></b>	
<b>Work-in-Progress</b>	
Salary	246,597
Purchase of Rights	45,000,000
Interest for unsecured loans	1,893,501
Co-ordination Expenses	2,500,000
	49,640,098
<b><u>SCHEDULE : 8</u></b>	
<b>Office &amp; Adminsitrative Expenses</b>	
Audit Fees	20,957
Bank charges	22,250
Professional Fees	5,515
ROC Fees	2,100
Salary	246,597
Legal Fees	420
Preliminary Expenses w/off	21,123
	318,962
<b><u>SCHEDULE : 9</u></b>	
<b>Finance Charges</b>	
Interest on Unsecured Loan	1,893,501
	1,893,501

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*R.M.K*

*VA & Vijay Arora*



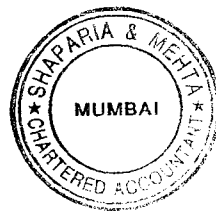
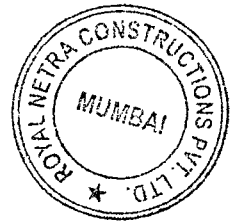


ROYAL NETRA CONSTRUCTIONS PVT. LTD.	
GROUPINGS FORMING PART OF THE BALANCE SHEET	
PARTICULARS	31.03.2010
<b>UNSECURED LOAN</b>	
From Companies	
DB Man Realty Ltd	111,704,151
	111,704,151
<b>LOANS &amp; ADVANCES</b>	
Advances receivable in cash or kind (Advance towards Purchase of Rights)	
Royal Builders	37,500,000
Surya Kirti Corporation	12,000,000
Subhash Shreeram Giri	250,000
	49,750,000

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## ROYAL NETRA CONSTRUCTIONS PVT LTD

### **SCHEDULE 9: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE PERIOD 29<sup>TH</sup> JULY, 2009 TO 31<sup>ST</sup> MARCH, 2010**

#### **A. BACKGROUND**

ROYAL NETRA CONSTRUCTION PVT LTD is a company registered under the Companies Act, 1956. It was incorporated on 29<sup>th</sup> July, 2009. This is the first year of operation. The company became a subsidiary of DB Man Realty Ltd. with effect from 20<sup>th</sup> February, 2010 on DB Man Realty Ltd acquiring 70% Equity Shares of the company. The company is engaged in the business of Real Estate Development and Construction with specific concentration on redevelopment under the SRA Projects in the city of Mumbai.

#### **B. SIGNIFICANT ACCOUNTING POLICIES :**

##### **1. Basis of preparation**

The financial statements have been prepared on accrual basis under the historical cost convention and in accordance with the applicable accounting standards prescribed by Companies (Accounting Standards), Rules 2006. The accounting policies are consistently applied unless otherwise stated.

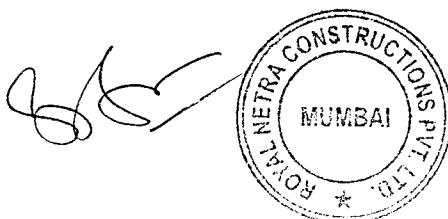
##### **2. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### **3. Revenue Recognition**

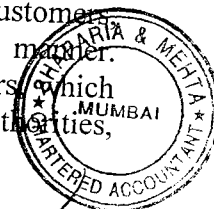
Revenue from projects in relation to the sold areas only is recognized on the 'Percentage of Completion Method' of accounting. Revenue is recognized subject to the project reaching a significant level of completion, which is estimated to be at least 35% of the total estimated construction cost of the project.

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 of 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 / 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 by statutory authorities, is postponed till such obligations are discharged.



RAM K R

VA K V Jagan



#### 4. Inventories

- A. 'Incomplete projects' (Work in Progress) are stated at Cost or Net Realizable Value, whichever is lower. 'Incomplete projects' include costs of incomplete properties for which the Company has not entered into sale agreements, and in other cases, the costs incurred before the work has progressed to the extent of 35% of the total work involved. 'Incomplete projects' also include initial project costs that relate directly 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 are stated at Cost or Net Realisable Value, whichever is lower.
- C. All other inventory (including Transferable Development Rights) is stated at Cost or Net Realisable Value, whichever is lower.

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

#### 5. Income Taxes

Tax expense comprises of current tax & deferred tax. Deferred tax are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", (AS 22) issued by the Institute of Chartered Accountants of India. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

#### 6. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders by the total number of equity shares outstanding during the period.

#### 7. Retirement and other Employee Benefits

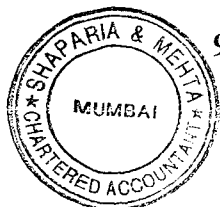
The Company has only one employee who is on probation, hence at present, no provision of Retirement benefits made.

#### 8. Provisions, contingent liabilities and contingent assets

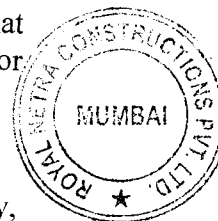
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

#### 9. Miscellaneous Expenditure

Miscellaneous expenditure is written off fully in the books for the period 29th July, 2009 to 31st March 2010, as it does not satisfy the condition of Intangible asset as



*[Handwritten signature]*



*RM*

*VA V Jay Am*

per AS – 26. Hence in accordance with paragraph 56 of AS – 26, it has been fully expensed off. Since such miscellaneous expenditure is incurred prior to commencement of business, it qualifies as an expenditure u/s 35D of the Income Tax act. However, the expenditure will be allowed over a period of five years – 1/5th every year.

### C. NOTES TO ACCOUNTS

1. The Company was incorporated on 29<sup>th</sup> July, 2009 and therefore accounts are prepared for the period from 29<sup>th</sup> July, 2009 to 31<sup>st</sup> March, 2010. This being the first financial year of the company, there are no corresponding figures for the previous year.
2. During the year, the Company has given advances for purchase of SRA rights for Slum Redevelopment to various parties.

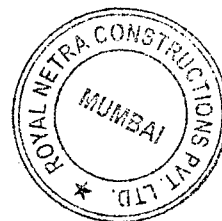
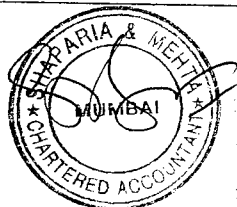
#### 3. Remuneration to the Auditors:


<u>Particulars</u>	<u>F.Y.2009-10</u> <u>(Rs.)</u>
Audit Fees	12,000
Tax Audit Fees	7,000
Return Preparation Fees	5,000
Service Tax	2,472
Total	<b>26,472</b>

4. There are no suppliers covered under the micro, small and medium enterprise hence the detail of any amount unpaid to such supplier as at the end of accounting year is not applicable and consequently making provision of the payment of interest to any suppliers does not arise.
5. The Company is a small & medium sized Company (SMC) as defined in General instructions in respect of Accounting standards notified under the Companies Act,1956. Accordingly, the Company has complied with the accounting standard as applicable to a small & medium sized company.

#### 6. Earnings per Share

	<u>F.Y. 2009-10</u> <u>(Rs.)</u>
Net profit / (loss) after tax	(71,680)
No. of equity shares	5,000
Basic earning per share (Face Value Rs. 100/- per share)	(14.34)



RMK  
  
 V. Jayaram

7. Deferred Tax

The Breakup of Net Deferred Tax Assets/ (Liabilities) as at 31st March 2010 is as follows:

Particulars	As at 31st March,2010
Difference Between Preliminary Expenses As per Books And Allowable As Per Income Tax	16,898
Difference between Depreciation as per books and allowable as per Income Tax	(10,063)
Net Deferred Tax Asset for Current Year	6,835
Effective tax rate	30.90%
Provision of Deferred Tax Asset as on 31.3.2010	2,112

8. No provision for gratuity and retirement benefits is required to be made by the Company at present.
9. Sundry Debit and credit Balances are subject to Confirmation.
10. Contingent Liabilities: Rs. NIL
11. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. NIL.

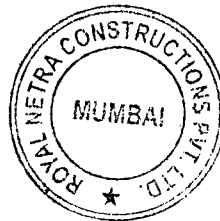
**D. RELATED PARTY DISCLOSURES**

The Management has identified the following Companies, firms and individuals as related parties of the Company for the year ended 31<sup>st</sup> March, 2010 for the purposes of reporting as per AS 18 – Related Party Transactions:

1. **Holding Company**  
DB Man Realty Ltd

2. **Key Management Personnel**

- i. Vijay Arora  
ii. Preniel Nair



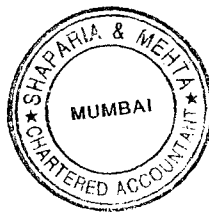
RM P  
VA Vijay Arora

Related Party Transactions			
Description of the nature of transaction	Description of relationship	Related Party	31 <sup>st</sup> March 2010 (Amt in Rs.)
Issue of Equity Shares	Promoter	Chetan Shah (500 Equity Shares of Rs.100/-each transferred)	50,000
	Promoter and Director	Vijay Arora ( 300 Equity Shares of Rs.100/- each)	30,000
	Director	Preniel Nair (200 Equity Shares of Rs. 100/- each)	20,000
	Holding Company	DB Man Realty Ltd. (3,500 Equity Shares of Rs. 100/- each)	3,50,000
Reimbursement of Company Formation Expenses	Director	Vijay Arora	17,700
Loan Taken	Holding Company	DB Man Realty Ltd.	11,00,00,000
Interest paid on Loan taken	Holding Company	DB Man Realty Ltd.	18,93,501

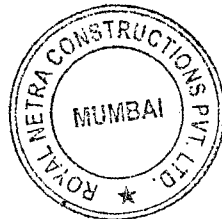
For SHAPARIA & MEHTA  
CHARTERED ACCOUNTANTS

*Sanjiv Mehta*

SANJIV MEHTA  
PARTNER  
MEMBERSHIP NO.: 34950  
PLACE: MUMBAI  
DATE: 29 APR 2010



For ROYAL NETRA CONSTRUCTIONS PVT LTD



*[Signature]*

DIRECTOR

*[Signature]*

DIRECTOR

*RM*  
*[Signature]*

VA

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**  
(Submitted in terms of Part IV of Schedule VI of the Companies Act, 1956)

**I. Registration Details**

Registration No. 

U	4	5	2	0	2	M	H	2	0	0	9	P	T	C	1	9	4	4	3	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

State Code 

1	1
---	---

Balance Sheet Date 

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

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

Public Issue 

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

Bonus Issue 

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

Rights Issue 

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

Private Placement 

5	0	0	0	0	0
---	---	---	---	---	---

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs.)**

Total Liabilities 

1	1	2	2	0	4	1	5	1
---	---	---	---	---	---	---	---	---

**Source of Funds**

Paid-up Capital 

5	0	0	0	0	0
---	---	---	---	---	---

Secured Loans 

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

Share Application Money 

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

Total Assets 

1	1	2	2	0	4	1	5	1
---	---	---	---	---	---	---	---	---

Reserves & Surplus 

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

Unsecured Loans 

1	1	1	7	0	4	1	5	1
---	---	---	---	---	---	---	---	---

Deferred Tax Liability 

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

**Application of Funds**

Net Fixed Assets 

	3	6	8	7	3
--	---	---	---	---	---

Net Current Assets 

1	1	2	0	9	3	4	8	6
---	---	---	---	---	---	---	---	---

Deferred Tax Asset 

	2	1	1	2	
--	---	---	---	---	--

Misc. Expenditure 

	7	1	6	8	0
--	---	---	---	---	---

**IV. Performance of the Company (Amount in Rs.)**

Turnover / Income 

4	9	6	4	0	0	9	8
---	---	---	---	---	---	---	---

Profit Before Tax 

-	7	3	7	9	2
---	---	---	---	---	---

Earning Per Share (Rs.) 

-	1	4	.	3	4
---	---	---	---	---	---

Total Expenditure 

4	9	7	1	3	8	9	0
---	---	---	---	---	---	---	---

Profit After Tax 

-	7	1	6	8	0
---	---	---	---	---	---

Dividend in Per Share (Rs.) 

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

**V. Generic Names of Principal Services of the Company (as per monetary terms)**

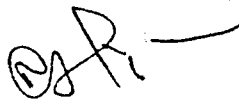
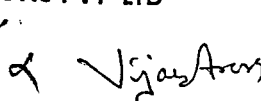
Item Code No. (ITC Code) 

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Product Description 

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FOR ROYAL NETRA CONSTRUCTIONS PVT LTD

 &   
DIRECTOR      DIRECTOR

Place: Mumbai

Dated: 29 APR 2010