

# SHREE RAM URBAN INFRASTRUCTURE LIMITED

(Formerly known as Shree Ram Mills Limited)

ANNUAL REPORT FOR THE YEAR ENDED 31st DECEMBER, 2010

## CORPORATE INFORMATION

Board Of Directors	:	Mr. Shambhukumar S. Kasliwal - Chairman Mr. Vikas S. Kasliwal - Vice - Chairman & CEO Mr. Ambuj A. Kasliwal - Director Mr. Mukul S. Kasliwal - Director Mr. Vijay G. Kalantri - Director Dr. O. P. Chawla - Director Mr. Lalit Mohan - Director Mr. S. K. Luharuka - Whole-Time Director Mr. Xerxes N. Talati - Director (Upto 14th May, 2011) Mr. Mohan M. Jayakar - Director Dr. Poornima G. Advani - Director Mr. S. S. Bhandari - Nominee Director (Upto 4th February, 2011) Mr. N. K. Sethi - Director (w.e.f. 14th May, 2011)
Auditors	:	M/s. HABIB & CO. Chartered Accountants 75, Mohamedali Road, Mumbai - 400 003.  M/s. KHANDELWAL JAIN & CO. Chartered Accountants 6B, Pil Court, 6th Floor, 111, M. K. Road, Mumbai - 400 020.
Sr. General Manager & Company Secretary	:	Ms. Manju B. Batham
Registrar & Transfer Agents	:	M/S. BIGSHARE SERVICES PVT. LTD. E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400 072. Tel. No.: 022-40430200 Fax No.: 022-28475207
Registered Office	:	Shree Ram Mills Premises Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013. Tel. No. : 022-61404900 Fax No. : 022-24928617

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# SHREE RAM URBAN INFRASTRUCTURE LIMITED

(Formerly known as Shree Ram Mills Limited)

## NOTICE

**NOTICE** is hereby given that the 74th Annual General Meeting of Shree Ram Urban Infrastructure Limited will be held on Tuesday, the 28th June, 2011, at **11.00 a.m.** at the 'Sunville', **9 Dr. Annie Besant Road, Worli, Mumbai – 400 018** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at December 31, 2010, Profit and Loss Account and Cash Flow Statement for the year ended December 31, 2010, the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Lalit Mohan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mohan M. Jayakar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Poornima G. Advani who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of the meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

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

“**RESOLVED THAT** subject to the provisions of Section 198, 269, 309, 310 and 311 and read with Schedule XIII of the Companies Act and other applicable provisions, if any, of the Companies Act, 1956, the re-appointment of Mr. S. K. Luharuka as Whole-Time Director of the Company for a period of three years with the effect from 1st January, 2011 on the terms and conditions as mentioned below is hereby approved.”

#### Category A

- |                                  |   |                            |
|----------------------------------|---|----------------------------|
| 1) Salary                        | : | Rs. 1, 10,000/- per month. |
| Yearly increment on Basic Salary | : | @ 10% on Basic Salary      |

#### Category B

- |                          |   |  |
|--------------------------|---|--|
| 2) Provident Fund        | : | Contribution to Provident Fund as per rules of the Company.                                    |
| 3) Gratuity              | : | Gratuity payable at ½ month's salary for each completed year of Service.                       |
| 4) Medical Reimbursement | : | Expenses incurred for him and his family subject to a ceiling of one month's salary in a year. |

- 5) Leave Travel Concession : For him & his family once in a year, subject to a ceiling one month salary in a year.
- 6) Bonus : One month salary as an ex-gratia.
- 7) Residence Electricity Bill : Reimbursement of electricity bill on actual basis.
- 8) Residence Telephone Bill : Reimbursement of actual telephone bill.
- 9) Period of Appointment : 3 years
- 10) Car : Use of Company's Car.

**Minimum Remuneration**

In the event of Loss or inadequacy of profit in any financial year during the currency of tenure of Mr. S. K. Luharuka, the remuneration including the perquisites as aforesaid shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956.

Mr. S. K. Luharuka will not be entitled to sitting fees for the meetings of Board of Directors attended by him.

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

“**RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions if any, of the Companies Act, 1956, Mr. N. K. Sethi who was appointed as an Additional Director of the Company w.e.f. 14th May, 2011 pursuant to Section 260 of the Companies Act, 1956, who holds office up to the date of this Annual General Meeting and being eligible, offers himself for appointment as Director and in respect of whom the Company has received notice in writing along with a deposit of Rs. 500 (Rupees Five Hundred) from the member(s), signifying his intention to propose him for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

By Order of the Board of Directors  
For **Shree Ram Urban Infrastructure Limited**

**Manju B. Batham**  
Company Secretary

**Place : Mumbai**  
**Date : 14th May, 2011.**

**Registered Office:**

Shree Ram Mills Premises  
Ganpatrao Kadam Marg,  
Lower Parel,  
Mumbai – 400 013.

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. A PROXY FORM, DULY COMPLETED AND STAMPED, MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 24.06.2011 to 28.06.2011 (Both days inclusive).
4. Members/Proxy should bring their copy of the Annual Report for reference at the meeting as also the attendance slip duly filled in for attending the meeting.
5. The members are requested to lodge/notify the transfer deeds, communication for change of address, bank details, ECS details, wherever applicable, mandates (if any), for shares held in the Physical Mode with M/s Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai-400 072.

The Shareholders holding shares in electronic form are requested to lodge the above details to their depository participants and not to the Company or to the Registrars and Share Transfer Agents of the Company.

6. All documents referred to in the notice or in the accompanying explanatory statement are open for inspection at the registered office of the Company between 11.00 am and 1.00 pm on all working days upto the date of Annual General Meeting.
7. As required under the Listing Agreement, the profile of the Director who is proposed to be re-appointed is furnished below:

**Item No: 2**

- |                           |   |                        |
|---------------------------|---|------------------------|
| i.) Name                  | : | Mr. Lalit Mohan        |
| ii.) Age                  | : | 73 years               |
| iii.) Date of Appointment | : | 25.08.2005             |
| iv.) Expertise            | : | Indian Revenue Service |
| v.) No. of Shares held    | : | NIL                    |

Mr. Lalit Mohan is not holding Directorship in any other Public Limited Company.

**Item No: 3**

- |                           |   |                      |
|---------------------------|---|----------------------|
| i.) Name                  | : | Mr. Mohan M. Jayakar |
| ii.) Age                  | : | 59 years             |
| iii.) Date of Appointment | : | 18.03.2009           |
| iv.) Expertise            | : | Legal Matters        |
| v.) No. of Shares held    | : | NIL                  |

Mr. Mohan M. Jayakar is also holding Directorship in seven other Public Limited Companies which are as follows:

1. Photoquip India Limited
2. Everest Kanto Cylinder Limited
3. Satyagiri Shipping Company Limited
4. Birla cotsyn (I) Limited
5. Mysore Petrochemicals Limited
6. Talwalkars Better Value Fitness Limited
7. Ez comm Trade Technologies Limited

**Item No: 4**

- |                           |   |                        |
|---------------------------|---|------------------------|
| i.) Name                  | : | Dr. Poornima G. Advani |
| ii.) Age                  | : | 50 years               |
| iii.) Date of Appointment | : | 18.03.2009             |
| iv.) Expertise            | : | Legal Matters          |
| v.) No. of Shares held    | : | NIL                    |

Dr. Poornima G. Advani is not holding Directorship in any other Public Limited Company.

**ANNEXURE TO NOTICE**

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

**Item No. 6**

Mr. S. K. Luharuka, Whole-Time Director of the Company is a Arts Graduate from Mumbai University and have been associated with Shree Ram Urban Infrastructure Limited (formerly known as Shree Ram Mills Limited) and S. Kumars Group of Companies since last 24 years and has gained high amount of experience of working for various senior managerial positions; during his service he was also a Director on the Board of Indian Bank, a Public Sector bank for a period of 5 years. The Activities of the Company in both textile and Real Estate Development have considerably increased. The Company will be benefitted under his able guidance.

The Board and the remuneration Committee therefore felt that Shri S. K. Luharuka, be re-appointed as Whole-Time Director for a period of three years with effect from 1st January, 2011 and recommends the resolution as set out for your approval.

**Category A**

- |                  |                             |
|------------------|-----------------------------|
| 1) Salary        | : Rs. 1,10,000/- per month. |
| Yearly increment | : @ 10% on Basic Salary     |
| On Basic Salary  |                             |

**Category B**

- |                                 |  |
|---------------------------------|--|
| 2) Provident Fund               | : Contribution to Provident Fund as per rules of the Company.                                    |
| 3) Gratuity                     | : Gratuity payable at ½ month's salary for each completed year of service.                       |
| 4) Medical Reimbursement        | : Expenses incurred for him and his family subject to a ceiling of one month's salary in a year. |
| 5) Leave Travel Concession      | : For him & his family once in a year, subject to a ceiling one month salary in a year.          |
| 6) Bonus                        | : One month salary as an ex-gratia.  |
| 7) Residence Electricity Bill   | : Reimbursement of electricity bill on actual basis.   |
| 8) Residence Telephone facility | : Reimbursement of actual telephone bill.  |
| 9) Period of Appointment        | : 3 years  |
| 10) Car                         | : Use of Company's Car.  |

**Minimum Remuneration**

In the event of loss or inadequacy of profit in any financial year during the currency of tenure of Mr. S. K. Luharuka, the remuneration including the perquisites as aforesaid shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956.

Mr. S. K. Luharuka will not be entitled to sitting fees for the meetings of Board of Directors attended by him.

None of the Directors of the Company are in any way concerned or interested in the said resolution except Mr. S. K. Luharuka.

**Item No: 7**

Mr. N. K. Sethi was appointed as Additional Director of the Company on 14th May, 2011. Pursuant to the Article 109 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, he holds office up to the date of the ensuing Annual General Meeting. The Company has received valid notices under Section 257 of the Companies Act, 1956, along with deposit of Rs. 500 (Rupees Five Hundred) for respective Director from the member signifying the intention to propose at the ensuing Annual General Meeting, the appointment of Mr. N. K. Sethi as Director of the Company.

Mr. N. K. Sethi obtained masters Degree in political science and started his career as a college lecturer in 1959. Later, he joined Rajasthan Administrative Service in 1960 and held prestigious and important positions in various departments of Government of Rajasthan. He further joined the Indian Administrative Service in the year 1980 and held important positions as Devasthan Commissioner, Rajasthan; Collector & District Magistrate, Dausa; Special Secretary - Food and Relief, Government of Rajasthan; Executive Director, Rajasthan Financial Corporation; Special Secretary & Director- Rural Development and Panchayati Raj, Government of Rajasthan and retired in 1995. Besides having vast experience in Administration, Mr. Sethi has also been actively involved in Social Services and in the field of Education.

As required under the Listing Agreement, the profile of the Director who is proposed to be appointed is furnished below:

- i) Name : Mr. N. K. Sethi
- ii) Age : 74 years
- iii) Date of Appointment : 14.05.2011
- iv) Expertise : Administrative Field
- v) Nos. of Shares held : NIL

Mr. N. K. Sethi is not holding Directorship in any other Public Limited Company.

By Order of the Board of Directors  
For **Shree Ram Urban Infrastructure Limited**

**Manju B. Batham**  
Company Secretary

**Place : Mumbai**  
**Date : 14th May, 2011.**

**Registered Office:**

Shree Ram Mills Premises  
Ganpatrao Kadam Marg,  
Lower Parel,  
Mumbai – 400 013.



## DIRECTORS' REPORT

### Dear Members,

The Directors take great pleasure in presenting their 74th Annual Report on the business and operations of your Company along with the Audited Balance Sheet as at 31st December, 2010 and Profit and Loss Account and Cash Flow Statement for the year ended 31st December, 2010.

### Financial highlights

Your Company incurred a loss of Rs. 16, 24,71,340 (Rupees Sixteen Crores Twenty Four Lacs Seventy One Thousand Three Hundred Forty) as compared to a loss of Rs.13,79,78,365 (Rupees Thirteen Crores Seventy Nine Lacs Seventy Eight Thousand Three Hundred and Sixty Five) in the previous year. Highlights of the financial performance are as follows:

Particulars	Financial Year ended December 31, 2010	(In Rupees) Financial Year ended December 31, 2009
Profit/(Loss) before interest & Depreciation/impairment	(8,10,53,672)	(12,46,43,340)
Less: Interest	1,05,809	76,564
Less: Depreciation & impairment	8,12,64,579	3,45,49,003
	<hr/>	<hr/>
Profit/(Loss) before tax	(16,24,24,060)	(15,92,68,907)
Provision for Tax / Deferred Tax	47,280	(2,12,90,542)
	<hr/>	<hr/>
Profit/(Loss) after tax	(16,24,71,340)	(13,79,78,365)
Add: Balance brought forward from previous year	1,56,62,727	15,36,41,093
	<hr/>	<hr/>
Profit/(Loss) available for appropriation	(14,68,08,613)	1,56,62,727
 <b>Appropriations :</b>		
Transfer to Reserve Fund / General Reserve	—	—
Dividend on Equity Shares	—	—
Corporate Dividend Tax	—	—
	<hr/>	<hr/>
Balance carried forward	(14,68,08,613)	1,56,62,727
	<hr/> <hr/>	<hr/> <hr/>

### Dividend

In view of losses incurred during the year, your Directors do not recommend any dividend.

### Business

The Company is in the business of real estate and textiles. Presently, the Company is implementing its residential project of iconic green building known in the name of "Palais Royale" at its Worli estate. The

Company is expecting to be one of the lead players in the market of Real Estate & construction industry in the near time to come.

### **Insurance**

The building, site construction and electrical installation have been covered for all probable risks.

### **Subsidiaries**

During the year under review:

- a. Raghuvver Suburban Infrastructure Private Limited became subsidiary of the Company with effect from 14.01.2010.
- b. Shree Ram Realinfra Ventures Private Limited became subsidiary of the Company with effect from 24.02.2010.

SRM Sites Private Limited is a Subsidiary of the Company since last financial year, i.e., 24.08.2009.

SRM Sites Private Limited is a material, non-listed subsidiary Company and all other Companies are non-material, non-listed Subsidiary Companies as defined under Clause 49 of the Listing Agreement entered into with the Stock Exchange.

### **Fixed Deposits**

During the year under review, the Company has not accepted any fixed deposit within the meaning of Section 58A of the Companies Act, 1956, and as such, no amount of principal or interest was outstanding as of the date of the Balance Sheet.

### **Directors**

Mr. Lalit Mohan, Mr. Mohan M. Jayakar and Dr. Poornima G. Advani retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Punjab National Bank has withdrawn its nomination of Mr. S. S. Bhandari from the Board of Company in the Board Meeting held on 4th February, 2011.

### **Auditors**

M/s Habib & Co. and M/s Khandelwal Jain & Co. are the present Statutory Auditors of the Company. They retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The Board recommends their re-appointment.

### **Directors' Responsibility Statement**

As required under Section 217 (2AA) of the Companies Act, the Directors hereby confirm that:

- i. In preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii. The Directors 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 losses of the Company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the Annual Accounts on a 'going concern' basis.

### **Corporate Governance**

The Company has taken appropriate steps and measures to comply with all the applicable provisions of Clause 49 and Section 292A of the Companies Act, 1956. A separate Report on Corporate Governance, along with a certificate of Practising Company Secretary, is annexed herewith. A certificate from the Whole-Time Director and President & CFO of the Company confirming internal controls and checks pertaining to financial statements for the year ended 31st December, 2010 was placed before the Board of Directors and the Board has noted the same. A list of the committees of the Board and names of their members is given in the Report. The scope of each of these committees and other related information is detailed in the enclosed Corporate Governance Report.

### **Particulars of Employees**

The Company does not have any employee whose particulars are required to be disclosed pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and under Section 217 (1)(e) of the said Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

### **Conservation of energy, technology absorption and foreign exchange earnings and outgo:**

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished hereunder:

#### **A. CONSERVATION OF ENERGY:**

Company is engaged in construction activities and sufficient care from energy conservation point of view has been taken while opting for construction materials, technology and methodology.

For example, use of waste pozzolanic material like flyash for manufacturing of concrete, use of curring compound to reduce consumption of potable water, use of modular form work which can be used for 100 repetitions and hence reducing Consumption of wood.

Form "A" below sets out the details of energy consumption:

**FORM "A"**

**POWER AND FUEL CONSUMPTION**

		<b>Current year 2010</b>	<b>Previous year 2009</b>
<b>1. Electricity :</b>			
<b>(a) Purchased</b>			
Total amount	Kwh in lakhs	39.31	40.99
	Rs. in lakhs	249.08	272.23
	Rs./Unit	6.33	6.64
<b>(b) Own generation</b>			
Through diesel generator (LDO)	Kwh '000	—	—
Units per ltr. of diesel oil	Kwh	—	—
Cost / Unit	Rs.	—	—
<b>2. Coal :</b>			
Quantity	—	Not Applicable	Not Applicable
Total cost	—	Not Applicable	Not Applicable
Average rate	—	Not Applicable	Not Applicable
<b>3. Furnace Oil :</b>			
Quantity	K. Litres	Not Applicable	Not Applicable
Total amount	Rs. in lakhs	Not Applicable	Not Applicable
Average rate	Rs. K / Ltr.	Not Applicable	Not Applicable
<b>4. Others :</b>			
L.S.H.S.			
Quantity	M. Tonnes	Not Applicable	Not Applicable
Total cost	Rs. in lakhs	Not Applicable	Not Applicable
Average rate	Rs. / M. Tonnes	Not Applicable	Not Applicable
<b>B. TECHNOLOGY ABSORPTION :</b>			
Efforts made in technology absorption.		—	—

**FORM "B"**  
**RESEARCH & DEVELOPMENT (R&D)**

1. Specific areas in which R & D carried out by the company: No industrial activity, hence not applicable	
2. Benefits derived as a result of the above R & D -	Not applicable
3. Future plan of action	Not applicable
4. Expenditure on R & D	(Rs. in lakhs)
(a) Capital	—
(b) Recurring	—
(c) Total	—
(d) Total R & D Expenditure as a Percentage of total turnover	—

**TECHNOLOGY ABSORPTION AND ADOPTION**

**Company has already adopted many of latest technologies available in field of building construction such as:**

Self climbing form work, concrete placer booms and self compacting concrete to meet challenges like noise pollution, extra labours are hired for vibration of concrete and which has also helped in saving electrical energy also.

Company has also taken care to ensure faster material handling; and hence deployed fastest available man and material hoists (almost 90-100 meters per minute speed).

Company has deployed clusters of cranes and has adopted best technology available for topless and Luffing Cranes. Company has adopted coupled splicing system for re-bars which has helped in consuming lesser steel.

Company is putting all the efforts to collect curing water and recycle the same. Company is also buying to collect flying cementitious material and make use of the same for non-structural walls.

Company is willing to keep on updating its technological data bank and use latest technology for comforts of product users and cost effectiveness.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Activities relating to exports, initiatives taken to increase exports, developments of new exports markets for product and services and export plants.

NIL

**Total foreign exchange used and earned  
Used**

Current Year	Rs. 2,83,28,449
Previous Year	Rs. 1,16,60,245

**Earned**

Current Year	NIL
Previous Year	NIL

**Acknowledgements**

Your Directors take this opportunity to thank the Company's customers, Shareholders, vendors, banks and financial Institutions for their continued support during the year.

Your Directors also place on record their appreciation for the excellent contribution made by all employees of the Company through their commitment, competence, co-operation and diligence to duty in achieving consistent growth of the Company.

**Cautionary Statement**

Some statements made in the report, including those stated under the caption "Management Discussion and Analysis" describing the Company's plan, projections and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

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

**Shambhukumar S. Kasliwal**  
**Chairman**

**Place : Mumbai**  
**Date : 14th May, 2011**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Industry Developments**

The year showed continued lacklustre market conditions even though the Indian real estate sector continues to play a significant role in the country's economy. The real estate sector has also contributed largely in terms of employment generation and towards the gross domestic product. Approximately five percent of the country's GDP is contributed to by the housing sector.

Our outlook remains positive over the long term. However, in the short term, and particularly in the current fiscal year, market demand will continue to remain weak resulting in increasing pressure both on liquidity and margins of real estate companies.

### **Opportunities and Threats**

The real estate market in India is at a developing stage and the scope is vast and unlimited. Over the next 20 years atleast, this sector will provide immense opportunities to companies, particularly those companies that are focused in their product offerings.

However, sharp growth in inflation has increased greatly the costs of construction thus having a large adverse effect on project profitabilities. This scenario is likely to continue for quite some time and companies have to devise strategies to deal with this situation. Our approach is to focus on premium segment which is less sensitive to such price increases.

### **Green Building**

Our upcoming Palais Royale is LEEDS platinum pre-certified. We have also recently received a 5 Palm rating from CETEC in Australia. We are taking significant efforts to ensure that we do our bit in creating "green" sustainable structures, and we are confident that in times to come, our thrust on the eco-friendly sector will pay rich dividends in terms of premium pricing and increased market demand.

### **Research & Development**

The Company is making continuous efforts on acquiring and disseminating technical information as well as promoting innovations in various aspects of construction and MEP services.

### **Risks & Concerns**

The Company has taking steps to mitigate risks arising out of periodic shortages of construction materials like sand, as well as the risks arising out of poor market condition.

The biggest concern of the company is to deal with the uncertain market conditions, and we are hopeful of creating a proper framework to deal with this situation.

### **Internal Control System**

The Company has in place adequate internal control systems which assist the management as well as the Board in their discharge of duties and functions.

### **Human Resources**

The Company is constantly taking efforts at training and enhancing the human resources talents in the organization.

### **Conservation of Energy**

The Company has been taking steps to conserve energy and to promote the use of non-conventional energy in its ongoing project. It has installed trial windmill as well as solar heating equipment for these purposes.

### **Financial Performance:**

#### **Financial Results:**

This is summarized as follows:

	Rs. In Crores-2010	Rs. In Crores-2009	Change
Turnover	34.60	39.73	(5.13)
Profit/(loss) before interest, tax and depreciation	(8.11)	(12.46)	4.35
Net profit/loss	(16.24)	(13.80)	(2.44)

### **Information Technology**

The Company is using latest information technology in its engineering as well as project implementation systems, including 3D technology.

### **Cautionary Statement**

Some of the statements in this Report of the Company's objectives, projections, estimates and expectations may be 'forward looking statements'. Actual results might differ substantially or materially from those expressed or implied. Such will be dependent on any downtrend in industry, significant changes in political and economic environment in India and abroad, tax laws, import duties, litigation and labour relations.



## REPORT ON CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as per the format prescribed by SEBI and incorporated in Clause 49 of the listing agreement with the Stock Exchange, the Company's policies on Corporate Governance and compliance thereof in respect of specific areas, as applicable, for the year ended 31st December, 2010 and certain information till the date of notice are set out below for information of Shareholders and Investors of the Company.

### 1. Company's Philosophy on Code of Governance:

The Company has worked with a philosophy and mission of good governance in every field. The Company believes that the Corporate Governance code will enhance the growth of benefits to all the stakeholders. The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with the shareholders, employees, the Government and other parties.

In so far as compliance of Clause 49 of the Listing Agreement with the Stock Exchange is concerned, the Company has complied in all material respects with the requirements of Corporate Governance specified in the Listing Agreement with the Bombay Stock Exchange.

### 2. Board of Directors:

#### 2.1 Composition of the Board of Directors (as on date of notice)

Name of the Director	Position	Relationship with other Directors	Executive/Non-Executive/Independent
Mr. S. S. Kasliwal	Chairman	Father of Mr. Vikas S. Kasliwal and Mr. Mukul S. Kasliwal	Promoter, Non-Executive
Mr. Vikas S. Kasliwal	Vice-Chairman & CEO	Son of Mr. S. S. Kasliwal and Brother of Mr. Mukul S. Kasliwal	Promoter, Executive
Mr. Ambuj A. Kasliwal	Director	None	Non-Executive
Mr. Mukul S. Kasliwal	Director	Son of Mr. S. S. Kasliwal and Brother of Mr. Vikas S. Kasliwal	Non-Executive
Mr. S. K. Luharuka	Whole-Time Director	None	Executive
Mr. Vijay G. Kalantri	Director	None	Non-Executive-Independent
Dr. O. P. Chawla	Director	None	Non-Executive-Independent
Mr. Lalit Mohan	Director	None	Non-Executive-Independent
Mr. Mohan M. Jayakar	Director	None	Non-Executive-Independent
Dr. Poornima G. Advani	Director	None	Non-Executive-Independent
Mr. N. K. Sethi***	Director	None	Non-Executive-Independent
<b>Composition :</b>	<b>Independent - 54.55%</b>		<b>Non-Executive - 81.81</b>

None of the Directors are disqualified under Section 274 (1) (g) of the Companies Act, 1956 read with Companies (Disqualification of Directors under Section 274 (1) (g) of the Companies Act, 1956) Rules, 2003.

All Directors are liable to retire by rotation except Mr. Vikas S. Kasliwal, Vice-Chairman & CEO and Mr. S. K. Luharuka, Whole-Time Director.

Mr. Lalit Mohan, Mr. Mohan M. Jayakar and Dr. Poornima G. Advani retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

\*Punjab National Bank has withdrawn its nomination of Mr. S. S. Bhandari from the Board of Company in the Board Meeting held on 4th February, 2011.

\*\*Mr. Xerxes N. Talati has resigned from the Directorship of the Company with effect from 14th May, 2011.

\*\*\*Mr. N. K. Sethi is appointed as an Additional Director on the Board of Company with effect from 14th May, 2011.

## 2.2 Remuneration to Non-Executive Directors (as on 31st December, 2010)

Name of Director	Sitting Fees & Others (Rs.)
Mr. S. S. Kasliwal	15,000
Mr. Mukul S. Kasliwal	2,500
Mr. Ambuj A. Kasliwal	12,500
Mr. Vijay G. Kalantri	20,000
Dr. O. P. Chawla	35,000
Mr. Lalit Mohan	30,000
Mr. Xerxes N. Talati	10,000
Mr. Mohan M. Jayakar	7,500
Dr. Poornima G. Advani	2,500
Mr. S. S. Bhandari	5,000
<b>Total</b>	<b>1,40,000</b>

Sitting fees constitute fees paid to Non-Executive Directors for attending Board and Committee Meetings.

## 2.3 Managerial Remuneration: (as on 31st December, 2010)

Name of the Director	Designation	Date of Appointment/ Re-Appointment	Tenure	Salary (Rs.)	Provident Fund (Rs.)	Ex-gratia & others (Rs.)	Total (Rs.)
Mr. Vikas S. Kasliwal	Vice-Chairman & CEO	01.08.2009	3 yrs	16,20,000	1,94,400	4,00,914	22,15,314
Mr. S. K. Luharuka	Whole-Time Director	01.01.2011	3 yrs	10,80,000	1,29,600	6,13,428	18,23,028
<b>Total</b>				<b>27,00,000</b>	<b>3,24,000</b>	<b>10,14,342</b>	<b>40,38,342</b>

The total amount of remuneration indicated above does not include share of gratuity as under group gratuity scheme, separate amount for each person is not ascertainable.

Mr. S. K. Luharuka was re-appointed as our Whole-Time Director of the Company pursuant to the provisions of the Companies Act, 1956, for a period of three (3) years with effect from 1st January, 2011 in pursuance of a resolution passed in Board Meeting held on 30th October, 2010 and subject to the approval of members at the AGM to be held on 28th June, 2011 as per the terms and conditions mentioned in the notice.

#### 2.4 Shareholding of the Directors :

##### Shareholding of the Directors as on 31st December, 2010:

Name of the Director	No. of Equity Shares held	% Holding
Mr. S. S. Kasliwal	50,000	0.24
Mr. Vikas S. Kasliwal	4,48,000	2.17
Mr. Ambuj A. Kasliwal	2,43,240	1.18
Mr. Mukul S. Kasliwal	50,000	0.24
Mr. S. K. Luharuka	120	*0.00
Mr. Vijay G. Kalantri	0	0
Dr. O. P. Chawla	0	0
Mr. Lalit Mohan	0	0
Mr. Xerxes N. Talati	0	0
Mr. Mohan M. Jayakar	0	0
Dr. Poornima G. Advani	0	0
Mr. S. S. Bhandari	0	0
<b>Total</b>	<b>7,91,360</b>	<b>3.84</b>

\*being less than 0.01%.

#### 2.5 Attendance of Directors at the Board Meetings and at the Seventy Third Annual General Meeting:

Name of Director	Number of Board Meetings held during the year 2010	Number of Board Meetings attended during the year 2010	Attendance at the Seventy Third Annual General Meeting
Mr. S. S. Kasliwal	5	5	Present
Mr. Vikas S. Kasliwal	5	5	Present
Mr. Ambuj A. Kasliwal	5	4	Absent
Mr. Mukul S. Kasliwal	5	1	Absent
Mr. S. K. Luharuka	5	5	Present
Mr. Vijay G. Kalantri	5	5	Absent
Dr. O. P. Chawla	5	5	Present
Mr. Lalit Mohan	5	5	Present
Mr. Xerxes N. Talati	5	2	Absent
Mr. Mohan M. Jayakar	5	3	Present
Dr. Poornima G. Advani	5	2	Absent
Mr. S. S. Bhandari	5	2	Absent

**2.6 Directors appointed/ceased till the date of notice:**

Punjab National Bank has withdrawn its nomination of Mr. S. S. Bhandari from the Board of Company on 4th February, 2011.

Mr. Xerxes N. Talati has resigned from the Directorship of Company with effect from 14th May, 2011.

Mr. N. K. Sethi is appointed as an Additional Director of Company with effect from 14th May, 2011.

**2.7 Directorships and Committee Memberships of Directors in other Companies :  
(as on date of notice)**

Name of the Director	No. of Directorships in other companies	No. of Committee Memberships in other companies	
		Chairman	Member
Mr. S. S. Kasliwal	5	NIL	NIL
Mr. Vikas S. Kasliwal	1	NIL	NIL
Mr. Ambuj A. Kasliwal	4	NIL	NIL
Mr. Mukul S. Kasliwal	11	NIL	10
Mr. S. K. Luharuka	1	NIL	NIL
Mr. Vijay G. Kalantri	13	NIL	5
Dr. O. P. Chawla	1	NIL	2
Mr. Lalit Mohan	NIL	NIL	NIL
Mr. Xerxes N. Talati	NIL	NIL	NIL
Mr. Mohan M. Jayakar	7	NIL	NIL
Dr. Poornima G. Advani	NIL	NIL	NIL
Mr. S. S. Bhandari	NIL	NIL	NIL

Directorship and Committee Membership/ Chairmanship in Foreign Companies, Private Limited Companies and Companies registered under Section 25 of the Companies Act, 1956 are excluded.

The above information includes Chairmanship/ Membership in Audit Committee, Remuneration Committee and Shareholders'/Grievances Committee of Public Limited Companies, whether listed or not.

**2.8 Number, Day, Date and Venue of the Board Meetings held in the year 2010 :**

Sr. No.	Day	Date	Venue
1	Saturday	30th January, 2010	Registered office
2	Thursday	29th April, 2010	Registered office
3	Tuesday	25th May, 2010	Registered office
4	Monday	19th July, 2010	Registered office
5	Saturday	30th October, 2010	Registered office

**Five** Board meetings were held during the year 2010 and the gap between any two Board Meetings did not exceed four months.

### 2.9 Review of Compliance Report by the Board of Directors:

A Compliance Certificate confirming the due compliance with the statutory requirements is placed at the Board Meeting for the review by the Board of Directors. A system of ensuring material compliance with the laws, orders, regulations and other legal requirements concerning the business and affairs of the Company is in place.

### 2.10 Code of Conduct:

At the Board Meeting held on 19th July, 2010, the Board of Directors has approved the Code of Conduct applicable to the Directors and the Senior Management personnel.

All the Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Whole-Time Director of the Company forms part of this Report.

## 3. AUDIT COMMITTEE :

### 3.1. Constitution of Audit Committee:

All the members of Audit Committee are Non-Executive and Independent Directors. The present Chairman of the Audit Committee is Dr. O. P. Chawla. The other members of the Audit Committee are Mr. Lalit Mohan and Mr. Xerxes N. Talati. Mr. Xerxes N. Talati has resigned with effect from 14th May, 2011 and Mr. Mohan M. Jayakar has been appointed with effect from 14th May, 2011 as a member of the Audit Committee.

The Audit Committee was re-constituted on 14th May, 2011 and Dr. O. P. Chawla, Chairman, Mr. Lalit Mohan and Mr. Mohan M. Jayakar are the members of the said committee.

Ms. Manju B. Batham, Sr. General Manager *cum* Company Secretary & Compliance Officer had acted as the Secretary to the Committee.

### 3.2. Meetings of Audit Committee:

During the year ended 31st December, 2010, Five Audit Committee Meetings were held on 29.01.2010, 28.04.2010, 25.05.2010, 19.07.2010 and 29.10.2010. The attendance of each Audit Committee member is given hereunder:-

Name of the Director	Designation	Number of Meetings held during the year 2010	Number of Meetings attended during the year 2010
Dr. O. P. Chawla	Chairman	5	5
Mr. Lalit Mohan	Member	5	5
Mr. Xerxes N. Talati	Member	5	2

### 3.3. Attendees:

The Whole-Time Director, the President (Finance) & C.F.O, the Statutory Auditors and Internal Auditors are normally invited to the Audit Committee Meetings.

### 3.4. Powers of the Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee.

- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**3.5. Terms of Reference of the Audit Committee:**

- Overseeing of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment of the Statutory Auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing with the management, the annual financial statements before submission to the Board for approval with particular reference to:
  - o Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
  - o Changes, if any, in accounting policies and practices and reasons for the same;
  - o Major accounting entries involving estimates based on the exercise of judgment by management;
  - o Significant adjustments made in the financial statements arising out of the audit findings;
  - o Compliance with listing and other legal requirements relating to financial statements;
  - o Disclosure of any related party transactions;
  - o Qualifications in the draft audit report.
- Reviewing with the management, quarterly financial statement before submission to the Board for approval.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (Public Issue, Rights Issue, Preferential Issue, etc), the statement of funds utilized for purposes other than those stated in the Offer document/Prospectus/Notice and the report submitted by the monitoring Agency monitoring the utilization of proceeds of the Public or Rights Issue, and making appropriate recommendations to the Board to take up step in this matter.
- Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with the internal auditors, of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### 4. REMUNERATION COMMITTEE:

##### 4.1. Constitution of Remuneration Committee:

All the members of Remuneration Committee are Non-Executive and Independent Directors. The present Chairman of the Remuneration Committee is Mr. Vijay G. Kalantri. The other members of the Remuneration Committee are Dr. O. P. Chawla and Mr. Xerxes N. Talati.

Mr. Xerxes N. Talati has resigned with effect from 14th May, 2011 and Mr. Mohan M. Jayakar has been appointed with effect from 14th May, 2011 as a member of the Remuneration Committee.

The Remuneration Committee was re-constituted on 14th May, 2011 and Mr. Vijay G. Kalantri, Chairman, Dr. O. P. Chawla and Mr. Mohan M. Jayakar are the members of the said committee.

##### 4.2. Meeting of Remuneration Committee:

During the year ended 31st December, 2010, one Remuneration Committee meeting has been held on 30.10.2010. The attendance of each Remuneration Committee member is given hereunder:-

Name of the Director	Designation	Number of Meetings held during the year 2010	Number of Meetings attended during the year 2010
Mr. Vijay G. Kalantri	Chairman	1	1
Dr. O. P. Chawla	Member	1	1
Mr. Xerxes N. Talati	Member	1	1

##### 4.3. Terms of Reference of the Remuneration Committee:

- The Remuneration Committee recommends to the Board the compensation terms of the Executive Directors.
- Framing and implementing on behalf of the Board and on behalf of the Shareholders, a credible and transparent policy on remuneration of Executive Directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in Designation and increase in salary of the Executive Directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate Directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the Shareholders.

#### 5. THE SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

##### 5.1. Constitution of the Shareholders'/Investors' Grievance Committee:

The present Chairman of the Shareholders' / Investor Grievances Committee is Mr. Lalit Mohan. The other members of the Shareholders' / Investor Grievances Committee are Mr. S. K. Luharuka and Mr. Xerxes N. Talati. Mr. Xerxes N. Talati has resigned with effect from 14th May, 2011 and Mr. Mohan M. Jayakar has been appointed with effect from 14th May, 2011 as a member of the Shareholder's/Investors' Grievance Committee.

The Shareholder's/Investors' Grievance Committee was re-constituted on 14th May, 2011 and Mr. Lalit Mohan, Chairman, Mr. S. K. Luharuka and Mr. Mohan M. Jayakar are the members of the said committee.

**5.2. Meetings of Shareholders' / Investor Grievances Committee:**

The attendance of each Shareholders' / Investor Grievances Committee member is given hereunder:

Name of the Director	Designation	Number of Meetings held during the year 2010	Number of Meetings attended during the year 2010
Mr. Lalit Mohan	Chairman	24	24
Mr. S. K. Luharuka	Member	24	24
Mr. Xerxes N. Talati	Member	24	19

**5.3. The Terms of Reference of the Shareholders' / Investor Grievances:**

The scope and function of this committee is to consider and review Shareholders'/ Investors' Grievances and complaints and to ensure that all Shareholders' / Investors' Grievances and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and/or legal impediments.

**5.4. Compliance Officer:**

Ms. Manju B. Batham is the Company Secretary & Compliance Officer of the Company.

**5.5. Shareholders Complaints:**

During the financial year ended 31st December, 2010, the Company received six complaints from the Shareholders and resolved all complaints. No complaint is pending at the end of the year.

A group of Investors has filed a Company Petition No.45/397-398/CLB/MB/2009 with CLB which is pending.

**6. General Body Meetings:**

**Location and time of General Meetings held in last 3 years:**

YEAR	AGM/EOGM	DATE	TIME	VENUE	SPECIAL RESOLUTIONS
2007	AGM	25-06-2008	11.30 a.m.	'Sunville', 9, Annie Besant Road, Worli, Mumbai – 400 018.	NIL
2008	AGM	24-06-2009	11.00 a.m.	'Sunville', 9, Annie Besant Road, Worli, Mumbai - 400 018.	1) Adoption of Alteration of Articles, 3 of Articles of Association for Increase in Authorised Capital of the Company. 2) To issue Shares to FII's under FEMA 1999 and Companies Act 1956
2009	AGM	28.06.2010	11.00 a.m.	'Sunville', 9, Annie Besant Road, Worli, Mumbai - 400 018	Appointment of M/s. Goldmount Advisors, a sole proprietary concern of Mr. Gaurav Kaul u/s 314(1), 314(1B) of the Companies Act, 1956.



**Details of Special Resolution passed by Postal Ballot during the last year**

Date	Special Resolutions	Details of Scrutinizer
19-01-2010	Issue of 16,000,000 Equity Warrants by preferential allotment under Section 81(1A) of the Companies Act, 1956.	Mr. Virendra G. Bhatt (Practising Company Secretary)

**Voting Pattern**

Details of Valid Ballot	No. of Ballots	No. of Shares	Percentage of Shareholding Voted
Assent	98	14290905	99.996
Dissent	4	474	0.004
Total	102	14291379	100

**7. Subsidiaries:**

SRM Sites Private Limited a Subsidiary Company, is a material unlisted Indian Subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed Holding Company together with its subsidiaries in the immediately preceding accounting year as defined under Clause 49 of the Listing Agreements, for which the Company has appointed Mr. Lalit Mohan, Non - Executive Independent Director of the Company as a Director of SRM Sites Private Limited.

Raghuv eer Suburban Infrastructure Private Limited is our Subsidiary Company with effect from 14.01.2010; is not a material unlisted Indian Subsidiary. The Company has appointed Mr. Lalit Mohan, Non- Executive Independent Director of the Company as a Director of Raghuv eer Suburban Infrastructure Private Limited.

Shree Ram Realinfra Ventures Private Limited is our Subsidiary Company with effect from 24.02.2010; is not a material unlisted Indian Subsidiary.

The Company monitors the performance of its Subsidiaries as per requirements of Clause 49 of the Listing Agreement by the following means:

The minutes of the Board Meetings of Subsidiary Companies are placed at the Board Meetings of the holding Company.

**8. Disclosures:**

- A) Disclosure of Related Party Transactions:** The Related Party transactions are reviewed in quarterly meetings of the Audit Committee. These are stated under Note No. 17 to Schedule 20 of Notes forming part of the accounts for the year ended 31st December, 2010.
- B) Disclosure of Accounting Treatment:** The Company has followed the Guidelines of Accounting Standards laid down by the Institute of the Chartered Accountants of India (ICAI) in preparation of its Financial Statements.

**C) Board Disclosures – Risk Management:** The Board periodically reviews Risk assessment and minimization procedure through properly defined frame work.

**D) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.:**

Particulars	Rs.
Issue Proceeds from Preferential Allotment of Equity Share Warrants (Warrants of Rs. 140/- each Rs. 35/- Paid-up on each Warrants)	56,00,00,000
<b>Object of the Issue:</b>	
1. For Implementation of the ongoing Project at Worli Premises.	56,00,00,000
2. For acquisition of further projects/lands	—
3. For redemption of Preference Shares	—
4. For Payment of existing liabilities	—

**E) Remuneration of Directors:** Remuneration of Directors is stated under Note No.12 to Schedule 20 of Notes forming part of the accounts for the year ended 31<sup>st</sup> December, 2010.

**F) Management Discussion and Analysis :** Management Discussion and Analysis forms part of the Annual Report. It is incorporated in the Annual Report.

**G) General Shareholders Information:** This information is given under Para 11 of this report.

**9. Means of Communication:**

The Audit Committee, in its meeting, considers the financial results of the Company and recommends it to the Board of Directors for its approval. The financial results, as taken on record by the Board of Directors, are communicated to the Bombay Stock Exchange where the Shares of the Company are listed, in accordance with the Directives of regulatory authorities in this regard. These quarterly and annual results are also published in widely circulated newspapers (Free Press Journal in English & Nav Shakti in Marathi) as per the Guidelines issued from time to time.

**10. Certification by Whole-Time Director and President (Finance) & CFO:**

Mr. S. K. Luharuka, Whole-Time Director and Mr. N. K. Modani, President (Finance) & CFO, have issued a Certificate to the Board as prescribed under sub-clause V of Clause 49 of the Listing Agreement. The said Certificate was placed before the Board Meeting held on 14th May, 2011 in which the Accounts for the Financial Year ended 31st December, 2010 were considered and approved by the Board of Directors.

**11. General Shareholders information:**

**11.1 Seventy Fourth Annual General Meeting — Day, Date, Time and Venue**

<b>Day</b>	<b>Tuesday</b>
<b>Date</b>	<b>28.06.2011</b>
<b>Time</b>	<b>11.00 A.M.</b>
<b>Venue</b>	<b>“Sunville”, 9, Annie Besant Road, Worli, Mumbai 400 018.</b>

### 11.2 Financial Year

Financial Year of the Company is 1st January to 31st December.

### 11.3 Dates of Book Closure (Both days inclusive)

From : 24.06.2011  
 To : 28.06.2011

### 11.4 Listing on Stock Exchange

The Company's Equity Shares are listed on the following Stock Exchange:

Bombay Stock Exchange Limited (BSE)  
 Phiroze Jeejeebhoy Towers, Dalal Street,  
 Mumbai 400 001

The Company has paid Annual Listing Fees to the abovementioned Stock Exchange for the financial year 2011-12.

### 11.5 Stock Code

<b>Script Code :</b>	<b>ISIN No.:</b>
Equity : 503205	Equity : 164H01011

### BSE PRICE DATA

The monthly High and Low Share Prices during the year at BSE are as under:

Months	High (Rs.)	Low (Rs.)
January 2010	147.90	123.40
February 2010	135.00	113.00
March 2010	139.55	113.45
April 2010	278.80	115.25
May 2010	289.00	192.40
June 2010	260.30	195.00
July 2010	232.30	189.35
August 2010	297.70	191.25
September 2010	272.85	232.00
October 2010	258.90	221.10
November 2010	255.00	194.00
December 2010	219.95	158.00

### 11.6 Registrar and Transfer Agents

Name : Big Share Services Pvt. Ltd.  
 Address : E-2/3 Ansa Industrial Estate,  
 Sakivihar Road, Sakinaka,  
 Andheri (E), Mumbai – 400 072  
 Tel : +91-22- 40430200  
 Fax : +91-22- 28475207  
 E-mail : info@bigshareonline.com

**11.7 Share Transfer System:**

Shares held in the dematerialized form are electronically traded in the Depositories and the Registrar and Share Transfer Agents of the Company, viz. Big Share Services Pvt. Ltd., periodically receive from the Depository the beneficial holdings data, so as to enable them to update their records and to send all corporate communications. Physical Shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt provided they are in order in every respect. Bad deliveries are immediately returned to Depository participants under advice to the Shareholders within the aforesaid period.

**11.8 Distribution of Shareholding (as on 31st December, 2010):**

No. of Equity Shares held	Shareholders Nos.	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	6307	90.89	6,04,253	2.93
501 – 1000	268	3.86	2,13,731	1.03
1001 – 2000	138	1.99	2,02,055	0.98
2001 – 3000	60	0.87	1,54,129	0.75
3001 – 4000	31	0.45	1,10,864	0.54
4001 – 5000	23	0.33	1,07,902	0.52
5001 - 10000	39	0.56	3,01,938	1.46
10001 - 9999999	73	1.05	1,89,39,668	91.79
<b>Total</b>	<b>6,939</b>	<b>100</b>	<b>2,06,34,540</b>	<b>100</b>

**11.9 Shareholding pattern (as on 31st December, 2010):**

Category	No. of Shares held	% of Shareholding
<b>Promoter's Holding</b>		
Promoters		
- Indian Promoters	22,34,800	10.83
- Foreign Promoters	NIL	NIL
Persons acting in Concerts	1,00,79,683	48.85
<b>Sub – Total</b>	<b>1,23,14,483</b>	<b>59.68</b>
<b>Non-Promoters Holding</b>		
Institutional Investors	NIL	NIL
Mutual Funds and UTI	NIL	NIL
Banks, Financial Institution, Insurance Companies, Central/State Govt. Institution/Non Govt. Institution	1,29,420	0.63
Foreign Institutional Investors (FIIs)	20,46,850	9.92
<b>Sub – Total</b>	<b>21,76,270</b>	<b>10.55</b>

<b>Others</b>		
Corporate Bodies	30,78,403	14.92
Indian Public	30,33,355	14.70
NRI/OCB	29,189	0.14
Any others (please specify) Trust	200	0.00
Clearing Members	2640	0.01
<b>Sub – Total</b>	<b>61,43,787</b>	<b>29.77</b>
<b>Grand Total</b>	<b>2,06,34,540</b>	<b>100</b>

**11.10 Dematerialization of Shares and Liquidity:**

The Shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the Depository Systems i.e. NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). Nearly 98.47% of total Equity Shares of the Company are held in dematerialized form with NSDL & CDSL.

**11.11 Plant Locations and Address for correspondence:**

The current project of the Company is “Palais Royale” at the registered office of the Company, i.e. Shree Ram Mills Premises, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013.

**11.12 Insider Trading Code:**

The Company had adopted the Employee Share Dealing Code in terms of the SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors and Designated Employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

The Company regularly monitors the transactions in terms of the Employee Share dealing Code undertaken by the employees of the Company. The Company also informs the Stock Exchange periodically about the transaction(s) undertaken by the designated employees and their Share holdings as per the regulations.

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

**Shambhukumar S. Kasliwal**  
**Chairman**

**Place : Mumbai**

**Date : 14th May, 2011.**

**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT**

All the Directors and Senior Management personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors.

For **Shree Ram Urban Infrastructure Limited**

**S. K. LUHARUKA**  
Whole - Time Director

**Place : Mumbai**  
**Date : 14th May, 2011**

**CERTIFICATION BY WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY**

We, **S. K. Luharuka**, Whole-Time Director and **N. K. Modani**, President (Finance) & CFO, certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended December 31, 2010 and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - these statements together present true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies; and
4. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**S. K. LUHARUKA**  
Whole-Time Director

**N. K. MODANI**  
President (Finance) & CFO

Place : Mumbai  
Date : 14th May, 2011.

**PRACTISING COMPANY SECRETARY**

**CERTIFICATE ON CORPORATE GOVERNANCE**

**To,**

**The Members of**

**Shree Ram Urban Infrastructure Limited**

We have examined the Compliance of conditions of Corporate Governance by SHREE RAM URBAN INFRASTRUCTURE LTD. ("The Company") for the year ended on 31st December, 2010, and certain information till the date of notice as stipulated by Clause 49 of the Listing Agreement of the Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations, made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the clause 49 of the above-mentioned Listing Agreement.

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

**Virendra Bhatt**

*Company Secretary*

A.C.S.-1157/CP-124

**Place : Mumbai**

**Date : 14th May, 2011**



**Auditors Report**

To,  
**THE MEMBERS OF SHREE RAM URBAN INFRASTRUCTURE LIMITED**  
(Formerly known as Shree Ram Mills Limited)

1. We have audited the attached Balance Sheet of **SHREE RAM URBAN INFRASTRUCTURE LIMITED** (Formerly known as Shree Ram Mills Limited) as at 31st December 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company 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 from 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, and read with the amendments made by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanation given to us we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent they are applicable to the Company.
4. Further to our comments in the Annexure referred to in Paragraph 3 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 purposes 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 such books;
  - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
  - (e) On the basis of the written representations received from the Directors as on 31st December, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st December, 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) Without qualifying our opinion, we draw attention to note no. 22 of Schedule 20 regarding filing of an application for compounding of offences u/s. 621A of the Companies Act, 1956 to avoid long drawn litigation. Pending the outcome of the application, company has provided for an estimated liability of Rs. 16,45,500 towards the sum payable for compounding.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2010;
- (ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **KHANDELWAL JAIN & Co.**  
Chartered Accountants,  
**Firm's Registration No. 105049W**

**(NARENDRA JAIN)**  
PARTNER  
**Membership No. 048725**

Place : Mumbai  
Date : 14th May, 2011

For **HABIB & Co.**  
Chartered Accountants,  
**Firm's Registration No. 103479W**

**(D. P. SHROFF)**  
PARTNER  
**Membership No. 045417**

Place : Mumbai  
Date : 14th May, 2011

**ANNEXURE TO THE AUDITORS' REPORT****(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SHREE RAM URBAN INFRASTRUCTURE LIMITED (Formerly known as Shree Ram Mills Limited) FOR THE YEAR ENDED 31st DECEMBER, 2010)**

- i) a) The Company has generally maintained proper records showing particulars including quantitative details and location of fixed assets.
- b) The Company has physically verified the fixed assets in accordance with a programme of verification which in our opinion provides for physical verification of all fixed assets at reasonable intervals. No material discrepancies were noticed on such verification.
- c) During the year, the Company has not disposed off any substantial part of fixed assets.
- ii) a) The management has conducted physical verification of the inventory at reasonable intervals. In our opinion, the frequency of physical verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of the inventory and no material discrepancies were noticed on physical verification of inventory as compared to the book records.
- iii) a) The Company has not granted loans to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of sub-clause (b) to (d) of clause (iii) of the paragraph 4 of the order are not applicable.
- b) The Company has taken unsecured loan from six companies covered in the register maintained under Section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs. 63,76,16,893 and the year end balance of loans taken from such companies was Rs. 5,33,99,000.
- c) In our opinion and according to the information and explanation given to us, the loans taken are interest free and the other terms and conditions on which these loans have been taken are not prima facie prejudicial to the interest of the Company.
- d) Since there is no repayment schedule in respect of aforesaid loans, the question of repayment being regular does not arise.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding value of Rupees five lakhs 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.

- vi) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of the products of the Company.
- a) According to the information and explanations given to us and the records examined by us, generally the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, wealth tax, service tax, sales tax, custom duty, tax deducted at source, property tax, works contract tax, cess and other statutory dues *except that there have been delays in few cases, in depositing statutory dues in respect of 'Tax deducted at source', 'TDS on works contract tax under MVAT Act', Property Tax, Wealth Tax and Service Tax with the appropriate authorities during the year.* According to the information and explanations given to us, there were no other undisputed statutory dues which have remained outstanding as at 31st December, 2010 for the period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, and the records examined by us, dues in respect of income tax, water tax, sewerage tax, property tax, excise duty and custom duty as at 31st December, 2010 that have not been deposited with the appropriate authority on account of any disputes and the forum where the dispute is pending are as under:-

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (Rs.)	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	April 03 to March 04	79,57,942	Bombay High Court
			April 06 to March 07	5,29,944	CIT (Appeal)
2	Brihanmumbai Mahanagar Palika (B. M. C.)	Water Tax	April 09 to Dec 10	64,12,770	B. M. C.
3	Brihanmumbai Mahanagar Palika (B. M. C.)	Sewerage Tax	April 09 to Dec 10	38,47,662	B. M. C.
4	Brihanmumbai Mahanagar Palika (B. M. C.)	Property Tax	April 08 to Dec 10	2,54,84,173	B. M. C.
5	Central Excise Act, 1944	Excise Duty	Oct 2000	3,39,250	Superintendent of Central Excise
6	Customs Act, 1962	Custom Duty	July 2008	6,98,250	Deputy Commissioner of Customs

- ix) *The accumulated losses at the end of the financial year are more than fifty per cent of its net worth. The company has incurred cash losses during the financial year covered by our audit. It had also incurred cash losses in the immediately preceding financial year.*
- x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- xi) Based on the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii) The Company is not a Chit Fund Company or nidhi / mutual benefit fund / society. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xv) In our opinion, the term loans raised during the year have been applied for the purpose for which they were raised.
- xvi) According to the information and explanations given to us and on an examination of the Balance Sheet of the Company, we report that, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- xvii) During the year, the Company has made preferential allotment of 1,15,84,678 convertible equity share warrants at a price of Rs. 140 each, carrying an option to subscribe to equivalent number of equity shares of Rs. 10 each, to three companies covered in register maintained under Section 301 of the Companies Act, 1956. In our opinion and according to the information and explanation given to us, the price at which the said convertible equity share warrants have been issued is not prejudicial to the interest of the company.
- xviii) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the year covered by our report.
- xix) During the year covered by our Audit Report the Company has not raised any money by public issues.
- xx) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **KHANDELWAL JAIN & Co.**  
Chartered Accountants,  
**Firm's Registration No. 105049W**

For **HABIB & Co.**  
Chartered Accountants,  
**Firm's Registration No. 103479W**

**(NARENDRA JAIN)**  
PARTNER  
**Membership No. 048725**

**(D. P. SHROFF)**  
PARTNER  
**Membership No. 045417**

Place : Mumbai  
Date : 14th May, 2011

Place : Mumbai  
Date : 14th May, 2011

**BALANCE SHEET AS AT 31ST DECEMBER 2010**

(Amount in Rupees)

	SCHEDULE		AS AT 31-12-2010	AS AT 31-12-2009
<b>Sources of Funds</b>				
<b>1) Shareholders' Funds</b>				
a) Share Capital	1	23,17,34,200	23,17,34,200	
b) Convertible Equity Share Warrants	2	71,75,00,000	15,75,00,000	
c) Reserves and Surplus	3	1,74,357	3,08,37,084	42,00,71,284
<b>2) Loan Funds</b>				
a) Secured Loans	4	4,51,01,39,787	3,89,43,24,197	
b) Unsecured Loans	5	5,33,99,000	71,61,84,371	4,61,05,08,568
<b>TOTAL</b>			<b>5,51,29,47,344</b>	<b>5,03,05,79,852</b>
<b>Application of Funds</b>				
<b>1) Fixed Assets</b>	6			
a) Gross Block		2,21,63,76,374	1,94,26,78,575	
b) Less: Depreciation, Amortisation and Impairment		43,62,98,532	25,86,26,659	
c) Net Block		1,78,00,77,842	1,68,40,51,916	
d) Capital Work in Progress (including capital advances)		7,19,683	3,69,33,418	
			1,78,07,97,525	1,72,09,85,334
<b>2) Investments</b>	7		1,02,00,000	1,00,00,000
<b>3) Current Assets, Loans and Advances</b>	8			
a) Interest Accrued but not due		94,41,571	34,88,927	
b) Inventories		6,18,42,62,439	3,91,00,61,068	
c) Sundry Debtors		7,34,19,041	7,04,30,449	
d) Cash and Bank Balances		54,78,34,975	32,55,55,528	
e) Loans and Advances		2,58,10,21,992	1,88,78,90,005	
		9,39,59,80,018	6,19,74,25,977	
<b>Less: Current Liabilities and Provisions</b>	9			
a) Current Liabilities		5,80,31,97,957	2,94,90,12,134	
b) Provisions		26,40,855	24,12,344	
		5,80,58,38,812	2,95,14,24,478	
<b>Net Current Assets</b>			3,59,01,41,206	3,24,60,01,499
<b>Miscellaneous Expenditure</b> (To the extent not written off / adjusted)	10		—	5,35,93,019
<b>Profit and Loss Account</b>	11		13,18,08,613	—
<b>TOTAL</b>			<b>5,51,29,47,344</b>	<b>5,03,05,79,852</b>
Significant Accounting Policies	19			
Notes forming part of the Accounts	20			

Note : The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

As per our report of even date

For **Khandelwal Jain & Co.**  
Chartered Accountants

For **Habib & Co.**  
Chartered Accountants

For and on behalf of the Board

**Narendra Jain**  
(Partner)  
Membership No. 048725

**D. P. Shroff**  
(Partner)  
Membership No. 045417

**S. S. Kasliwal** - Chairman  
**S. K. Luharuka** - Whole-Time Director  
**Manju B. Batham** - Company Secretary

Place : Mumbai  
Dated : 14th May, 2011

Place : Mumbai  
Dated : 14th May, 2011

Place : Mumbai  
Dated : 14th May, 2011

2010

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2010**

(Amount in Rupees)

	SCHEDULE	YEAR ENDED 31-12-2010	YEAR ENDED 31-12-2009
<b>INCOME</b>			
Sales and Services	12	34,60,33,069	39,73,31,737
Other Income	13	18,16,600	18,91,455
		<u>34,78,49,669</u>	<u>39,92,23,192</u>
<b>EXPENDITURE</b>			
Trading Purchases	14	31,73,26,186	39,69,21,663
Cost of Construction (Real Estate Dev.)	15	6,10,83,77,943	3,89,29,96,538
Less : Carried to Inventories		<u>6,10,83,77,943</u>	<u>3,89,29,96,538</u>
Payments to and Provision for Employees	16	54,26,873	49,72,043
Administration and Other expenses	17	10,56,38,442	12,22,14,499
Finance and Interest expenses	18	1,05,809	76,564
Depreciation and Amortisation	6	84,29,855	1,13,02,248
Provision for Impairment Loss	6	7,28,34,724	2,32,46,755
		<u>50,97,61,889</u>	<u>55,87,33,772</u>
Profit/(Loss) for the year		<u>(16,19,12,220)</u>	(15,95,10,580)
Less : Prior period adjustments		5,11,840	(2,41,673)
Profit/(Loss) before Tax		<u>(16,24,24,060)</u>	(15,92,68,907)
Less: Tax Provision			
Income Tax		—	—
Wealth Tax		21,802	20,108
Fringe Benefit Tax		—	4,82,089
Income / Wealth Tax for earlier years		25,478	3,63,892
Fringe Benefit Tax for earlier years		—	(1,50,837)
Deferred Tax		—	(2,17,22,187)
MAT Credit Entitlement		—	(2,83,607)
<b>Profit/(Loss) after Tax</b>		<u>(16,24,71,340)</u>	<u>(13,79,78,365)</u>
Balance brought forward from Previous Year		1,56,62,727	15,36,41,093
<b>Balance carried to Balance Sheet</b>		<u>(14,68,08,613)</u>	<u>1,56,62,727</u>
<b>Earning per share (EPS)</b>			
(Refer Note No. 18 of Schedule 20)			
Basic earning per share		(7.87)	(6.69)
Diluted earning per share		(7.87)	(6.69)
Significant Accounting Policies	19		
Notes forming part of the Accounts	20		
Note : The schedules referred to above form an integral part of the Profit & Loss Account.			
As per our report of even date		As per our report of even date	

For **Khandelwal Jain & Co.**  
*Chartered Accountants*

For **Habib & Co.**  
*Chartered Accountants*

For and on behalf of the Board

**Narendra Jain**  
(Partner)  
Membership No. 048725  
Place : Mumbai  
Dated : 14th May, 2011

**D. P. Shroff**  
(Partner)  
Membership No. 045417  
Place : Mumbai  
Dated : 14th May, 2011

**S. S. Kasliwal** - Chairman  
**S. K. Luharuka** - Whole-Time Director  
**Manju B. Batham** - Company Secretary  
Place : Mumbai  
Dated : 14th May, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2010**

(Amount in Rupees)

	Current Year	Previous Year
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit Before Tax and prior period adjustments	(16,19,12,220)	(15,95,10,580)
Adjustments for :		
Depreciation	84,29,855	1,13,02,248
Provision for Impairment	7,28,34,724	2,32,46,755
Miscellaneous Expenditure written off	5,35,93,019	5,35,93,019
Provision for doubtful debts written back	(1,42,699)	-
Provision for doubtful debts	24,03,916	34,41,701
Interest expense	1,05,809	76,564
Interest received	(7,97,428)	(7,73,420)
Loss on sale of assets	13,27,956	6,23,989
Sundry balances written off	-	3,35,489
Sundry balances written back	(59,308)	(4,65,609)
<b>Operating profit before Working Capital Changes</b>	<b>(2,42,16,376)</b>	<b>(6,81,29,844)</b>
Adjustments for :		
Trade and other Receivables	(69,74,13,160)	(76,11,02,006)
Inventories	(1,23,16,41,810)	(1,13,20,91,492)
Trade Payables	2,85,21,79,852	11,69,87,273
<b>Cash generated from Operations</b>	<b>89,89,08,506</b>	<b>(1,84,43,36,069)</b>
Direct Taxes (Paid) / Refund (Net of Refund / Paid)	(11,10,482)	16,30,750
Cash Flow before prior period adjustments	89,77,98,024	(1,84,27,05,319)
Prior period adjustments [income / (loss)]	(5,11,840)	2,41,673
<b>NET CASH FROM OPERATING ACTIVITIES : TOTAL (A)</b>	<b>89,72,86,184</b>	<b>(1,84,24,63,646)</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Purchases of Fixed Assets (including capital work-in-progress)	(24,20,11,778)	(12,47,17,773)
Sale of Fixed Assets	5,31,526	5,55,556
Sale of Investment	-	1,00,000
Purchase of Investments	(2,00,000)	(1,01,00,000)
Interest received	98,35,665	1,13,98,440
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES TOTAL (B)</b>	<b>(23,18,44,588)</b>	<b>(12,27,63,777)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceed from issued of convertible Equity Share Warrants	56,00,00,000	15,75,00,000
Proceed from Secured Loans (Net of Repayment)	61,58,15,590	1,93,81,94,610
Proceed / (Repayment) from Unsecured Loans (Net)	(66,27,85,371)	61,35,68,980
Interest and finance charges paid	(95,61,92,368)	(61,44,66,486)
<b>NET CASH FROM FINANCING ACTIVITIES TOTAL (C)</b>	<b>(44,31,62,149)</b>	<b>2,09,47,97,104</b>
<b>Net Increase in cash &amp; cash equivalents TOTAL (A+B+C)</b>	<b>22,22,79,447</b>	<b>12,95,69,681</b>
Cash and cash equivalents - Opening Balance	32,55,55,528	19,59,85,848
Cash and cash equivalents - Closing Balance	54,78,34,975	32,55,55,528

**Notes:**

- The above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as specified in the Companies (Accounting Standards) Rules, 2006.
- Cash and Cash Equivalents represents Cash and Bank balances including fixed deposits of Rs. 11,89,693 (PY: Rs. 3,46,14,787) pledged with Banks for issuing bank guarantee and fixed deposit amounting to Rs. 13,77,29,970 (PY: Rs. 12,67,00,420) held under lien by bank as a security against loan taken from banks and bank balance of Rs. 1,26,18,000 (PY: Rs. Nil) is lying in Collection Reality Finance (CRF) account of ICICI Bank which is kept aside for repayment of existing facility of ICICI Bank towards principal and interest.
- Previous year's figures have been regrouped and reclassified, wherever necessary.

As per our report of even date

As per our report of even date

For **Khandelwal Jain & Co.**  
Chartered Accountants

For **Habib & Co.**  
Chartered Accountants

For and on behalf of the Board

**Narendra Jain**  
(Partner)  
Membership No. 048725

**D. P. Shroff**  
(Partner)  
Membership No. 045417

**S. S. Kasliwal** - Chairman  
**S. K. Luharuka** - Whole-Time Director  
**Manju B. Batham** - Company Secretary

Place : Mumbai  
Dated : 14th May, 2011

Place : Mumbai  
Dated : 14th May, 2011

Place : Mumbai  
Dated : 14th May, 2011



2010

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

Schedules '1' to '20' annexed to and forming part of the Balance Sheet as at 31st December, 2010 and the Profit and Loss Account for the year ended at that date.

		(Amount in Rupees)	
		AS AT 31-12-2010	AS AT 31-12-2009
<b>Schedule 1 - Share Capital</b>			
<b>Authorised</b>			
9,57,11,120 (Previous Year: 9,57,11,120) Equity Shares of Rs. 10 each	95,71,11,200	95,71,11,200	
1,36,877 (Previous Year: 1,36,877) 11% Redeemable Cumulative Preference Shares of Rs. 100 each	1,36,87,700	1,36,87,700	
1,17,011 (Previous Year: 1,17,011) Zero percent Redeemable Preference Shares of Rs. 100 each	1,17,01,100	1,17,01,100	
(17,50,000 (Previous Year: 17,50,000) Unclassified Shares of Rs. 10 each)	<u>1,75,00,000</u>	<u>1,75,00,000</u>	
	<b><u>1,00,00,00,000</u></b>		<b><u>1,00,00,00,000</u></b>
<b>Issued, Subscribed and Paid-up</b>			
2,06,34,540 (Previous Year: 2,06,34,540) Equity Shares of Rs. 10 each	20,63,45,400	20,63,45,400	
1,36,877 (Previous Year: 1,36,877) 11% Redeemable Cumulative Preference Shares of Rs. 100 each (Refer Note No.1 of Schedule 20)	1,36,87,700	1,36,87,700	
1,17,011 (Previous Year: 1,17,011) Zero percent Redeemable Preference Shares of Rs. 100 each (Refer Note No. 1 of Schedule 20)	<u>1,17,01,100</u>	<u>1,17,01,100</u>	
	<b><u>23,17,34,200</u></b>		<b><u>23,17,34,200</u></b>
Note : 34,39,090 Equity Shares of Rs. 10 each were allotted in 2006 as fully paid up bonus shares in the ratio of 1:5 by way of capitalisation of Rs. 3,43,90,900 from General Reserve.			
<b>Schedule 2 - Convertible Equity Share Warrants</b>			
2,05,00,000 (P.Y.: 45,00,000) equity warrants at Rs. 140 each Rs. 35 paid on application (Refer Note No. 2 of Schedule 20)		71,75,00,000	15,75,00,000
		<b><u>71,75,00,000</u></b>	<b><u>15,75,00,000</u></b>
<b>Schedule 3 - Reserves &amp; Surplus</b>			
<b>Capital Reserve</b>		1,49,500	1,49,500
<b>General Reserve</b> (Refer Schedule 11)		—	1,50,00,000
<b>Workers' Welfare and Benevolent Reserve</b>		24,857	24,857
<b>Profit &amp; Loss Account</b>			
Opening Balance	—	15,36,41,092	
Add. : Profit / (Loss) during the year	—	<u>(13,79,78,365)</u>	
		<u>—</u>	<u>1,56,62,727</u>
		<b><u>1,74,357</u></b>	<b><u>3,08,37,084</u></b>

	<b>AS AT 31-12-2010</b>	<b>(Amount in Rupees) AS AT 31-12-2009</b>
<b>Schedule 4 - Secured Loans</b>		
Term Loans		
A) From Banks		
i) Term loans	4,21,64,89,264	3,65,20,10,946
(Secured against pari passu charge with lenders,		
- on mortgage of portion of land bearing plot No.5B & 6,		
- on mortgage on the property together with Building and Structures thereon,		
- on project receivables		
- mortgage and charge /assignment by way of all rights, title, interest, claims, benefits, demands under the project documents both present and future,		
- on Escrow Account and DSR Account,		
- personal guarantee of one of the Directors,		
- pledge of 74,28,454 shares (P.Y.: 74,28,454) of the Company held by promoters		
- Corporate Guarantee of promoter, Akhilesh Developers Private Limited (Amount repayable within one year Rs. 421,64,89,264 (P.Y.: Rs. 106,25,00,000)		
ii) Vehicle loans	18,89,228	34,46,876
(Secured against hypothecation of assets financed)		
[Amount repayable within one year Rs. 12,69,286 (P.Y.: Rs. 20,06,883)]		
B) From others	29,17,61,296	23,88,66,375
(Secured against hypothecation of assets financed, pledge of 7,47,830 shares (P.Y.: 7,47,830 shares) of Company held by promoters and personal Guarantee of one of the Directors)		
(Amount repayable within one year Rs. 17,48,24,356 (P.Y.: Rs. 13,08,31,166)		
	<b><u>4,51,01,39,787</u></b>	<b><u>3,89,43,24,197</u></b>
<b>Schedule 5 - Unsecured Loans</b>		
Loans from Corporates	5,33,99,000	71,61,84,371
	<b><u>5,33,99,000</u></b>	<b><u>71,61,84,371</u></b>

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

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**Schedule No. 6 - Fixed Assets (Refer Note No. 8 of Schedule 20)** (Amount in Rupees)

Sr. No.	Particulars	G R O S S B L O C K			D E P R E C I A T I O N			I M P A I R M E N T			N E T B L O C K	
		As at 01.01.2010	Additions/ Adjustments during the Year	Deductions/ Adjustments during the Year	As at 31-12-2010	For the Year	Deductions/ Adjustments During the year	As at 31-12-2010	For the Year	As at 01.01.2009	As at 31-12-2010	As at 31-12-2009
	<b>Textile Division</b>											
1	Land - Leasehold	5,625	—	—	5,625	200	2,600	—	—	—	3,025	3,225
2	Land - Freehold	1,08,20,68,875	—	—	1,08,20,68,875	—	—	—	—	—	1,08,20,68,875	1,08,20,68,875
3	Buildings - Residential	1,05,99,990	—	—	18,02,338	3,48,643	21,50,981	—	—	—	84,49,009	87,97,652
4	Buildings - Leasehold Land	4,46,215	—	—	2,77,283	7,273	2,84,556	—	—	—	1,61,659	1,68,932
5	Roads	2,42,000	—	—	14,029	3,945	17,974	—	—	—	2,24,026	2,27,971
6	Fire Fighting Equipments	2,11,975	—	—	2,05,707	872	2,06,579	—	—	—	5,396	6,288
7	Computers & Peripherals	4,95,478	6,250	—	5,01,728	79,331	4,00,704	—	—	—	1,01,024	1,74,105
8	Office Equipments	1,08,328	—	—	23,828	4,846	28,674	—	—	—	79,654	84,500
9	Motor Cars	48,81,302	6,24,619	35,33,169	19,72,752	20,36,325	4,36,186	—	—	—	15,36,566	26,59,819
10	Air Conditioners	4,27,620	—	—	67,221	20,312	87,533	—	—	—	3,40,087	3,60,399
11	Plant & Machinery	23,41,34,352	—	—	9,65,86,602	71,69,099	10,37,55,701	—	6,76,73,761	5,09,98,172	1,17,06,718	8,65,49,578
12	Air Conditioner for Plant & Machinery	1,51,06,686	—	—	61,03,381	4,67,803	65,71,184	—	44,38,805	33,41,363	7,55,334	56,61,942
13	Factory Equipments	24,67,218	—	—	10,00,986	76,503	10,77,489	—	7,22,158	5,44,210	1,23,361	9,22,022
	<b>Total (A)</b>	<b>1,35,11,95,664</b>	<b>6,30,869</b>	<b>35,33,169</b>	<b>1,34,82,93,364</b>	<b>84,29,855</b>	<b>11,50,20,161</b>	<b>20,36,325</b>	<b>7,28,34,724</b>	<b>5,48,83,745</b>	<b>1,10,55,54,734</b>	<b>1,18,76,85,288</b>
	<b>Previous Year (A)</b>	<b>1,35,18,41,945</b>	<b>13,48,133</b>	<b>19,94,414</b>	<b>1,35,11,95,664</b>	<b>1,13,02,248</b>	<b>10,86,26,631</b>	<b>6,05,741</b>	<b>2,32,46,755</b>	<b>3,16,36,990</b>	<b>1,18,76,85,288</b>	<b>1,22,22,74,831</b>
	<b>Real Estate Dev. Division</b>											
14	Computers & Peripherals	36,39,291	12,64,081	2,17,937	48,85,435	6,59,589	18,07,337	98,931	—	—	28,78,098	23,92,612
15	Intangible Assets (Software)	7,61,071	6,61,800	—	14,22,871	4,02,128	8,76,153	—	—	—	5,46,718	2,87,046
16	Air Conditioners	15,52,822	—	83,000	14,69,822	72,273	2,21,758	10,392	—	—	12,48,064	13,92,945
17	Plant & Machinery	17,40,74,676	3,17,52,544	—	20,58,27,220	90,58,922	2,46,73,588	—	—	—	18,11,53,632	15,84,60,010
18	Heavy Earth Moving Machinery	94,52,217	—	—	21,49,676	10,69,046	32,18,722	—	—	—	62,33,495	73,02,541
19	Motor Buses & Lorries	6,65,520	—	—	6,65,520	75,270	2,02,714	—	—	—	4,62,806	5,38,076
20	Office Equipments	43,55,262	1,54,650	1,07,634	44,02,278	1,92,455	9,53,331	18,821	—	—	34,48,947	35,75,565
21	Laboratory Equipment	21,31,104	14,87,338	—	36,18,442	1,06,714	5,39,658	—	—	—	30,78,784	16,98,160
22	Temporary Structures	64,14,336	—	—	9,06,080	4,06,029	13,12,109	—	—	—	51,02,227	55,08,256
23	Furniture & Fixtures	1,32,05,483	9,36,320	5,85,974	1,35,55,829	8,39,695	29,87,246	4,29,395	—	—	1,05,68,583	1,06,28,537
24	Office Buildings	92,93,134	—	—	3,07,898	1,51,478	4,59,376	—	—	—	88,33,757	89,85,236
25	Motor Cars	62,39,608	—	—	7,21,539	5,92,762	13,14,301	—	—	—	49,25,307	55,18,069
26	Electrical Fittings	43,82,012	—	—	3,88,050	2,08,146	5,96,196	—	—	—	37,85,816	39,93,962
27	Shuttering & Scaffolding	35,53,16,375	24,13,37,911	—	59,66,54,286	8,51,66,652	15,43,97,413	—	—	—	44,22,56,873	28,60,85,614
	<b>Total (B)</b>	<b>59,14,82,911</b>	<b>27,75,94,644</b>	<b>9,94,545</b>	<b>86,80,83,010</b>	<b>9,90,01,159</b>	<b>19,35,59,902</b>	<b>5,57,539</b>	<b>—</b>	<b>—</b>	<b>67,45,23,108</b>	<b>49,63,66,629</b>
	<b>Previous Year (B)</b>	<b>47,77,27,277</b>	<b>11,51,03,767</b>	<b>13,48,133</b>	<b>59,14,82,911</b>	<b>5,90,33,451</b>	<b>9,51,16,283</b>	<b>2,09,127</b>	<b>—</b>	<b>—</b>	<b>49,63,66,629</b>	<b>44,14,35,318</b>
	<b>Total (A+B)</b>	<b>1,94,26,78,575</b>	<b>27,82,25,513</b>	<b>45,27,714</b>	<b>2,21,63,76,374</b>	<b>10,74,31,014</b>	<b>30,85,80,063</b>	<b>5,48,83,745</b>	<b>7,28,34,724</b>	<b>5,48,83,745</b>	<b>1,78,00,77,842</b>	<b>1,68,40,51,916</b>
	<b>Previous Year (A+B)</b>	<b>1,82,95,69,222</b>	<b>11,64,51,900</b>	<b>33,42,547</b>	<b>1,94,26,78,575</b>	<b>7,03,35,699</b>	<b>20,37,42,914</b>	<b>8,14,868</b>	<b>2,32,46,755</b>	<b>5,48,83,745</b>	<b>1,68,40,51,916</b>	<b>1,66,37,10,149</b>
	<b>Capital Work in Progress (Including Capital adv.)</b>										<b>7,19,663</b>	<b>3,69,33,418</b>

(Amount in Rupees)

	AS AT 31-12-2010		AS AT 31-12-2009
<b>Schedule 7 - Investments</b>			
<b>"A" Government Securities - Quoted</b>			
3% Government Loan 1986 (Deposited with Central Excise as Security) (Matured but not realised)	3,521		3,521
5% Loan 2000 (Deposited with Central Excise as Security)	1,000		1,000
	<u>4,521</u>		<u>4,521</u>
Less : Provision for diminution in Value	4,521	—	4,521
	<u>—</u>		<u>—</u>
<b>"B" Trade - Shares</b>			
<b>Quoted Equity Shares : (Fully Paid)</b>			
1704 (Previous Year : 1704) Equity Shares of Rs. 100 each of Mafatlal Engineering Industries Ltd.	1,72,601		1,72,601
Less : Provision for diminution in value	1,72,601	—	1,72,601
	<u>—</u>		<u>—</u>
<b>Unquoted Equity Shares (Fully Paid)</b>			
<b>Equity Shares in Subsidiary Company</b>			
10,000 (Previous Year: 10,000) Equity Shares of Rs. 10 each of SRM Sites Pvt. Ltd.	1,00,000		1,00,000
10,000 (Previous Year: Nil) Equity Shares of Rs. 10 each of Raghuvveer Suburban Infrastructure Pvt. Ltd.	1,00,000		—
10,000 (Previous Year: Nil) Equity Shares of Rs. 10 each of Shree Ram Real Infra Ventures Pvt. Ltd.	1,00,000		—
<b>Other Investment</b>			
10 (Previous Year: 10) Equity share of Rs. 1000 each of Engineering Raw Material Consumers Corporation Ltd.	10,000		10,000
Less : Provision for diminution in value	10,000	—	10,000
	<u>—</u>		<u>—</u>
9,90,000 (Previous Year: 9,90,000) Equity shares of Rs. 10 each of Raghuvveer Urban Construction Company Pvt. Ltd. (formerly known as Raghuvveer Urban Infrastructure Pvt. Ltd.)	99,00,000		99,00,000
<b>"C" Contribution towards Proposed East India Cotton Association Society in an earlier year (Towards Share Application, Allotment letter not yet received)</b>			
	4,000		4,000
Less : Provision for diminution in value	4,000	—	4,000
	<u>—</u>		<u>—</u>
	<b><u>1,02,00,000</u></b>		<b><u>1,00,00,000</u></b>
Aggregate Book Value - Quoted	—		—
- Unquoted	1,02,00,000		1,00,00,000
Aggregate Market Value - Quoted	—		—

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**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

(Amount in Rupees)

	<b>AS AT</b>		<b>AS AT</b>
	<b>31-12-2010</b>		<b>31-12-2009</b>
<b>Schedule 8 - Current Assets, Loans and Advances</b>			
<b>(a) Interest Accrued but not due</b>	94,41,571		34,88,927
	<u>94,41,571</u>		<u>34,88,927</u>
<b>(b) Inventories</b>			
(As taken, valued and certified by the management)			
i) Materials for Real Estate Activity	4,33,88,743	1,09,96,510	
ii) Material in transit	71,64,043	—	
iii) Stores and Spares	2,53,31,711	60,68,020	
iv) Cost of Construction (Real Estate Development) (Schedule No.15)	6,10,83,77,943	3,89,29,96,538	
	<u>6,18,42,62,439</u>		<u>3,91,00,61,068</u>
<b>(c) Sundry Debtors</b>			
Debts outstanding for a period exceeding six months			
Unsecured, considered good	3,60,64,354	55,47,869	
Unsecured, considered doubtful	57,02,919	34,41,701	
	4,17,67,273	89,89,570	
Less : Provision for doubtful debts	57,02,919	34,41,701	55,47,869
Others, Unsecured considered good	3,73,54,688		6,48,82,580
	<u>7,34,19,041</u>		<u>7,04,30,449</u>
<b>(d) Cash and Bank Balances</b>			
Cash on hand	1,07,64,745	4,22,24,590	
Bank Balances with Scheduled Banks :			
In Current Accounts	39,02,62,134	4,03,12,231	
In Fixed Deposit Accounts	14,68,08,096	24,30,18,707	
(Refer Note No. 21 of Schedule 20)			
	<u>54,78,34,975</u>		<u>32,55,55,528</u>
(1) Balance in Current account includes Bank balance of Rs. 1,26,18,000 (PY: NIL) is lying in Collection Reality Finance (CRF) of ICICI Bank, which is kept aside for repayment of existing facility of ICICI Bank towards principal and interest			
(2) Fixed Deposits amounting to Rs. 11,89,693 (P.Y.: Rs. 3,46,14,787) Pledged with Banks for issuing Bank Guarantees and Fixed Deposits amounting to Rs. 13,77,29,970 (P. Y.: Rs. 12,67,00,420) held under lien by Banks as a security against loan taken from Banks			
<b>(e) Loans and Advances</b>			
(Unsecured, Considered Good)			
Advances to subsidiary Company	—		10,16,145
Advances Recoverable in cash or kind or for value to be received	2,55,10,78,560	1,86,00,20,510	
Less : Provisions for Doubtful Advances	8,70,287	8,70,287	1,85,91,50,223
	<u>2,55,02,08,273</u>		
Advances/Loans to staff	19,40,000		12,88,000
Deposits	79,56,023		80,50,444
Prepaid expenses	41,76,802		26,12,935
Tax Deducted at Source/ Advance Taxes (Net of provisions and including refund receivable)	1,64,57,287		1,54,88,651
MAT Credit entitlement	2,83,607		2,83,607
	<u>2,58,10,21,992</u>		<u>1,88,78,90,005</u>

(Amount in Rupees)

AS AT  
31-12-2010

AS AT  
31-12-2009

**Schedule 9 - Current Liabilities and Provisions**

**A. Current Liabilities**

Sundry Creditors for goods and expenses:

Amount Outstanding to Micros, Small  
and Medium Enterprises (Refer Note No.19  
of Schedule 20)

Others	55,36,02,109	14,43,87,599
Interest Accrued but not due on Loans	1,56,18,630	1,32,30,274
Advances against sale of flats	4,75,61,92,318	2,34,06,80,335
Deposits	14,46,26,297	14,43,66,942
Other Liabilities	33,31,58,603	30,63,46,984

**5,80,31,97,957**

**2,94,90,12,134**

**B. Provisions**

(a) Provision for Gratuity	15,93,849	13,00,726
(b) Provision for Leave Encashment	9,46,189	9,17,721
(c) Provision for Bonus	83,817	82,331
(b) Provision for Wealth Tax	17,000	1,11,566

**26,40,855**

**24,12,344**

**Schedule 10 - Miscellaneous Expenditure**

(To the extent not written off / adjusted)

Voluntary Termination Benefit

Balance Brought Forward	5,35,93,019	10,71,86,038
Less : Written off during the year	5,35,93,019	5,35,93,019

**5,35,93,019**

**Schedule 11- Profit and Loss Account**

Balance as per Profit and Loss Account	14,68,08,613	—
Less : General Reserve	1,50,00,000	13,18,08,613
	<b>13,18,08,613</b>	<b>—</b>

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**Shree Ram Urban Infrastructure Limited**  
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(Amount in Rupees)

	<b>YEAR ENDED</b>	<b>YEAR ENDED</b>
	<b>31-12-2010</b>	<b>31-12-2009</b>
<b>Schedule 12 - Sales and Services</b>		
Sales (Textile)	32,89,35,602	37,05,72,088
Income from Business Centre [TDS Rs. 4,03,563 (Previous year: Rs. 7,95,675)]	1,70,97,467	2,67,59,649
	<b><u>34,60,33,069</u></b>	<b><u>39,73,31,737</u></b>
 <b>Schedule 13 - Other Income</b>		
Interest Received [TDS Rs. 18,16,977 (Previous Year: Rs. 20,26,479)]	1,57,88,309	98,67,739
Rent Income (Net) [TDS Rs. 30,000 (P.Y.: Rs. 38,400)]	8,57,833	8,56,250
Sundry Credit Balance Written Back (Net) (Refer Note No. 20 of Schedule 20)	—	1,30,120
Scrap Sales	10,65,785	16,65,010
Provision for doubtful debts written back	1,42,699	—
Insurance claim received	18,15,467	—
Miscellaneous Income	736	—
	<b><u>1,96,70,829</u></b>	<b><u>1,31,665</u></b>
Less : Transferred to Cost of Construction (Real Estate Development) (Sch.15)	1,78,54,229	1,07,59,329
	<b><u>18,16,600</u></b>	<b><u>18,91,455</u></b>
 <b>Schedule 14 - Trading Purchases</b>		
Stocks at Commencement	—	—
Purchases	31,73,26,186	39,69,21,663
Stock at Close	—	—
	<b><u>31,73,26,186</u></b>	<b><u>39,69,21,663</u></b>

(Amount in Rupees)

	YEAR ENDED 31-12-2010	YEAR ENDED 31-12-2009
<b>Schedule 15 - Cost of Construction</b>		
<b>(Real Estate Development)</b>		
Opening Balance	3,89,29,96,538	2,07,95,10,963
<b>Add :</b>		
<b>Material Consumed</b>		
Opening stock of materials	1,09,96,510	2,77,84,933
Add: Purchase of materials during the year	39,78,80,040	44,65,89,281
Less: Material in transit	71,64,043	—
Less : Closing Stock of Materials	4,33,88,743	1,09,96,510
	<u>35,83,23,764</u>	<u>46,33,77,704</u>
<b>Stores and Spares Consumed</b>		
Opening Stock of Stores and Spares, Tools / Electrical Item	60,68,020	67,43,870
Add: Purchase of Stores and Spares, Tools / Transfer from CWIP to stores	2,23,25,061	1,21,77,246
Less: Closing Stock of Stores and Spares, Tools/Electrical Items	2,53,31,711	60,68,020
	<u>30,61,370</u>	<u>1,28,53,096</u>
Contract, Sub-contract with material and other charges	71,64,75,974	60,38,26,027
Power and Fuel	1,81,68,759	1,28,59,894
Water charges	71,26,074	30,75,952
Payment to and provision for employees	96,30,433	78,64,286
Administration and Other expenses	6,29,73,184	4,73,63,818
Finance and Interest expenses	95,84,74,915	61,39,90,676
Depreciation	9,90,01,159	5,90,33,451
	<u>1,87,18,50,499</u>	<u>1,34,80,14,103</u>
	<u>2,23,32,35,633</u>	<u>1,82,42,44,904</u>
	<u>6,12,62,32,171</u>	<u>3,90,37,55,867</u>
Less: Interest on FDR	1,49,90,882	90,94,319
Insurance claim received	17,97,562	—
Scrap Sales	10,65,785	16,65,010
	<u>1,78,54,229</u>	<u>1,07,59,329</u>
	<u>6,10,83,77,943</u>	<u>3,89,29,96,538</u>
Less : Carried to Inventories (Schedule 8 (b))	<u>6,10,83,77,943</u>	<u>3,89,29,96,538</u>
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>
<b>Schedule 16- Payment to and Provision for Employees</b>		
Salaries, Wages and other allowances	1,29,64,940	1,10,59,131
Contribution to Provident Fund	8,73,042	8,38,021
Contribution to Other Fund	57,339	17,473
Gratuity	3,92,002	64,832
Staff welfare expenses	7,69,983	8,56,872
	<u>1,50,57,307</u>	<u>1,28,36,329</u>
Less : Transferred to Cost of Construction (Real Estate Development) (Sch.15)	96,30,433	78,64,286
	<u>54,26,873</u>	<u>49,72,043</u>



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(Amount in Rupees)

	<b>YEAR ENDED</b>	<b>YEAR ENDED</b>
	<b>31-12-2010</b>	<b>31-12-2009</b>
<b>Schedule 17 - Administration and other expenses</b>		
Insurance	87,51,318	69,89,396
Rent	2,04,600	7,36,355
Rates and Taxes	56,71,499	54,87,023
Security charges	35,53,936	29,73,856
Foreign exchange loss/(gain)	(13,66,539)	2,10,600
Office expenses	5,39,475	1,87,148
Directors sitting fees/Other fees	1,33,000	1,90,000
Printing, Stationery and Postage etc.	23,89,364	16,62,679
Legal and Professional fees	5,51,97,983	5,28,15,943
Refreshment charges	1,14,209	27,782
Advertisement and Publicity	5,00,532	55,900
Miscellaneous expenses	93,07,479	81,21,580
Custodial/Revocation/Listing fees	4,69,072	72,694
Conveyance and Travelling expenses	1,07,56,079	89,75,753
Motor car expenses	8,40,721	6,81,823
B. M. C. expenses	17,89,121	1,10,430
Power and Fuel	68,56,545	1,39,50,002
Telephone expenses	7,58,037	6,98,179
Donations	3,16,000	2,49,995
Repairs and Maintenance - Building	33,750	41,000
Repairs and Maintenance - Machinery	26,033	1,17,875
Repairs and Maintenance - Others	16,51,449	7,28,474
Share issue / Transfer expenses	63,414	52,80,847
Miscellaneous expenses written off	5,35,93,019	5,35,93,019
Loss on sale of Fixed Assets (Net)	14,02,325	6,23,989
Provision for doubtful debts	24,03,916	34,41,701
Membership and Subscription	7,67,652	1,05,360
Sundry balance written off (net) (Refer note 20 of Sch.20)	3,42,612	—
Auditors Remuneration	15,34,041	14,42,370
Water charges	10,985	6,543
	<b>16,86,11,626</b>	<b>16,95,78,317</b>
Less : Transferred to Cost of Construction (Real Estate Development) (Sch.15)	6,29,73,184	4,73,63,818
	<b>10,56,38,442</b>	<b>12,22,14,499</b>
<b>Schedule 18 - Finance and Interest expenses</b>		
Term Loans	57,91,59,884	35,86,09,808
Others	4,76,00,961	18,20,58,622
Finance charges	33,18,19,880	7,33,98,810
	<b>95,85,80,725</b>	<b>61,40,67,240</b>
Less : Transferred to Cost of Construction (Real Estate Development) (Sch.15)	95,84,74,915	61,39,90,676
	<b>1,05,809</b>	<b>76,564</b>

**Schedule 19 - SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st DECEMBER, 2010**

**BASIS OF ACCOUNTING:**

The Financial statements are prepared under historical cost convention, on accrual basis, in accordance with the Generally Accepted Accounting Principles in India and comply with Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government and the provisions of the Companies Act, 1956, (the 'Act') to the extent applicable.

**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 assets and contingent liabilities at the date of the financial statements and the reported accounts of revenues and expenses for the years presented. Although these estimates are based upon management's knowledge of current event and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

**REVENUE RECOGNITION:**

**(i) Policy in respect of Real Estate Sales:**

The Company follows Accounting Standard AS-9 'Revenue Recognition' read alongwith the Guidance Note on 'Recognition of Revenue by the Real Estate Developers' issued by The Institute of Chartered Accountants of India. Revenue in respect of real estate sales is recognised when the Company has transferred to the buyer all significant risk and rewards of ownership, i.e., when the buyer has entered into a legally enforceable agreement for sale and according to the which the buyer has a legal right to sell or transfer his interest in the property, without any material condition. However, in case where the Company is obliged to perform the substantial acts after the transfer of all significant risk and rewards of ownership, the revenue is recognised on proportionate basis as the acts are performed, by applying percentage of completion method in the manner explained in Accounting Standard AS-7 'Construction Contracts' issued by Institute of Chartered Accountants of India. Further, Revenue is recognised, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including cost of land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost. Estimated project cost includes cost of land / development rights, borrowing costs, overheads, estimated construction and development cost of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognised in the period in which such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, loss is recognised immediately.

**(ii) Others:**

Interest income is recognised on accrual basis on a time proportion basis.

Dividend income is recognised when the Company's right to receive dividend is established.

**FIXED ASSETS:**

All fixed assets are stated at cost of acquisition, less accumulated depreciation except leasehold land and intangible assets which are stated at cost less amounts amortised. Cost includes purchase price and all other attributable costs of bringing the assets to its working condition for intended use. Financing costs relating to borrowed funds attributable to acquisition, which takes substantial period of time to get ready for its intended use are also included, for the period till such asset is put to use.

**DEPRECIATION / AMORTISATION:**

- a) Depreciation on fixed assets (other than Fire Fighting Equipment at Avadh Division) is provided on Straight Line Method (SLM) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except for depreciation on Shuttering and Scaffolding which are being depreciated on SLM at 16.67% p.a. based on useful life determined by the Management.
- b) Depreciation on Fire Fighting Equipment at Avadh Division is provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- c) The depreciation has not been charged on Fixed Assets whose written down value had reached below 5% of its cost.
- d) Asset costing Rs. 5000 or less individually is fully depreciated in the year of purchase.
- e) Leasehold land is amortised over the period of the lease.
- f) Software are being amortised over the estimated useful life of 3 years.
- g) In case of impairment loss, if any, depreciation on it is provided on the revised carrying amount for their remaining useful life.

**IMPAIRMENT OF ASSETS:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If recoverable amount of such asset is less than the carrying amount, then the carrying amount is reduced to its recoverable amount and the difference arising therefrom is treated as impairment loss and is charged to profit and loss account.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**BORROWING COST:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are considered as part of the cost of that asset upto the date the assets are ready / put to use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

**INVESTMENTS:**

Long term Investments are stated at cost. However, provision is made for diminution in value, other than temporary, on individual basis.

**INVENTORIES:**

Materials, Stores and Spares, tools and consumables are valued at cost or net realisable value, whichever is lower on the basis of 'First In First Out' (FIFO) method.

Work-in-progress is valued at lower of cost and net realisable value. Cost of construction includes cost of land, materials, services, depreciation, interest on borrowing and other incidental cost incurred in relation to project.

**COST OF CONSTRUCTION (Real Estate Development):**

Cost of construction includes cost of land, materials, services, depreciation, interest on borrowing and other incidental cost incurred in relation to project.

**EMPLOYEE BENEFITS:**

**a) Defined Contribution Plan**

Company's contribution to Provident Fund is deposited with the employees Provident Fund Organisation (EPFO). The Company's monthly contribution towards Provident Fund is accounted for on accrual basis.

**b) Defined Benefit Plan**

Liability on account of 'Gratuity' is accounted for on the basis of Actuarial Valuation at the end of each year.

**c) Other Long Term**

Liability on account of 'leave encashment' is made on the basis of Actuarial Valuation at the end of the year.

**d) Other Short Term**

Other Short term Employee Benefits are charged to revenue in the year in which the related services are rendered.

**MISCELLANEOUS EXPENDITURE:**

Expenditure in the nature of miscellaneous expenditure represented by Voluntary Termination Benefits are amortised in accordance with Accounting Standard 15 (Revised) 'Employee Benefits' issued by the Institute of Chartered Accountants of India.

**TAXATION:**

- a) Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.
- b) Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced up to the balance sheet date. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the profit and loss account of the respective year of change.
- c) Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognised only if there is a virtual certainty of its realisation supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is reasonable certainty of its realisation.

**FOREIGN CURRENCY TRANSACTIONS:**

- a) The transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.
- b) Current Assets and Current Liabilities in foreign currency outstanding at the Balance Sheet date are translated at the exchange rates prevailing on the date of Balance Sheet.

The resulting Exchange Difference, if any, is charged to the Profit and Loss Account.

**EARNINGS PER SHARE ('EPS'):**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**PROVISIONS:**

Provision is recognised when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

**LEASES:**

Lease arrangements where the risk and rewards incident to ownership of asset substantially vest with the lessor are recognised as operating lease. Lease rent under operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

Assets given under operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight line basis over the lease term. Costs including depreciation are recognised as expense in the Profit and Loss Account.

**SEGMENT POLICIES:**

Company's reporting segments are identified based on activities / products, risk and rewards, organisation structure and internal reporting systems.

Segment revenue and expense includes amounts, which can be directly attributed to the segment and are allocable on a reasonable basis. Unallocable items and interest income / expenses are disclosed separately.

Segment assets and liabilities are operating assets / liabilities by the segments which are directly attributable to the segment. The components of capital employed that cannot be directly identified are shown as unallocable capital employed.

**CONTINGENT LIABILITIES:**

The Company makes a provision when there is present obligation as a result of past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- (i) Possible obligation, the existence of which will be confirmed by the occurrence / non-occurrence of one or more uncertain events, not fully within the control of the company;
- (ii) Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
- (iii) Present obligation where a reliable estimate cannot be made.

**OTHER ACCOUNTING POLICIES:**

These are consistent with the generally accepted accounting practices.

**Schedule 20 - Notes forming part of the accounts for the year ended 31st December, 2010**

1. Preference shares includes 1,17,011 - 0 % Redeemable Preference Shares of face value of Rs. 100 each and 1,36,877 - 11% Redeemable Cumulative Preference Shares of face value of Rs. 100 each which are due for redemption on 30th October, 2017 and 31st October, 2018 respectively. During the year, the Company has decided to redeem these preference shares earlier than the date of redemption and for which preference shareholders have given consent at their general meeting held on 5th July, 2010.

**2. Issue of convertible warrants:**

During the year, the Company has issued on preferential / private placement basis, 1,60,00,000 equity warrants carrying an option to subscribe to equivalent number of equity shares of Rs 10 each on a future date, to the Promoters / Promoters Group and Others. Out of above, the Company has allotted 160,00,000 equity warrants to the Promoters / Promoters Group and Others at its Board meeting held on 30th January, 2010. The other terms and conditions of the convertible warrants issued are as follows:

- (a) An amount of 25% of the price of equity warrants, as prescribed as per applicable SEBI regulations relating to preferential allotment as amended from time to time, is payable on or before allotment of equity warrants.
- (b) The Warrants holders shall have the option of applying for and being allotted equity shares of the Company of face value of Rs.10 each by paying the balance subscription price after adjusting the upfront payment made on the date of allotment of warrants, at any time prior to expiry of 18 months from the date of allotment of the Warrants by the allottees.
- (c) The relevant dates for the preferential issue of equity warrants, as prescribed as per applicable SEBI regulations relating to preferential allotment as amended upto date, for determination of applicable price for the issue of above mentioned equity warrants was 20th December, 2009 i.e. 30 (thirty) days prior to the date of declaration of the postal ballot result.
- (d) In the event the equity warrants holder(s) doesn't exercise the option given under the equity warrants within 18 months from the date of allotment of the equity warrants, the equity warrants shall lapse and the amount paid as deposit shall stand forfeited by the Company.
- (e) The equity shares to be issued and allotted by the Company as a consequence of the conversion / exchange of the equity warrants in the manner aforesaid shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respect with the existing equity shares of the Company.
- (f) The equity warrants and the equity shares allotted pursuant to exercise of such equity warrants shall be subject to the lock-in period and restrictions in transferability as specified as per applicable SEBI (ICDR) Regulations, 2009 relating to preferential allotment.
- (g) The aforesaid warrants by itself shall not give the holder thereof any rights of the shareholder of the Company.

The amount received during the year has been utilized towards the objects of the issue. Detail of the amount received is as under:

<b>Number of Warrants issued /allotted</b>	<b>Issue price of the warrant</b>	<b>Total Amount (Rs.) Received</b>
1,60,00,000	Rs. 140 (Rs. 35 i.e. 25% of Rs. 140 received on allotment of equity warrants)	56,00,00,000

**3. Capital Commitments :****Amount in Rupees**

Particulars	Current Year	Previous Year
Estimated amount of contracts remaining to be executed on Capital Account and not provided for :	17,71,416	18,03,096

**4. Contingent Liabilities in respect of :****Amount in Rupees**

Sr. No.	Particulars	Current Year	Previous Year
a)	Claims against the Company not acknowledged as debts	4,86,10,732	4,87,69,366
b)	Bank Guarantees	NIL	3,00,00,000
c)	Outstanding Letter of Credit facility availed	NIL	48,25,309
d)	Labour Matters :		
	i) Pending in court in respect of claims for Retrenchment Compensation etc.	4,87,240	4,87,240
	ii) Pending Court cases - 5 (Previous Year - 5) in respect of claims for Back Wages etc. filed by ex-employees of the Company for which the amount of Contingent Liability is unascertainable		
e)	Income Tax Matters :		
	i) Income Tax demand for Asst. Year 2004-05	79,57,942	NIL
	ii) Income Tax demand for Asst. Year 2007-08 for which appeal has been filed with CIT (Appeal)	43,58,910	43,58,910
f)	i) Water Tax dispute with BMC	64,12,770	27,48,330
	ii) Sewerage Tax dispute with BMC	38,47,662	16,48,998
	iii) Property Tax dispute with BMC	2,54,84,173	1,60,35,383
g)	Excise Duty demand [Bank Guarantee provided for the same Rs. 3,39,250 (Previous Year: Rs. 3,39,250) not included above]	3,39,250	3,39,250
h)	Customs Duty demand [Bank Guarantee provided for the same Rs. 6,98,250 (Previous Year: Rs. 6,98,500) not included above]	6,98,250	6,98,250
i)	Dividend in respect of 1,36,877 11% Redeemable Cumulative Preference Shares of Face Value of Rs. 100 each	1,07,90,470	92,84,823
j)	Pending court cases- 5 (Previous Year: 3) in respect of other matters against the Company for which the amount of Contingent Liability is unascertainable.		

- 5 a) Arbitration proceedings are underway which have been filed by Kalpataru Properties (Pvt) Ltd [formerly known as Kalpataru Construction (Overseas) Pvt Ltd] in respect of development rights of Plot 5A admeasuring 20,955.40 sq.mtrs of the Company's Worli Estate for which it has received Rs. 30 crores. The Bombay High Court had passed a status quo order on about 23,500 sq. mtrs of the said Estate.

Recently, Kalpataru Properties (Pvt) Ltd have filed a claim of compensation for Rs. 1,528.93 crores alongwith interest as alternative to their original claim for specific performance. The Company has received legal advice from its lawyers that the said claim for compensation is not tenable, and the chances of it being held against the Company are highly remote. The Company had filed requisite documents for a counter-claim for Rs. 2,677.32 crores from the said Kalpataru Properties (Pvt) Ltd. In respect of the said counter claim filed by the Company against Kalpataru Properties (Pvt) Ltd. for Rs. 2,677.32 crores, the Arbitral Tribunal have held that only claim of Rs. 760.36 crores is within their jurisdiction and balance claim of Rs. 1,916.96 crores is outside their jurisdiction. The Company is seeking legal advice to pursue for the balance claim of Rs.1,916.96 crores before the competent court.

(b) Arbitration proceedings filed by Utility Premises Pvt Ltd and Cogent Ventures (India) Ltd [formerly known as Bhupendra Capital & Finance Ltd] in respect of Plot 2 admeasuring 4,848.50 sq. mtrs. of the Company's Worli Estate have been terminated and the claim has been dismissed vide Arbitral Tribunal Order dated 23rd October, 2010. The Company had given a Bank Guarantee for Rs. 3 crores in favour of the Arbitration Tribunal towards the pending arbitration proceedings which has been released pursuant to arbitration proceeding being terminated by tribunal.

6. In the opinion of the Management, no item of current assets has a value on realisation in the ordinary course of business, which is less than the amount of value at which it is stated in the Balance Sheet. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.
7. Shares held as investment by the company have been classified as Long term Investment. Provision for the diminution in the value of investment has been made in the accounts where the management is of the view that such diminution is of permanent nature.
8. The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If recoverable amount of such asset is less than the carrying amount, then the carrying amount is reduced to its recoverable amount and such difference between recoverable amount and carrying amount is treated as impairment loss and is charged to Profit and Loss Account. For the current year ended 31st December 2010 impairment loss charged to Profit and Loss account is of Rs. 7,28,34,724. (Previous year: Rs. 2,32,46,755).
9. Operating future minimum Rent Payable / Receivable as at 31st December, 2010

<b>Particulars</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>a) Rent payable</b>	<b>As at 31.12.2010</b>	<b>As at 31.12.2009</b>
i) Not later than one year	NIL	1,00,000
ii) Later than one year and not later than five years	NIL	NIL
iii) Later than five years	NIL	NIL
<b>b) Rent receivable</b>	<b>As at 31.12.2010</b>	<b>As at 31.12.2009</b>
i) Not later than one year	12,56,300	97,76,600
ii) Later than one year and not later than five years	2,52,000	15,08,300
iii) Later than five years	NIL	NIL



10. As at 31st December, 2010 the percentage of completion with respect to actual cost incurred for the project including cost of land as against the total estimated cost of the project under execution, is less than 30% of the total estimated cost. Accordingly, no revenue has been recognized in relation to the sold areas. Further the management is of the view that the total estimated project cost is within the total estimated revenues from the project.
11. No significant events which could affect the financial position as on 31st December, 2010, to a material extent have been occurred, after the balance sheet date till the signing of report.
12. Managerial Remuneration comprises of the following:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Salary	27,00,000	24,55,000
Contribution to Provident Fund	3,24,000	2,94,600
Ex-Gratia	90,000	90,000
Others	9,24,342	3,43,243
<b>Total</b>	<b>40,38,342</b>	<b>31,82,843</b>
<b>Less:</b> Transferred to cost of construction	22,15,314	17,33,548
Debited to Profit and Loss Account	<b>18,23,028</b>	<b>14,49,295</b>

13. Audit fees include payment to auditors:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
For Statutory Audit	13,23,600	13,23,600
For Tax Audit	—	66,180
For VAT Audit	—	25,000
For Other Matters	2,04,060	27,590
Out of Pocket expenses	6,381	—
<b>Total</b>	<b>15,34,041</b>	<b>14,42,370</b>

14. The Company has recognized the Deferred Tax Liability / Assets as at 31st December, 2010 as per Accounting Standard –22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India as detailed under:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
<b>Deferred Tax Liabilities</b>		
Depreciation on Fixed Assets and others	—	44,77,471
Misc. Expenditure	—	1,78,02,261
<b>Total Deferred Tax Liabilities</b>	<b>—</b>	<b>2,22,79,732</b>
<b>Deferred Tax Assets</b>		
Depreciation on Fixed Assets and others	1,74,52,651	—
Provision for Gratuity / Leave Encashment	7,84,872	4,33,582
Unabsorbed depreciation / Fiscal losses	2,65,64,221	3,45,06,596
<b>Total Deferred Tax Assets</b>	<b>4,48,01,744</b>	<b>3,49,40,178</b>
<b>Deferred Tax Liabilities / (Assets) - Net</b>	<b>(4,48,01,744)</b>	<b>(1,26,60,446)</b>
<b>Deferred Tax (Assets) recognized in Balance Sheet</b>	<b>NIL</b>	<b>NIL</b>

As a matter of prudence, the Company has not recognized deferred tax asset being timing differences on account of unabsorbed depreciation, carried forward losses and depreciation on fixed assets and others, under Accounting Standard (AS)-22 "Accounting for Taxes on Income".

**15. Segment Reporting:**

The Company has recognized the "Textile" and "Real Estate" as segments for Segment Reporting as at 31st December, 2010 as per Accounting Standard –17 issued by the Institute of Chartered Accountants of India as detailed under:

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

2010

**Accounting Standard 17 'Segment Reporting'**

**(a) Business Segments :**

Particulars	TEXTILE		REAL ESTATE		TOTAL	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>REVENUE :</b>						
External Revenue	32,93,27,260	37,09,62,550	1,75,63,642	2,72,25,437	34,68,90,902	39,81,87,987
Inter-segment Revenue	—	—	—	—	—	—
<b>Total Revenue</b>	<b>32,93,27,260</b>	<b>37,09,62,550</b>	<b>1,75,63,642</b>	<b>2,72,25,437</b>	<b>34,68,90,902</b>	<b>39,81,87,987</b>
<b>RESULT</b>						
Segment Result	(6,97,00,702)	(5,95,20,057)	87,74,192	1,03,16,477	(6,09,26,510)	(4,92,03,580)
Less : Unallocable expenditure net of unallocable income					10,16,77,329	11,21,21,891
Less : Interest expenses					1,05,809	76,564
Add : Interest income					7,97,428	18,91,455
<b>Profit before Prior Period adjustment</b>					<b>(16,19,12,220)</b>	<b>(15,95,10,580)</b>
Less / (Add) : Prior Period adjustment					5,11,840	(2,41,673)
<b>Profit before Taxation &amp; Exceptional Item</b>					<b>(16,24,24,060)</b>	<b>(15,92,68,907)</b>
<b>Less : Tax Provision</b>						
Income Tax					—	—
Wealth Tax					21,802	20,108
Fringe Benefit Tax					—	4,82,089
Income / Wealth Tax for earlier years					25,478	3,63,892
Fringe Benefit Tax for earlier years					—	(1,50,837)
MAT Credit Entitlement					—	(2,83,607)
Deferred Tax					—	(2,17,22,187)
<b>Profit after Taxation</b>					<b>(16,24,71,340)</b>	<b>(13,79,78,365)</b>

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

**2010**  
**(Amount in Rupees)**

Particulars	TEXTILE		REAL ESTATE		TOTAL	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>OTHER INFORMATION</b>						
Segment Assets	8,69,13,428	16,05,85,362	11,04,90,49,184	6,68,18,16,477	11,13,59,62,612	6,84,24,01,839
Unallocable Assets					5,10,14,932	1,08,60,09,471
<b>Total Assets</b>					<b>11,18,69,77,544</b>	<b>7,92,84,11,310</b>
Segment Liabilities	13,31,706	8,82,78,338	5,79,06,01,362	2,84,40,56,204	5,79,19,33,068	2,93,23,34,542
Unallocable Liabilities					1,39,05,744	1,90,89,936
<b>Total Liabilities</b>					<b>5,80,58,38,812</b>	<b>2,95,14,24,478</b>
<b>Capital Expenditure</b>						
Segment Capital Expenditure	6,30,869	13,48,133	24,13,80,909	12,33,69,641	24,20,11,778	12,47,17,774
Unallocable Capital Expenditure					—	—
<b>Total Capital Expenditure</b>					<b>24,20,11,778</b>	<b>12,47,17,774</b>
<b>Depreciation /Amortisation / Impairment</b>						
Segment Depreciation /Amortisation /Impairment	8,05,48,129	3,35,60,944	9,93,61,220*	5,93,93,512*	17,99,09,349	9,29,54,456
Unallocable Depreciation /Amortisation /Impairment					3,56,389	6,27,998
<b>Total Depreciation /Amortisation /Impairment</b>					<b>18,02,65,738</b>	<b>9,35,82,454</b>

\* Includes depreciation of Rs .9,90,01,159 (Previous Year: Rs.5,90,33,451) relating to Real Estate division which has been debited to Cost of Construction (Real Estate Development) (Refer Schedule 15)

Note : Real Estate segment includes income from Business Centre.

**(b) Secondary Segment Reporting (Geographical Segments) :**

Not Applicable

**16. Employee Benefits:**

Disclosure under Accounting Standard 15 "Employee Benefits" (Revised 2005) issued by the Institute of Chartered Accountants of India:

**Defined Contribution Plan:**

The Company's contribution to Provident Fund is deposited with the Employees Provident Fund Organisation (EPFO). During the year, the Company has recognized Rs. 8,73,042 (Previous year: Rs. 9,27,519) towards provident fund.

**Defined Benefit Plan:**

Gratuity

The gratuity liability arises on retirement, premature withdrawal, resignation and death of an employee. The gratuity liability is calculated on the basis of actuarial valuation as per projected unit credit method.

**Other Long Term Benefit:**

Leave Encashment Plan

The earned leave liability arises as and when services are performed by an employee. The said liability is calculated on the basis of actuarial valuation as per projected unit credit method.

I) Changes in Defined Benefit Obligation.

<b>Particulars</b>	<b>Gratuity as on 31.12.2010</b>	<b>Gratuity as on 31.12.2009</b>	<b>Leave Encashment as on 31.12.2010</b>	<b>Leave Encashment as on 31.12.2009</b>
Liability at the beginning of the year	13,00,726	13,49,649	9,17,721	9,21,324
Current service cost.	2,65,044	3,50,000	1,36,501	2,18,406
Past service cost	65,385	—	—	—
Interest cost	1,04,058	1,06,780	73,418	66,452
Benefits paid	(98,880)	(1,13,755)	(4,68,871)	(2,34,797)
Actuarial Gain/ (Loss) on obligation	(42,485)	(3,91,948)	2,87,420	(53,664)
<b>Liability at the end of the year</b>	<b>15,93,848</b>	<b>13,00,726</b>	<b>9,46,189</b>	<b>9,17,721</b>

II) The fair value of plan assets is Nil since, retirement benefit plans are wholly unfunded.

III) Amount recognised in Balance Sheet

<b>Particulars</b>	<b>Gratuity as on 31.12.2010</b>	<b>Gratuity as on 31.12.2009</b>	<b>Leave Encashment as on 31.12.2010</b>	<b>Leave Encashment as on 31.12.2009</b>
Liability at the end of the year	15,93,848	13,00,726	9,46,189	9,17,721
Amount recognised in balance sheet	15,93,848	13,00,726	9,46,189	9,17,721

IV) Expenses recognized in Profit and Loss Account

<b>Particulars</b>	<b>Gratuity as on 31.12.2010</b>	<b>Gratuity as on 31.12.2009</b>	<b>Leave Encashment as on 31.12.2010</b>	<b>Leave Encashment as on 31.12.2009</b>
Current Service Cost	2,65,044	3,50,000	1,36,501	2,18,406
Past Service Cost	65,385	—	—	—
Interest Cost	1,04,058	1,06,780	73,418	66,452
Adjustments for increase in opening provision	—	—	—	—
Expenses transfer to reserves	—	—	—	—
Actuarial (Gain)/ Loss	(42,485)	(3,91,948)	2,87,420	(53,664)
<b>Total expenses</b>	<b>3,92,002</b>	<b>64,832</b>	<b>4,97,339</b>	<b>2,31,194</b>
Expenses charged to the Profit & Loss Account	2,21,070	1,23,476	3,50,634	1,45,572
Expenses charged to Construction Costs	1,70,932	(58,644)	1,46,705	85,622
<b>Total Expenses</b>	<b>3,92,002</b>	<b>64,832</b>	<b>4,97,339</b>	<b>2,31,194</b>

V) Balance Sheet Reconciliation:

<b>Particulars</b>	<b>Gratuity as on 31.12.2010</b>	<b>Gratuity as on 31.12.2009</b>	<b>Leave Encashment as on 31.12.2010</b>	<b>Leave Encashment as on 31.12.2009</b>
Opening Net Liability	13,00,726	13,49,649	9,17,721	9,21,324
Expenses as above	3,92,002	64,832	4,97,339	2,31,194
Adjustment for increase in opening provision for retirement benefits	—	—	—	—
Benefits paid	(98,880)	(1,13,755)	(4,68,871)	(2,34,797)
<b>Amount Recognition in the Balance sheet</b>	<b>15,93,848</b>	<b>13,00,726</b>	<b>9,46,189</b>	<b>9,17,721</b>

VI) Principal Actuarial Assumptions

<b>Particulars</b>	<b>Gratuity as on 31.12.2010</b>	<b>Gratuity as on 31.12.2009</b>	<b>Leave Encashment as on 31.12.2010</b>	<b>Leave Encashment as on 31.12.2009</b>
Discount Rate	8.00 %	8.00 %	8.00 %	8.00 %
Future Salary Increases	5.00 %	5.00 %	5.00 %	5.00 %
Attrition Rate	2.00 %	2.00 %	2.00 %	2.00 %

The discount rate is based upon the bench mark rate available on Government Securities having maturity equal to the tenure of benefits.

The estimate of salary growth rate considered in actuarial valuation takes into account inflation, seniority and other relevant factors on long term basis.

**17. Related Party Disclosures:**

In compliance with Accounting Standard 18 – ‘Related Party Disclosures’ issued by the Institute of Chartered Accountants of India, the required disclosures are given in the table below:

## a) Name of the Related Party and Nature of Related Party Relationship

Name of the Related Party	Nature of Related Party Relationship
a) SRM Sites Private Limited b) Raghuvver Suburban Infrastructure Private Limited (w.e.f. 14th January 2010) c) Shree Ram Realinfra Ventures Private Limited (w.e.f. 24th February 2010) d) Raghuvver Urban Construction Company Private Limited (Formerly known as Raghuvver Urban Infrastructure Private Limited) (18th March 2009 to 24th September, 2009)	Subsidiary
Akhilesh Developers Private Limited	Enterprise that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise
a) Landmarc Leisure Corporation Limited b) S Kumars Online Limited c) Vidhi Holdings Private Limited d) Raghuvver Urban Construction Company Private Limited (w.e.f. 7th April, 2010) (Formerly known as Raghuvver Urban Infrastructure Private Limited) e) Akhilesh Developers Private Limited f) Hanumesh Realtors Private Limited g) Mandakini Hospitality Private Limited h) Yashaswini Leisure Private Limited i) SKM Fabrics (Andheri) Limited j) Aura Realtors Private Limited k) Goldmount Advisors l) Vasundhara Hospitality Private Limited	Enterprises over which key management personnel & their relatives exercise significant influence where the Company has entered into transactions during the year
a) Mr. Vikas S. Kasliwal - Vice Chairman & CEO b) Mr. S. K. Luharuka – Whole Time Director	Key Management Personnel

- b) Details of transactions between the Company and related parties and the status of outstanding balances as on 31st December, 2010.

**(Amount In Rupees)**

<b>Nature of transactions</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Contract with material and other charges</b>		
Raghuv eer Urban Construction Company Private Limited	68,02,59,289	37,26,80,201
<b>Total</b>	<b>68,02,59,289</b>	<b>37,26,80,201</b>
<b>Sale of Flat</b>		
Aura Realtors Private Limited	36,11,52,000	—
<b>Total</b>	<b>36,11,52,000</b>	<b>—</b>
<b>Consultancy charges paid / (reversed)</b>		
Landmarc Leisure Corporation Limited	—	(21,942)
Goldmount Advisors	6,61,800	—
Vasundhara Hospitality Private Limited	2,75,000	—
<b>Total</b>	<b>9,36,800</b>	<b>(21,942)</b>
<b>Rent received</b>		
S Kumars Online Limited	3,00,000	2,71,150
<b>Total</b>	<b>3,00,000</b>	<b>2,71,150</b>
<b>Preliminary and other expenses incurred on behalf of subsidiary (recoverable from subsidiary)</b>		
SRM Sites Private Limited	—	28,54,394
<b>Total</b>	<b>—</b>	<b>28,54,394</b>
<b>Investment in equity shares</b>		
Raghuv eer Urban Infrastructure Private Limited	—	99,00,000
Raghuv eer Suburban Infrastructure Private Limited (RSIPL) (includes Rs. 50,000 paid to Mr. S. K. Luharuka - Whole Time Director for purchase of equity shares of RSIPL)	1,00,000	—
Shree Ram Realinfra Ventures Private Limited (SRRVPL)(includes Rs. 50,000 paid to Mr. S. K. Luharuka - Whole Time Director for purchase of equity shares of SRRVPL)	1,00,000	—
<b>Total</b>	<b>2,00,000</b>	<b>99,00,000</b>
<b>Loans taken</b>		
Vidhi Holdings Private Limited	—	16,50,26,275
Akhilesh Developers Private Limited	21,54,000	50,05,00,000
Hanumesh Realtors Private Limited	—	10,44,90,000
Mandakini Hospitality Private Limited	—	10,99,00,000
Yashaswini Leisure Private Limited	—	9,90,10,000
SKM Fabrics (Andheri) Limited	—	4,60,00,000
<b>Total</b>	<b>21,54,000</b>	<b>102,49,26,275</b>



<b>Repayment of Loans taken</b>		
Vidhi Holdings Private Limited	10,50,00,000	6,00,26,275
Akhilesh Developers Private Limited	33,13,45,000	14,80,00,000
SKM Fabrics (Andheri) Limited	—	4,60,00,000
<b>Total</b>	<b>43,63,45,000</b>	<b>25,40,26,275</b>
<b>Allotment of Equity Share Warrants</b>		
<b>(a) Amount adjusted from loan taken</b>		
Hanumesh Realtors Private Limited	4,19,00,000	5,25,00,000
Mandakini Hospitality Private Limited	4,74,00,000	5,25,00,000
Yashaswini Leisure Private Limited	3,65,10,000	5,25,00,000
<b>(b) Amount received</b>		
Hanumesh Realtors Private Limited	9,81,00,000	—
Mandakini Hospitality Private Limited	7,80,63,730	—
Yashaswini Leisure Private Limited	10,34,90,000	—
<b>Total</b>	<b>40,54,63,730</b>	<b>15,75,00,000</b>
<b>Advances received</b>		
Raghuveer Urban Construction Company Private Limited	—	1,75,00,000
<b>Total</b>	<b>—</b>	<b>1,75,00,000</b>
<b>Payments towards advances received</b>		
Raghuveer Urban Construction Company Private Limited	—	75,00,000
Hanumesh Realtors Private Limited	1,00,00,000	—
Mandakini Hospitality Private Limited	1,00,00,000	—
Yashaswini Leisure Private Limited	1,00,00,000	—
Akhilesh Developers Private Limited	1,00,00,000	—
<b>Total</b>	<b>4,00,00,000</b>	<b>75,00,000</b>
<b>Deposit repaid</b>		
S Kumars Online Limited	—	77,00,000
Landmarc Leisure Corporation Limited	—	3,50,000
<b>Total</b>	<b>—</b>	<b>80,50,000</b>
<b>Deposit received</b>		
Landmarc Leisure Corporation Limited	59,355	—
<b>Total</b>	<b>59,355</b>	<b>—</b>
<b>Advances given for materials / contract charges</b>		
Raghuveer Urban Construction Company Private Limited	127,50,87,696	5,20,75,713
<b>Total</b>	<b>127,50,87,696</b>	<b>5,20,75,713</b>
<b>Receipts against advances given for materials</b>		
Raghuveer Urban Construction Company Private Limited	11,48,13,191	5,20,75,713
SRM Sites Private Limited	10,16,145	—
<b>Total</b>	<b>11,58,29,336</b>	<b>5,20,75,713</b>

<b>Nature of transactions</b>	<b>Current Year</b>	<b>Previous year</b>
<b>Key Management Personnel</b>		
<b>Managerial Remuneration -</b>		
- Mr. Vikas S. Kasliwal - Vice Chairman & CEO	22,15,314	17,33,548
- Mr. S. K. Luharuka - Whole Time Director	18,23,028	14,49,295
<b>Total</b>	<b>40,38,342</b>	<b>31,82,843</b>
<b>Purchase of Equity Shares of SRM Sites Private Limited</b>		
- Mr. Vikas S. Kasliwal - Vice Chairman & CEO	—	50,000
- Mr. S. K. Luharuka - Whole-Time Director	—	50,000
<b>Total</b>	<b>—</b>	<b>1,00,000</b>
<b>Purchase of Equity Shares of Raghuvveer Suburban Infrastructure Pvt. Ltd.</b>		
- Mr. S. K. Luharuka - Whole-Time Director	50,000	—
<b>Total</b>	<b>50,000</b>	<b>—</b>
<b>Purchase of Equity Shares of Shree Ram Realinfra Ventures Private Limited</b>		
- Mr. S. K. Luharuka - Whole-Time Director	50,000	—
<b>Total</b>	<b>50,000</b>	<b>—</b>
<b>Outstanding balances as on 31st December, 2010</b>		
<b>Debtors</b>		
S Kumars Online Limited	22,500	3,05,192
<b>Total</b>	<b>22,500</b>	<b>3,05,192</b>
<b>Amount recoverable towards Preliminary &amp; other Expenses incurred on behalf of subsidiary</b>		
SRM Sites Private Limited	—	10,16,145
<b>Total</b>	<b>—</b>	<b>10,16,145</b>
<b>Investments held</b>		
SRM Sites Pvt. Ltd.	1,00,000	1,00,000
Raghuvveer Suburban Infrastructure Private Limited	1,00,000	—
Shree Ram Realinfra Ventures Private Limited	1,00,000	—
Raghuvveer Urban Construction Company Private Limited	99,00,000	—
<b>Total</b>	<b>1,02,00,000</b>	<b>1,00,000</b>
<b>Loans taken</b>		
Vidhi Holdings Private Limited	—	10,50,00,000
Akhilesh Developers Private Limited	2,33,09,000	35,25,00,000
Hanumesh Realtors Private Limited	1,00,90,000	5,19,90,000
Mandakini Hospitality Private Limited	1,00,00,000	5,74,00,000
Yashaswini Leisure Private Limited	1,00,00,000	4,65,10,000
<b>Total</b>	<b>5,33,99,000</b>	<b>61,34,00,000</b>

<b>Advance received</b>		
Akhilesh Developers Private Limited	8,00,00,000	9,00,00,000
Hanumesh Realtors Private Limited	8,00,00,000	9,00,00,000
Mandakini Hospitality Private Limited	8,00,00,000	9,00,00,000
Yashaswini Leisure Private Limited	8,00,00,000	9,00,00,000
Aura Realtors Private Limited	36,11,52,000	—
<b>Total</b>	<b>68,11,52,000</b>	<b>36,00,00,000</b>
<b>Advances given for materials / contract charges</b>		
Raghuveer Urban Construction Company Private Limited	140,44,81,505	—
<b>Total</b>	<b>140,44,81,505</b>	<b>—</b>
<b>Deposits Received</b>		
Landmarc Leisure Corporation Limited	13,71,26,297	13,70,66,942
S Kumars Online Limited	73,00,000	73,00,000
<b>Total</b>	<b>14,44,26,297</b>	<b>14,43,66,942</b>

## 18. Computation of Earnings per share (EPS)

Particulars	Current Year	Previous Year
Profit / (Loss) after taxation (Rs.)	(16,24,71,340)	(13,79,78,365)
Weighted average number of equity shares	2,06,34,540	2,06,34,540
Face value per equity shares (Rs.)	10	10
Basic earnings per share (EPS) Rs.	(7.87)	(6.69)
Diluted earnings per share (EPS) Rs.	(7.87)	(6.69)

As on 31st December, 2010, 2,05,00,000 (Previous Year: 45,00,000) equity share warrants are outstanding. As there is a loss during the period, the effect of exercise of equity share warrants is anti-dilutive and hence, the same has not been considered in the computation of diluted earnings per share. Accordingly basic and diluted EPS are same.

- 19 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues on account of principal amount together with interest as at the Balance sheet date. This has been determined to the extent such parties have been identified on the basis of information available with the Company.
- 20 'Sundry debit balances written off (Net)' amounting to Rs. 3,42,612 are net of sundry credit 'balances written back' amounting to Rs. 4,50,192. (Previous Year: Sundry credit balances 'written back (Net)' amounting to Rs. 130,120 are net of sundry debit balances written off amounting to Rs. 3,35,489).
- 21 The Company has maintained the 'Debt Service Reserve Account' (DSR) with the banks from whom the Company has borrowed the money for the real estate project. An amount equal to three months interest on each disbursement under the rupee term loan is being transferred directly by the lender to the DSR Account out of the proceeds of such disbursement. The Company is required to maintain and operate this account during the entire tenure of the facility. As at 31st December, 2010, the outstanding balance in DSR Account is Rs. 13,77,29,970 (Previous Year: Rs. 12,67,00,420) and is included in the balances lying in Fixed Deposit Accounts.

- 22 During the year, inspection u/s. 209A of the Companies Act, 1956 was carried out by the Deputy Registrar of Companies arising from which, the Company has received notices pointing out certain irregularities / contraventions of the Companies Act, 1956. In response, the Company has provided all necessary explanations / documentary evidences. In order to avoid long drawn litigation, the Company without accepting any of irregularities / contraventions, has filed application for compounding of offences under section 621A of the Companies Act, 1956 which is pending. In the opinion of the Company, liability in this regard is estimated at Rs. 16,45,500 which have been provided for in the books of accounts.
- 23 (a) With effect from 1st July, 2010, Service tax is applicable on services in relation to 'construction of residential complex'. However, as the 'Maharashtra Chamber of Housing Industry' (MCHI), an organization of member developers has challenged the constitutional validity of service tax on sale of premises and Hon. Bombay High Court vide its order dated 23rd July, 2010 has granted interim stay on recovery based on writ petition filed by MCHI. Further, the Bombay High Court order has clarified that assessments may proceed in accordance with Law. Pending the final outcome of the said writ petition, the Company has neither recovered separately nor deposited service tax on advances collected towards sale of residential flat / unit, the service tax liability, in respect of the same amounts to Rs. 1,73,60,178.
- (b) The 'Maharashtra Chamber of Housing Industry' (MCHI) has also filed a writ petition in Bombay High Court challenging the levy of VAT under MVAT Act, 2002 on property under construction. The Hon'ble High Court has directed that the members of the MCHI should not be treated as 'Dealers' liable to tax under the MVAT Act, 2002 in respect of flats on ownership basis under the Maharashtra Ownership Flats Act, 1963 (MOFA Act), and members of MCHI have been absolved from assessments till the disposal of the petition. Pending the final outcome of the said writ petition, the Company has neither recovered separately nor deposited MVAT on advances collected towards sale of residential flat / unit, the MVAT liability, in respect of the same amounts to Rs. 3,02,48,570.
- 24 The Company has granted a "put option" to a finance Company in consideration of the said finance company subscribing to the debentures amounting to Rs. 100,00,00,000 of buyers of units in the upcoming Palais Royale project thus facilitating the sale of such units.
- 25 The Company is regular in depositing all the statutory dues including provident fund, employee's state insurance, property tax, income-tax, wealth tax, service tax, sales tax, custom duty, tax deducted at source, works contract tax, cess and other statutory dues. However, due to administrative reason, there are delays in few cases in depositing Tax deducted at source', 'TDS on works contract tax under MVAT Act', Property tax, Wealth tax and Service tax.
- 26 The Company is a real estate developer Company and not a manufacturing Company hence, in respect of activities of real estate division, quantitative and other disclosures as required by paragraph 3 (ii) (a), (b) and paragraph 4C of Part II of Schedule VI to the Companies Act, 1956 are not applicable to the Company.
- 27 Additional information pursuant to the Provision of Paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 in respect of trading division of the Company.
- A: Licensed and Installed capacity and Production
- |                       |                |  |               |
|-----------------------|----------------|--|---------------|
| a) Licensed Capacity  | Not applicable |  |               |
| b) Installed Capacity | Not applicable |  |               |
| c) Production         | Current Year   |  | Previous Year |
| Cloth (in Mtrs.)      | —              |  | —             |

## B. Stock and Turnover :

	Opening Stock		Closing Stock		Turnover	
	01-01-2010	01-01-2009	31-12-2010	31-12-2009	31-12-2010	31-12-2009
Cloth (Mtrs.)	—	—	—	—	23,42,198	31,95,214
(Rs.)	—	—	—	—	32,89,35,602	37,05,72,088
<b>Total (Rs.)</b>	—	—	—	—	<b>32,89,35,602</b>	<b>37,05,72,088</b>

## 28. C.I.F. Value of Imports, Expenditures and earning in Foreign Currencies

Particulars	Current Year	Previous Year
a) C.I.F.: i) Capital goods	12,58,200	69,72,667
ii) Material	1,49,85,070	1,00,774
b) Advance received in foreign currencies	4,95,04,314	3,33,75,300
c) Earning of foreign Currencies	NIL	NIL
d) Expenditure / Remittances in foreign Currencies		
i) Foreign travelling	56,04,766	30,18,536
ii) Consultancy charges paid	64,80,413	15,68,268

29. Previous year's figures are regrouped wherever necessary in order to bring them in conformity with the current year classification.

As per our report of even date

 For **Khandelwal Jain & Co.**  
*Chartered Accountants*
**Narendra Jain**  
*(Partner)*  
 Membership No. 048725

 Place : Mumbai  
 Dated : 14th May, 2011

As per our report of even date

 For **Habib & Co.**  
*Chartered Accountants*
**D. P. Shroff**  
*(Partner)*  
 Membership No.045417

 Place : Mumbai  
 Dated : 14th May, 2011

For and on behalf of the Board

**S. S. Kasliwal** - Chairman  
**S. K. Luharuka** - Whole -Time Director  
**Manju B. Batham** - Company Secretary

 Place : Mumbai  
 Dated : 14th May, 2011

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

<b>I Registration Details</b>			
Registration No.	0 0 0 2 2 4 1	State Code -	0 0 0 0 0 1 1
Balance Sheet	31/12/2010		
<b>II Capital raised during the year (Amount in Rs. Thousands)</b>			
Public Issue	—	Rights Issue	—
Bonus Issue	—	Private Issue	—
<b>III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)</b>			
Total Liabilities	55,12,947	Total Assets	55,12,947
<b>Sources of Funds</b>			
Paid-up Capital	2,31,734	Reserves & Surplus	174
Secured Loans	45,10,140	Un-Secured Loans	53,399
Deferred Tax Liability/(Assets)/Net	—	Convertible Equity Share Warrant	7,17,500
<b>Application of Funds</b>			
Net Fixed Assets	17,80,798	Investments	10,200
Net Current Assets	35,90,141	Profit and Loss Account (debit)	1,31,809
<b>IV Performance of Company (Amount in Rs. Thousands)</b>			
Turnover & other Income	3,47,850	Total Expenditure	5,10,274
Profit/(Loss) before Tax	(1,62,424)	Profit/(Loss) after Tax	(1,62,471)
Earning per Share in Rs.	(7.87)	Dividend Rate %	—
<b>V. Generic Names of Principal Products / Services</b>			
Production Description		I.T.C. Code No.	
1. Fabrics		5 5 1 5	
2. Real Estate Development		Not Applicable	

As per our report of even date

For **Khandelwal Jain & Co.**  
Chartered Accountants

**Narendra Jain**  
(Partner)  
Membership No. 048725

Place : Mumbai  
Dated : 14th May, 2011

As per our report of even date

For **Habib & Co.**  
Chartered Accountants

**D. P. Shroff**  
(Partner)  
Membership No.045417

Place : Mumbai  
Dated : 14th May, 2011

For and on behalf of the Board

**S. S. Kasliwal** - Chairman  
**S. K. Luharuka** - Whole -Time Director  
**Manju B. Batham** - Company Secretary

Place : Mumbai  
Dated : 14th May, 2011

2010

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

**STATEMENT IN ACCORDANCE WITH PROVISIONS OF SECTION 212  
OF THE COMPANIES ACT, 1956**

Name of the Subsidiary	SRM Sites Private Limited	Raghuveer Suburban Infrastructure Private Limited	Shree Ram Realinfra Ventures Private Limited
1. The extent of holding Company's interest in the subsidiary at the end of the financial year 31.12.2010.			
- No. of Shares	10,000 (Nos.)	10,000 (Nos.)	10,000 (Nos.)
- Paid up value of Shares	Rs. 10	Rs. 10	Rs. 10
- Percentage of Holding Company's interest in the total share capital of the subsidiary	94.79%	100%	100%
(Shares in the Subsidiary Company were registered in the name of the Company and their nominees as indicated)			
2. The net aggregate amount of the profit/(loss) of the subsidiary company not dealt with in the Company's accounts so far as it concerns the members of the holding Company:			
- For the financial year ended 31.12.2010	(39,12,826)	(19,045)	(30,356)
- For all the previous financial years of the subsidiary since it became the Company's subsidiary	(30,35,086)	N.A.	N.A.
3. The net aggregate amount of the profit/(Loss) of the subsidiary Company so far as its profits are dealt with in the holding Company's accounts:			
- For the financial year ended 31.12.2010	NIL	NIL	NIL
- For all the previous financial years of the subsidiary	NIL	N.A.	N.A.

**For and on behalf of the Board**

**S. S. Kasliwal**  
Chairman

**S. K. Luharuka**  
Whole-Time Director

**Manju B. Batham**  
Company Secretary

Place : Mumbai  
Date : 14th May, 2011.

(Kept Intentionally Blank)



**SHREE RAM URBAN INFRASTRUCTURE LIMITED**  
(FORMERLY KNOWN AS SHREE RAM MILLS LIMITED)

**CONSOLIDATED FINANCIAL STATEMENTS**

(Kept Intentionally Blank)

**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS****TO****THE BOARD OF DIRECTORS OF SHREE RAM URBAN INFRASTRUCTURE LIMITED**

1. We have examined the attached Consolidated Balance Sheet of **SHREE RAM URBAN INFRASTRUCTURE LIMITED** ('the Company') and its subsidiaries as at 31st December, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated financial statements are the responsibility of the Company's Management and have been prepared by them on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with the identified financial framework and 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 consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit financial statements of three subsidiaries whose financial statements reflect total assets of Rs. 117,48,89,388 as at 31st December, 2010, total revenue of Rs. 9,35,345 and net cash flow amounting to Rs. 48,31,554 for the year then ended. These financial statements have been audited by other auditors whose report has been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these entities, is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standards (AS) 21 on "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the company and its subsidiaries included in the consolidated financial statements.
5. Without qualifying our opinion, we draw attention to note no. 25 of Schedule 21 regarding filing of an application for compounding of offences u/s. 621A of the Companies Act, 1956 to avoid long drawn litigation. Pending the outcome of the application, Company has provided for an estimated liability of Rs. 16,45,500 towards the sum payable for compounding.
6. On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the attached consolidated financial statements and read with the other notes and the

significant accounting policies thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at 31st December, 2010;
- (ii) in the case of the Consolidated Profit and Loss Account, of the consolidated loss of the Company and its subsidiaries for the year ended on that date; and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Company and its subsidiaries for the year ended on that date.

For **KHANDELWAL JAIN & Co.**  
Chartered Accountants,  
**Firm's Registration No. 105049W**

**(NARENDRA JAIN)**  
PARTNER  
**Membership No. 048725**

Place : Mumbai  
Date : 14th May, 2011

For **HABIB & Co.**  
Chartered Accountants,  
**Firm's Registration No. 103479W**

**(D. P. SHROFF)**  
PARTNER  
**Membership No. 045417**

Place : Mumbai  
Date : 14th May, 2011

(Kept Intentionally Blank)

**CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 2010**

(Amount in Rupees)

	SCHEDULE		AS AT 31-12-2010	AS AT 31-12-2009
<b>Sources of Funds</b>				
1)	<b>Shareholders' Funds</b>			
	a) Share Capital	1	23,42,34,200	23,26,44,200
	b) Convertible Equity Share Warrants	2	71,75,00,000	15,75,00,000
	c) Reserves and Surplus	3	<u>1,04,04,53,504</u>	<u>40,97,75,932</u>
			<b>1,99,21,87,704</b>	<b>79,99,20,132</b>
2)	<b>Loan Funds</b>			
	a) Secured Loans	4	4,51,01,39,787	3,89,43,24,197
	b) Unsecured Loans	5	<u>5,33,99,000</u>	<u>71,61,84,371</u>
			<b>4,56,35,38,787</b>	<b>4,61,05,08,568</b>
3)	<b>Minority Interest</b> (Refer Note No. 23 of Schedule 21)		<u>5,68,38,718</u>	<u>2,08,47,136</u>
	<b>TOTAL</b>		<u><b>6,61,25,65,209</b></u>	<u><b>5,43,12,75,836</b></u>
<b>Application of Funds</b>				
1)	<b>Fixed Assets</b>	6		
	a) Gross Block		2,21,63,76,374	1,94,26,78,575
	b) Less: Depreciation, Amortisation and Impairment		<u>43,62,98,532</u>	<u>25,86,26,659</u>
	Net Block		1,78,00,77,842	1,68,40,51,916
	Capital Work in Progress (including capital advances)		<u>7,19,683</u>	<u>3,69,33,418</u>
			<b>1,78,07,97,525</b>	<b>1,72,09,85,334</b>
2)	<b>Investments</b>	7	99,00,000	99,00,000
3)	<b>Goodwill on Consolidation</b>		46,189	15,949
4)	<b>Current Assets, Loans and Advances</b>	8		
	a) Interest Accrued but not due		94,41,571	34,88,927
	b) Inventories		7,19,66,93,367	4,10,83,29,162
	c) Sundry Debtors		7,34,19,041	7,04,30,449
	d) Cash and Bank Balances		55,31,48,845	32,58,57,054
	e) Loans and Advances		<u>2,73,79,66,582</u>	<u>2,10,23,56,059</u>
			<b>10,57,06,69,406</b>	<b>6,61,04,61,651</b>
	<b>Less: Current Liabilities and Provisions</b>	9		
	a) Current Liabilities		5,88,50,12,982	2,96,12,67,773
	b) Provisions		<u>26,40,855</u>	<u>24,12,344</u>
			<b>5,88,76,53,837</b>	<b>2,96,36,80,117</b>
	<b>Net Current Assets</b>		<b>4,68,30,15,569</b>	<b>3,64,67,81,534</b>
	<b>Miscellaneous Expenditure</b> (To the extent not written off / adjusted)	10	—	5,35,93,019
	<b>Profit and Loss Account</b>	11	<b>13,88,05,926</b>	—
	<b>TOTAL</b>		<u><b>6,61,25,65,209</b></u>	<u><b>5,43,12,75,836</b></u>

Significant Accounting Policies 20

Notes forming part of the Accounts 21

Note : The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

As per our report of even date

For **Khandelwal Jain & Co.**  
Chartered Accountants

For **Habib & Co.**  
Chartered Accountants

For and on behalf of the Board

**Narendra Jain**  
(Partner)  
Membership No. 048725

**D. P. Shroff**  
(Partner)  
Membership No. 045417

**S. S. Kasliwal** - Chairman  
**S. K. Luharuka** - Whole-Time Director  
**Manju B. Batham** - Company Secretary

Place : Mumbai  
Dated : 14th May, 2011

Place : Mumbai  
Dated : 14th May, 2011

Place : Mumbai  
Dated : 14th May, 2011

2010

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2010**

(Amount in Rupees)

SCHEDULE	YEAR ENDED 31-12-2010	YEAR ENDED 31-12-2009
<b>INCOME</b>		
Sales and Services	12 34,60,33,069	39,73,31,737
Other Income	13 27,39,072	21,29,813
	<u>34,87,72,141</u>	<u>39,94,61,550</u>
<b>EXPENDITURE</b>		
Trading Purchases	14 31,73,26,186	39,69,21,663
Cost of Construction (Real Estate Development)	15 6,10,83,77,943	3,89,29,96,538
Less : Carried to Inventories	6,10,83,77,943	3,89,29,96,538
Construction Work in Progress	16 1,01,24,30,928	19,82,68,094
Less: Carried to Inventories	1,01,24,30,928	19,82,68,094
Payments to and Provision for Employees	17 54,26,873	49,72,043
Administration and Other Expenses	18 11,05,38,346	12,56,54,873
Finance and Interest Expenses	19 1,05,809	76,564
Depreciation and Amortisation	6 84,29,855	1,13,02,248
Provision for Impairment Loss	6 7,28,34,724	2,32,46,755
	<u>51,46,61,793</u>	<u>56,21,74,146</u>
Profit/(Loss) for the year	(16,58,89,653)	(16,27,12,596)
Less : Prior period adjustments	5,11,840	(2,41,673)
Profit/(Loss) before Tax	(16,64,01,493)	(16,24,70,923)
Less: Tax Provision		
Income Tax	2,00,000	—
Wealth Tax	21,802	20,108
Fringe Benefit Tax	—	4,82,089
Income / Wealth Tax for earlier years	25,478	3,63,892
Fringe Benefit Tax for earlier years	—	(1,50,837)
Deferred Tax	—	(2,17,22,187)
MAT Credit Entitlement	—	(2,83,607)
<b>Profit/(Loss) after Tax before Minority Interest</b>	<u>(16,66,48,773)</u>	<u>(14,11,80,381)</u>
Less : Minority interest's share in loss of subsidiary	(2,15,205)	(1,66,930)
<b>Profit / (Loss) for the year</b>	<u>(16,64,33,568)</u>	<u>(14,10,13,451)</u>
Balance brought forward from Previous Year	1,26,27,641	15,36,41,092
<b>Balance carried to Balance Sheet</b>	<u>(15,38,05,926)</u>	<u>1,26,27,641</u>
<b>Earning Per Share (EPS)</b> (Refer Note No. 20 of Schedule 21)		
Basic Earning Per Share	(8.07)	(6.83)
Diluted Earning Per Share	(8.07)	(6.83)
Significant Accounting Policies	20	
Notes forming part of the Accounts	21	
Note : The schedules referred to above form an integral part of the Profit and Loss Account.		
As per our report of even date	As per our report of even date	
For <b>Khandelwal Jain &amp; Co.</b> <i>Chartered Accountants</i>	For <b>Habib &amp; Co.</b> <i>Chartered Accountants</i>	For and on behalf of the Board
<b>Narendra Jain</b> <i>(Partner)</i> Membership No. 048725 Place : Mumbai Dated : 14th May, 2011	<b>D. P. Shroff</b> <i>(Partner)</i> Membership No. 045417 Place : Mumbai Dated : 14th May, 2011	<b>S. S. Kasliwal</b> - Chairman <b>S. K. Luharuka</b> - Whole-Time Director <b>Manju B. Batham</b> - Company Secretary Place : Mumbai Dated : 14th May, 2011

<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2010</b>		
	<b>Current Year</b>	<b>Previous Year</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax, Minority interest and prior period adjustment	(16,58,89,653)	(16,27,12,596)
Adjustments for :		
Depreciation	84,29,855	1,13,02,248
Provision for Impairment	7,28,34,724	2,32,46,755
Miscellaneous Expenditure written off	5,35,93,019	5,35,93,019
Provision for doubtful debts written back	(1,42,699)	—
Provision for doubtful debts	24,03,916	34,41,701
Interest expense	1,05,809	76,564
Interest received	(17,19,899)	(10,11,778)
Loss on sale of assets	13,27,956	6,23,989
Sundry balances written off	—	3,35,489
Sundry balances written back	(59,308)	(4,65,609)
<b>Operating profit before Working Capital Changes</b>	<b>(2,91,16,279)</b>	<b>(7,15,70,218)</b>
Adjustment for :		
Trade and other Receivables	(63,99,21,248)	(97,55,60,173)
Inventories	(2,04,57,75,721)	(1,33,03,59,587)
Trade and Payables	2,92,17,39,238	13,47,42,911
<b>Cash generated from Operations</b>	<b>20,69,25,990</b>	<b>(2,24,27,47,067)</b>
Direct Taxes (Paid) / Refund (Net of Refund / Paid)	(13,11,170)	16,06,914
Cash Flow before prior period adjustments	20,56,14,820	(2,24,11,40,153)
Prior period adjustments (income / (loss))	(5,11,840)	2,41,673
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>20,51,02,980</b>	<b>(2,24,08,98,480)</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchases of Fixed Assets (including capital work-in-progress)	(24,20,11,778)	(12,47,17,773)
Sale of Fixed Assets	5,31,526	5,55,556
Sale of Investment	—	1,00,000
Purchase of Investment	—	(1,00,00,000)
Interest Received	1,07,58,136	1,16,36,799
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(23,07,22,116)</b>	<b>(12,24,25,418)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Convertible Equity Share Warrants	56,00,00,000	15,75,00,000
Proceeds from issue of Compulsorily Convertible Preference (CCP) Shares	15,90,000	9,10,000
Proceeds from Securities Premium	69,45,12,000	39,74,88,000
Proceeds from Secured Loans (Net of Repayment)	61,58,15,590	1,93,81,94,610
Proceeds / (Repayment) from Unsecured Loans (Net)	(66,27,85,371)	61,35,68,980
Interest paid	(95,62,21,292)	(61,44,66,486)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>25,29,10,927</b>	<b>2,49,31,95,104</b>
<b>Net Increase in cash &amp; cash equivalents</b>	<b>22,72,91,791</b>	<b>12,98,71,206</b>
Cash and Cash Equivalents - Opening Balance	32,58,57,054	19,59,85,848
Cash and Cash Equivalents - Closing Balance	55,31,48,845	32,58,57,054

**Notes:**

- The above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as specified in the Companies (Accounting Standards) Rules, 2006.
- Cash and Cash Equivalents represents Cash and Bank balances including fixed deposits of Rs. 11,89,693 (P.Y.: Rs. 3,46,14,787) pledged with Banks for issuing bank guarantee and fixed deposit amounting to Rs. 13,77,29,970 (P.Y.: Rs. 12,67,00,420) held under lien by bank as a security against loan taken from banks and bank balance of Rs. 1,26,18,000 (P.Y.: Rs. Nil) is lying in Collection Reality Finance (CRF) account of ICICI Bank which is kept aside for repayment of existing facility of ICICI Bank towards principal and interest.
- Previous year's figures have been regrouped and reclassified, wherever necessary.

As per our report of even date

For **Khandelwal Jain & Co.**  
Chartered Accountants

**Narendra Jain**  
(Partner)  
Membership No. 048725

Place : Mumbai  
Dated : 14th May, 2011

As per our report of even date

For **Habib & Co.**  
Chartered Accountants

**D. P. Shroff**  
(Partner)  
Membership No.045417

Place : Mumbai  
Dated : 14th May, 2011

For and on behalf of the Board

**S. S. Kasliwal** - Chairman  
**S. K. Luharuka** - Whole -Time Director  
**Manju B. Batham** - Company Secretary

Place : Mumbai  
Dated : 14th May, 2011



2010

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

**SCHEDULES '1' to '21' annexed to and forming part of the Consolidated Balance Sheet as at 31st December, 2010 and the Consolidated Profit and Loss Account for the year ended at that date.**

	(Amount in Rupees)	
	AS AT 31-12-2010	AS AT 31-12-2009
<b>Schedule 1 - Share Capital</b>		
<b>Authorised</b>		
9,57,11,120 (Previous Year: 9,57,11,120) Equity Shares of Rs. 10 each	95,71,11,200	95,71,11,200
1,36,877 (Previous Year: 1,36,877) 11% Redeemable Cumulative Preference Shares of Rs. 100 each	1,36,87,700	1,36,87,700
1,17,011 (Previous Year: 1,17,011) Zero percent Redeemable Preference Shares of Rs. 100 each	1,17,01,100	1,17,01,100
2,50,000 (Previous Year: 2,50,000) Compulsorily Convertible Preference (CCP) Shares of Rs. 10 each.	25,00,000	25,00,000
17,50,000 (Previous Year: 17,50,000) Unclassified Shares of Rs. 10 each)	<u>1,75,00,000</u>	<u>1,75,00,000</u>
	<b><u>1,00,25,00,000</u></b>	<b><u>1,00,25,00,000</u></b>
<b>Issued, Subscribed and Paid-up</b>		
2,06,34,540 (Previous Year: 2,06,34,540) Equity Shares of Rs. 10 each	20,63,45,400	20,63,45,400
1,36,877 (Previous Year: 1,36,877) 11% Redeemable Cumulative Preference Shares of Rs.100 each (Refer Note No.1(a) of Schedule 21)	1,36,87,700	1,36,87,700
2,50,000 (Previous Year: 91,000) Compulsorily Convertible Preference (CCP) Shares of Rs.10 each (Refer Note No. 1(b) of Schedule 21)	25,00,000	9,10,000
1,17,011(Previous Year: 1,17,011) Zero percent Redeemable Preference Shares of Rs.100 each (Refer Note No.1(a) of Schedule 21)	<u>1,17,01,100</u>	<u>1,17,01,100</u>
	<b><u>23,42,34,200</u></b>	<b><u>23,26,44,200</u></b>
Note : 34,39,090 Equity Shares of Rs.10 each were allotted in 2006 as fully paid up bonus shares in the ratio of 1:5 by way of capitalisation of Rs. 3,43,90,900 from General Reserve.		
<b>Schedule 2 - Convertible Equity Share Warrants</b>		
2,05,00,000 (Previous Year: 45,00,000) equity warrants at Rs.140 each Rs. 35 paid on application (Refer Note No. 2 of Schedule 21)	<u>71,75,00,000</u>	<u>15,75,00,000</u>
	<b><u>71,75,00,000</u></b>	<b><u>15,75,00,000</u></b>
<b>Schedule 3 - Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>	1,49,500	1,49,500
<b>Securities Premium Account</b>	1,04,02,79,147	38,19,73,934
<b>General Reserve</b> (Refer Schedule 11)	—	1,50,00,000
<b>Workers' Welfare and Benevolent Reserve :</b>	24,857	24,857
<b>Profit &amp; Loss Account :</b>		
Opening Balance	—	15,36,41,092
Add. : Profit / (Loss) during the year	<u>—</u>	<u>(14,10,13,451)</u>
	<b><u>1,04,04,53,504</u></b>	<b><u>40,97,75,932</u></b>

(Amount in Rupees)

AS AT  
31-12-2010

AS AT  
31-12-2009

**Schedule 4 - Secured Loans**

Term Loans

A) From Banks

i) Term loans

4,21,64,89,264

3,65,20,10,946

(Secured against pari passu charge with lenders,

- on mortgage of portion of land bearing plot No.5B and 6,
- on mortgage on the property together with Building and Structures thereon,
- on project receivables,
- mortgage and charge /assignment by way of all rights, title, interest, claims, benefits, demands under the project documents both present and future,
- on Escrow Account and DSR Account,
- personal guarantee of one of the Directors,
- pledge of 74,28,454 shares (Previous Year: 74,28,454) of the Company held by promoters
- Corporate Guarantee of promoter, Akhilesh Developers Private Limited (Amount repayable within one year Rs. 421,64,89,264 (Previous Year: Rs. 106,25,00,000)

ii) Vehicle loans

18,89,228

34,46,876

(Secured against hypothecation of assets financed)

(Amount repayable within one year

Rs. 12,69,286 (Previous Year: Rs. 20,06,883)

B) From others

29,17,61,296

23,88,66,375

(Secured against hypothecation of assets

financed, pledge of 7,47,830 shares

(Previous Year: 7,47,830 shares) of Company held

by promoters and personal Guarantee of

one of the Directors)

(Amount repayable within one year

Rs. 17,48,24,356 (Previous Year: Rs. 13,08,31,166)

**4,51,01,39,787**

**3,89,43,24,197**

**Schedule 5 - Unsecured Loans**

Loans from Corporates

5,33,99,000

71,61,84,371

**5,33,99,000**

**71,61,84,371**

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

2010

**Schedule No. 6 - Fixed Assets (Refer Note No. 8 of Schedule 21)**

(Amount in Rupees)

Sr. No.	Particulars	G R O S S B L O C K				DEPRECIATION/AMORTISATION				IMPAIRMENT			NET BLOCK	
		As at 01.01.2010	Additions/ Adjustments during the Year	Deductions/ Adjustments during the Year	As at 31-12-2010	As at 01.01.2010	For the Year	Deductions/ Adjustments During the year	As at 31-12-2010	As at 01.01.2009	For the Year	As at 31-12-2010	As at 31-12-2010	As at 31-12-2009
	<b>Textile Division</b>													
1	Land - Leasehold	5,625	—	—	5,625	2,400	200	—	2,600	—	—	—	3,025	3,225
2	Land - Freehold	1,08,20,68,875	—	—	1,08,20,68,875	—	—	—	—	—	—	—	1,08,20,68,875	1,08,20,68,875
3	Buildings and Residential	1,05,99,990	—	—	1,05,99,990	18,02,338	3,48,643	—	21,50,981	—	—	—	84,49,009	87,97,652
4	Buildings Leasehold Land	4,46,215	—	—	4,46,215	2,77,283	7,273	—	2,84,556	—	—	—	1,61,659	1,68,932
5	Roads	2,42,000	—	—	2,42,000	14,029	3,945	—	17,974	—	—	—	2,24,026	2,27,971
6	Fire Fighting Equipments	2,11,975	—	—	2,11,975	2,05,707	872	—	2,06,579	—	—	—	5,396	6,268
7	Computers and Peripherals	4,95,478	6,250	—	5,01,728	3,21,373	79,331	—	4,00,704	—	—	—	1,01,024	1,74,105
8	Office Equipments	1,08,328	—	—	1,08,328	23,828	4,846	—	28,674	—	—	—	79,654	84,500
9	Motor Cars	48,81,302	6,24,619	35,33,169	19,72,752	22,21,483	2,51,028	20,36,325	4,36,166	—	—	—	15,36,566	26,59,819
10	Air Conditioners	4,27,620	—	—	4,27,620	67,221	20,312	—	87,533	—	—	—	3,40,087	3,60,399
11	Plant and Machinery	23,41,34,352	—	—	23,41,34,352	9,65,86,602	71,69,099	—	10,37,55,701	—	—	—	1,17,06,718	8,65,49,578
12	Air Conditioner for Plant and Machinery	1,51,06,686	—	—	1,51,06,686	61,03,381	4,67,803	—	65,71,184	—	—	—	7,55,334	56,61,942
13	Factory Equipments	24,67,218	—	—	24,67,218	10,00,986	76,503	—	10,77,489	—	—	—	1,23,361	9,22,022
	<b>Total (A)</b>	<b>1,35,11,95,664</b>	<b>6,30,869</b>	<b>35,33,169</b>	<b>1,34,82,93,364</b>	<b>10,86,26,631</b>	<b>84,29,855</b>	<b>20,36,325</b>	<b>11,50,20,161</b>	<b>5,48,83,745</b>	<b>7,26,34,724</b>	<b>12,77,18,469</b>	<b>1,10,55,54,734</b>	<b>1,18,76,85,288</b>
	<b>Previous Year (A)</b>	<b>1,35,18,41,945</b>	<b>13,48,133</b>	<b>19,94,414</b>	<b>1,35,11,95,664</b>	<b>9,79,30,124</b>	<b>1,13,02,248</b>	<b>6,05,741</b>	<b>10,86,26,631</b>	<b>3,16,36,990</b>	<b>2,32,46,755</b>	<b>5,48,83,745</b>	<b>1,18,76,85,288</b>	<b>1,22,22,74,831</b>
	<b>Real Estate Dev. Division</b>													
14	Computers and Peripherals	36,39,291	12,64,081	2,17,937	46,85,435	12,46,679	6,59,689	98,931	18,07,337	—	—	—	28,78,098	23,92,612
15	Intangible Assets (Software)	7,61,071	6,61,800	—	14,22,871	4,74,025	4,02,128	—	8,76,153	—	—	—	5,46,718	2,87,046
16	Air Conditioners	15,52,822	—	83,000	14,69,822	1,59,877	72,273	10,392	2,21,758	—	—	—	12,48,064	13,92,945
17	Plant and Machinery	17,40,74,676	3,17,52,544	—	20,58,27,220	1,56,14,666	90,58,922	—	2,46,73,588	—	—	—	18,11,53,632	15,84,60,010
18	Heavy Earth Moving Machinery	94,52,217	—	—	94,52,217	21,49,676	10,69,046	—	32,18,722	—	—	—	62,33,495	73,02,541
19	Motor Buses and Lorries	6,65,520	—	—	6,65,520	1,27,444	75,270	—	2,02,714	—	—	—	4,62,806	5,38,076
20	Office Equipments	43,55,262	1,54,650	1,07,634	44,02,278	7,79,687	1,92,455	18,821	9,53,331	—	—	—	34,48,947	35,75,565
21	Laboratory Equipment	21,31,104	14,87,338	—	36,18,442	4,32,944	1,06,714	—	5,39,658	—	—	—	30,78,784	16,98,160
22	Temporary Structures	64,14,336	—	—	64,14,336	9,06,080	4,06,029	—	13,12,109	—	—	—	51,02,227	55,08,256
23	Furniture and Fixtures	1,32,05,483	9,36,320	5,85,974	1,35,55,829	25,76,946	8,39,695	4,29,395	29,87,246	—	—	—	1,05,68,583	1,06,28,537
24	Office Buildings	92,93,134	—	—	92,93,134	3,07,898	1,51,478	—	4,59,376	—	—	—	88,33,758	89,85,236
25	Motor Cars	62,39,608	—	—	62,39,608	7,21,539	5,92,762	—	13,14,301	—	—	—	49,25,307	55,18,069
26	Electrical Fittings	43,82,012	—	—	43,82,012	3,88,050	2,08,146	—	5,96,196	—	—	—	37,85,816	39,93,962
27	Shuttering and Scaffolding	35,53,16,375	24,13,37,911	—	59,66,54,286	6,92,30,761	8,51,66,652	—	15,43,97,413	—	—	—	44,22,56,873	28,60,85,614
	<b>Total (B)</b>	<b>59,14,82,911</b>	<b>27,75,94,644</b>	<b>9,94,545</b>	<b>86,80,85,010</b>	<b>9,51,16,283</b>	<b>9,90,01,159</b>	<b>5,57,539</b>	<b>19,35,59,902</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>67,45,23,108</b>	<b>49,63,66,629</b>
	<b>Previous Year (B)</b>	<b>47,77,27,277</b>	<b>11,51,03,767</b>	<b>13,48,133</b>	<b>59,14,82,911</b>	<b>3,62,91,959</b>	<b>5,90,33,451</b>	<b>2,09,127</b>	<b>9,51,16,283</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>49,63,66,629</b>	<b>44,14,35,318</b>
	<b>Total (A+B)</b>	<b>1,94,26,78,575</b>	<b>27,82,25,513</b>	<b>45,27,714</b>	<b>2,21,63,76,374</b>	<b>20,37,42,914</b>	<b>10,74,31,014</b>	<b>25,93,864</b>	<b>30,85,80,063</b>	<b>5,48,83,745</b>	<b>7,28,34,724</b>	<b>12,77,18,469</b>	<b>1,78,00,77,842</b>	<b>1,68,40,51,916</b>
	<b>Previous Year (A+B)</b>	<b>1,82,95,69,222</b>	<b>11,64,51,900</b>	<b>33,42,547</b>	<b>1,94,26,78,575</b>	<b>13,42,22,063</b>	<b>7,03,35,699</b>	<b>8,14,868</b>	<b>20,37,42,914</b>	<b>3,16,36,990</b>	<b>2,32,46,755</b>	<b>5,48,83,745</b>	<b>1,68,40,51,916</b>	<b>1,66,37,10,149</b>
	<b>Capital Work in Progress (Including Capital adv.)</b>												<b>7,19,683</b>	<b>3,69,33,418</b>

	(Amount in Rupees)			
	AS AT		AS AT	
	31-12-2010		31-12-2009	
<b>Schedule 7 - Investments</b>				
<b>"A" Government Securities - Quoted</b>				
3% Government Loan 1986 (Deposited with Central Excise as Security) (Matured but not realised)	3,521		3,521	
5% Loan 2000 (Deposited with Central Excise as Security)	1,000		1,000	
	<u>4,521</u>		<u>4,521</u>	
Less : Provision for diminution in Value	4,521	—	4,521	—
	<u>          </u>		<u>          </u>	
<b>"B" Trade - Shares</b>				
<b>Quoted equity shares : (Fully Paid)</b>				
1704 (Previous Year : 1704) Equity Shares of Rs. 100 each of Mafatlal Engineering Industries Ltd.	1,72,601		1,72,601	
Less : Provision for diminution in value	1,72,601	—	1,72,601	—
	<u>          </u>		<u>          </u>	
<b>Other Investment</b>				
10 (Previous Year: 10) Equity share of 1000 each of Engineering Raw Materials Consumers Corporation Ltd.	10,000		10,000	
Less : Provision for diminution in value	10,000	—	10,000	—
	<u>          </u>		<u>          </u>	
9,90,000 (Previous Year: 9,90,000) Equity shares of Rs.10 each of Raghuv eer Urban Construction Company Pvt. Ltd. (formerly known as Raghuv eer Urban Infrastructure Pvt. Ltd.)		99,00,000		99,00,000
"C" Contribution towards Proposed East India Cotton Association Society in an earlier year (Towards Share Application, Allotment letter not yet received)	4,000		4,000	
Less : Provision for diminution in value	4,000	—	4,000	—
	<u>          </u>		<u>          </u>	
		<u><b>99,00,000</b></u>		<u><b>99,00,000</b></u>
Aggregate Book Value - Quoted		—		—
- Unquoted		<u><b>99,00,000</b></u>		<u><b>99,00,000</b></u>
Aggregate Market Value - Quoted		—		—

2010

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

(Amount in Rupees)

**Schedule 8 - Current Assets, Loans and Advances****(a) Interest Accrued but not due**

	AS AT 31-12-2010	AS AT 31-12-2009
	94,41,571	34,88,927
	<b>94,41,571</b>	<b>34,88,927</b>

**(b) Inventories**

(As taken, valued and certified by the management)

## i) Materials for Construction

(Real Estate Activity)

4,33,88,743

1,09,96,510

## ii) Material in transit

71,64,043

—

## iii) Stores and Spares

2,53,31,711

60,68,020

## iv) Cost of Construction

(Real Estate Development)

6,10,83,77,943

3,89,29,96,538

(Schedule 15)

## v) Construction Work in

Progress (Schedule 16)

1,01,24,30,928

19,82,68,094

**7,19,66,93,367****4,10,83,29,162****(c) Sundry Debtors**

Debts outstanding for a period exceeding six months

Unsecured, considered good

3,60,64,354

55,47,869

Unsecured, considered doubtful

57,02,919

34,41,701

4,17,67,273

89,89,570

Less : Provision for doubtful debts

57,02,919

3,60,64,354

34,41,701

55,47,869

Others, Unsecured considered good

3,73,54,688

6,48,82,580

**7,34,19,041****7,04,30,449****(d) Cash and Bank Balances**

Cash on hand

1,07,65,745

4,22,24,590

Bank Balances with Scheduled Banks

In Current Accounts

39,35,75,004

4,06,13,757

In Fixed Deposit Accounts

14,88,08,096

24,30,18,707

(Refer Note No. 24 of Schedule 21)

**55,31,48,845****32,58,57,054**

(1) Balance in Current account includes Bank balance of Rs. 1,26,18,000 (P.Y.: NIL) is lying in Collection Reality Finance (CRF) of ICICI Bank, which is kept aside for repayment of existing facility of ICICI Bank towards principal and interest

(2) Fixed Deposits amounting to Rs. 11,89,693 (P.Y.: Rs. 3,46,14,787) Pledged with Banks for issuing Bank Guarantees and Fixed Deposits amounting to Rs. 13,77,29,970 (P. Y.: Rs.12,67,00,420) held under lien by Banks as a security against loan taken from Banks

**(e) Loans and Advances**

(Unsecured, Considered Good)

Advances Recoverable in cash or kind or

for value to be received

2,55,10,78,560

2,06,18,86,183

Less : Provisions for Doubtful Advances

8,70,287

2,55,02,08,273

8,70,287

2,06,10,15,896

Advances/Loans to Staff

19,40,000

12,88,000

Deposits

79,56,023

80,50,444

Prepaid Expenses

7,81,93,831

26,30,070

Service Tax Recoverable

4,93,04,906

81,78,275

Value Added Tax Recoverable

3,35,98,131

53,97,280

Tax Deducted at Source/Advance Taxes

1,64,81,811

1,55,12,487

(Net of provisions and including refund receivable)

2,83,607

2,83,607

MAT Credit entitlement

**2,73,79,66,582****2,10,23,56,059**

(Amount in Rupees)

AS AT  
31-12-2010

AS AT  
31-12-2009

**Schedule 9 - Current Liabilities and Provisions**

**A. Current Liabilities**

<u>Sundry Creditors For Goods &amp; Expenses:</u>	—		—
Amount Outstanding to Micros, Small and Medium Enterprises (Refer Note No.21 of Schedule 21)			
Others	62,72,41,146		15,66,43,238
Interest Accrued but not due on Loans	1,56,18,630		1,32,30,274
Advances against sale of flats	4,75,61,92,318		2,34,06,80,335
Deposits	14,46,26,297		14,43,66,942
Other Liabilities	34,13,34,591		30,63,46,984
	<u>5,88,50,12,982</u>		<u>2,96,12,67,773</u>

**B. Provisions**

(a) Provision for Gratuity	15,93,849		13,00,726
(b) Provision for Leave Encashment	9,46,189		9,17,721
(c) Provision for Bonus	83,817		82,331
(d) Provision for Wealth Tax	17,000		1,11,566
	<u>26,40,855</u>		<u>24,12,344</u>

**Schedule 10 - Miscellaneous Expenditure**

(To the extent not written off / adjusted)

Voluntary Termination Benefit			
Balance Brought Forward	5,35,93,019		10,71,86,038
Less : Written off during the year	5,35,93,019	—	5,35,93,019
	<u>—</u>		<u>5,35,93,019</u>

**Schedule 11- Profit and Loss Account**

Balance as per Profit and Loss Account	15,38,05,926		—
Less : General Reserve	1,50,00,000	13,88,05,926	—
	<u>13,88,05,926</u>		<u>—</u>

2010

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

(Amount in Rupees)

	<b>YEAR ENDED</b> <b>31-12-2010</b>	<b>YEAR ENDED</b> <b>31-12-2009</b>
<b>Schedule 12 - Sales &amp; Services</b>		
Sales (Textile)	32,89,35,602	37,05,72,088
Income from Business Centre [TDS Rs. 4,03,563 (Previous Year: Rs. 7,95,675)]	1,70,97,467	2,67,59,649
	<b><u>34,60,33,069</u></b>	<b><u>39,73,31,737</u></b>
<b>Schedule 13 - Other Income</b>		
Interest Received [TDS Rs. 19,09,227 (Previous Year: Rs. 20,50,315)]	1,67,10,780	1,01,06,097
Rent Income (Net) (TDS Rs. 30,000 (Previous Year: Rs. 38,400 )	8,57,833	8,56,250
Sundry Credit Balance Written Back (Net) (Refer Note No. 22 of Schedule 21)	—	1,30,120
Scrap Sales	10,65,785	16,65,010
Provision for doubtful debts written back	1,42,699	—
Insurance Claim received	18,15,467	—
Miscellaneous Income	736	1,31,665
	<b><u>2,05,93,300</u></b>	<b><u>1,28,89,142</u></b>
Less : Transferred to Cost of Construction (Real Estate Development) (Sch.15)	1,78,54,229	1,07,59,329
	<b><u>27,39,072</u></b>	<b><u>21,29,813</u></b>
<b>Schedule 14 - Trading Purchases</b>		
Stocks at Commencement	—	—
Purchases	31,73,26,186	39,69,21,663
Stock at Close	—	—
	<b><u>31,73,26,186</u></b>	<b><u>39,69,21,663</u></b>

	(Amount in Rupees)	
	YEAR ENDED 31-12-2010	YEAR ENDED 31-12-2009
<b>Schedule 15 - Cost of Construction</b>		
<b>(Real Estate Development)</b>		
Opening Balance	3,89,29,96,538	2,07,95,10,963
<b>Add :</b>		
<b>Material Consumed</b>		
Opening stock of Materials	1,09,96,510	2,77,84,933
Add: Purchase of materials during the year	39,78,80,040	44,65,89,281
Less: Material in transit	71,64,043	—
Less : Closing Stock of Materials	4,33,88,743	1,09,96,510
	<u>35,83,23,764</u>	<u>46,33,77,704</u>
<b>Stores and Spares Consumed</b>		
Opening Stock of Stores and Spares, Tools / Electrical Items	60,68,020	67,43,870
Add: Purchase of Stores and Spares, Tools / Transfer from CWIP to stores	2,23,25,061	1,21,77,246
Less: Closing Stock of Stores and Spares, Tools/Electrical Items	2,53,31,711	60,68,020
	<u>30,61,370</u>	<u>1,28,53,096</u>
Contract, Sub-contract with material and other charges	71,64,75,974	60,38,26,027
Power and Fuel	1,81,68,759	1,28,59,894
Water charges	71,26,074	30,75,952
Payment to and provision for employees	96,30,433	78,64,286
Administration and Other expenses	6,29,73,184	4,73,63,818
Finance and Interest expenses	95,84,74,915	61,39,90,676
Depreciation	9,90,01,159	5,90,33,451
	<u>1,87,18,50,499</u>	<u>1,34,80,14,104</u>
	<u>2,23,32,35,633</u>	<u>1,82,42,44,904</u>
	<u>6,12,62,32,171</u>	<u>3,90,37,55,867</u>
Less: Interest on FDR	1,49,90,882	90,94,319
Insurance claim received	17,97,562	—
Scrap sales	10,65,785	16,65,010
	<u>1,78,54,229</u>	<u>1,07,59,329</u>
	<u>6,10,83,77,943</u>	<u>3,89,29,96,538</u>
	<u>6,10,83,77,943</u>	<u>3,89,29,96,538</u>
Less : Carried to Inventories (Schedule 8 (b) )		
	<u>—</u>	<u>—</u>
	<u>19,82,68,094</u>	<u>—</u>
<b>Schedule 16 - Construction Work in Progress</b>		
Opening Balance	19,82,68,094	—
<b>Add:</b>		
Contract Charges with material and labour	81,39,74,352	19,82,26,815
Administration and Other expenses	1,59,558	41,279
Finance and Interest expense	28,924	—
	<u>81,41,62,834</u>	<u>19,82,68,094</u>
	<u>1,01,24,30,928</u>	<u>19,82,68,094</u>
	<u>1,01,24,30,928</u>	<u>19,82,68,094</u>
Less : Carried to Inventories (Schedule 8 (b) )		
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>
<b>Schedule 17- Payment to and Provision for Employees</b>		
Salaries, wages and other allowances	1,29,64,940	1,10,59,131
Contribution to provident fund	8,73,042	8,38,021
Contribution to other funds	57,339	17,473
Gratuity	3,92,002	64,832
Staff welfare expenses	7,69,983	8,56,872
	<u>1,50,57,307</u>	<u>1,28,36,329</u>
Less : Transferred to Cost of Construction	96,30,433	78,64,286
(Real Estate Development) (Schedule 15)	<u>54,26,873</u>	<u>49,72,043</u>



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**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

(Amount in Rupees)

	YEAR ENDED 31-12-2010	YEAR ENDED 31-12-2009
<b>Schedule 18 - Administration and Other expenses</b>		
Insurance	87,90,029	69,89,396
Rent	2,04,600	7,36,355
Rates and Taxes	56,71,499	54,87,023
Security charges	35,53,936	29,73,856
Foreign exchange loss/(gain)	(13,66,539)	2,10,600
Office expenses	5,39,475	3,31,533
Directors sitting fees/Other fees	2,53,000	1,90,000
Printing and Stationery, Postage etc.	23,92,854	16,62,679
Legal and Professional fees	5,88,65,175	5,28,34,307
Refreshment charges	1,14,209	27,782
Advertisement and Publicity	5,00,532	55,900
Miscellaneous expenses	93,28,615	81,21,580
Custodial/Revocation/Listing fees	4,69,072	72,694
Conveyance and Travelling expenses	1,07,64,411	89,75,753
Motor Car expenses	8,40,721	6,81,823
B. M. C. expenses	17,89,121	1,10,430
Power and Fuel	68,56,545	1,39,50,002
Telephone expenses	7,58,037	6,98,179
Donations	3,16,000	2,49,995
Repairs and Maintenance - Building	33,750	41,000
Repairs and Maintenance - Machinery	26,033	1,17,875
Repairs and Maintenance - Others	16,51,449	7,28,474
Share issue / Transfer expenses	11,07,768	52,80,847
Preliminary expenses written off	—	31,75,514
Miscellaneous expenses written off	5,35,93,019	5,35,93,019
Loss on sale of Fixed Assets (Net)	14,02,325	6,23,989
Provision for doubtful debts	24,03,916	34,41,701
Membership and Subscription	7,67,652	1,05,360
Sundry balance written off (net) (Refer note 22 of Sch.21)	3,29,738	—
Auditors Remuneration	17,03,161	15,85,760
Water charges	10,985	6,543
	<u>17,36,71,087</u>	<u>17,30,59,970</u>
Less : Transferred to Cost of Construction (Real Estate Development) (Sch.15)	6,29,73,184	4,73,63,818
Less : Transferred to Construction Work in Progress (Schedule 16)	1,59,558	41,279
	<u>11,05,38,346</u>	<u>12,56,54,873</u>
<b>Schedule 19 - Finance / Interest expenses</b>		
Term Loans	57,91,59,884	35,86,09,808
Others	4,76,13,678	18,20,58,622
Finance Charges	33,18,36,087	7,33,98,810
	<u>95,86,09,649</u>	<u>61,40,67,240</u>
Less : Transferred to Cost of Construction (Real Estate Development) (Sch.15)	95,84,74,915	61,39,90,676
Less : Transferred to Construction Work in Progress (Schedule 16)	28,924	—
	<u>1,05,809</u>	<u>76,564</u>

**Schedule 20 - SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER, 2010**

**Basis of Consolidation**

The consolidated financial statements relates to Shree Ram Urban Infrastructure Limited ('the company' or 'the parent company'), its subsidiary company 'collectively referred to as the group'.

a) Basis of Accounting

The consolidated financial statements of the Company and its subsidiary are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956 and Accounting Standard 21 'Consolidated Financial Statements (CFS)' issued by the Institute Chartered Accountants of India.

b) Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- i The financial statements of the Company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and transactions resulting in unrealised profits or losses.
- ii The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- iii The excess of the cost to the company of its investment in subsidiary company over the company's portion of equity of the subsidiary as at the date on which investment in subsidiary is made, is recognized in the financial statement as Goodwill. The excess of Company's share of equity and reserve of the subsidiary Company over the cost of acquisition is treated as Capital Reserve.
- iv. Minority Interests in the CFS is identified and recognised after taking into consideration:
  - The amount of equity attributable to minority's at the date on which investments in a subsidiary is made.
  - The minority's share of movements in equity since the date parent subsidiary relationships came into existence.

c) The particulars of subsidiary company and the percentage of ownership interest therein of the company as on 31st December, 2010 are as under:

<b>Name of Company</b>	<b>w. e. f.</b>	<b>Country of Incorporation</b>	<b>Percentage of holding as at 31st Dec, 2010</b>	<b>Reporting Date</b>
SRM Sites Private Limited	24th August, 2009	India	94.79%	31st December, 2010
Shree Ram Realinfra Ventures Private Limited	24th February, 2010	India	100 %	31st December, 2010
Raghuveer Suburban Infrastructure Private Limited	14th January, 2010	India	100 %	31st December, 2010

**BASIS OF ACCOUNTING:**

The Financial statements are prepared under historical cost convention, on accrual basis, in accordance with the Generally Accepted Accounting Principles in India and comply with Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and in accordance with provisions of the Companies Act, 1956.

**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 assets and contingent liabilities at the date of the financial statements and the reported accounts of revenues and expenses for the years presented. Although these estimates are based upon management's knowledge of current event and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

**REVENUE RECOGNITION :****(i) Policy in respect of Real Estate Sales:**

The Company follows Accounting Standard AS-9 'Revenue Recognition' read alongwith the Guidance Note on 'Recognition of Revenue by the Real Estate Developers' issued by the Institute of Chartered Accountants of India. Revenue in respect of real estate sales is recognised when the Company has transferred to the buyer all significant risks and rewards of ownership, i.e., when the buyer has entered into a legally enforceable agreement for sale and according to the which the buyer has a legal right to sell or transfer his interest in the property, without any material condition. However, in case where the Company is obliged to perform the substantial acts after the transfer of all significant risk and rewards of ownership, the revenue is recognised on proportionate basis as the acts are performed, by applying percentage of completion method in the manner explained in Accounting Standard AS-7 'Construction Contracts' issued by Institute of Chartered Accountants of India. Further, Revenue is recognised, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including cost of land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost. Estimated project cost includes cost of land / development rights, borrowing costs, overheads, estimated construction and development cost of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognised in the period in which such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, loss is recognised immediately.

**(ii) Policy in respect of Construction Contracts:**

Contract revenue is recognised by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion method is determined as a proportion of cost incurred to date to the total estimated cost. Further, Revenue is recognised on the basis of percentage of actual cost incurred as against the total estimated cost subject to such actual costs being 30% or more of the total estimated cost.

**(iii) Others:**

Interest income is recognised on accrual basis on a time proportion basis.

Dividend income is recognised when the Company's right to receive dividend is established.

**FIXED ASSETS:**

All fixed assets are stated at cost of acquisition, less accumulated depreciation except leasehold land, and intangible assets which are stated at cost less amounts amortised. Cost includes purchase price and all other attributable costs of bringing the assets to its working condition for intended use. Financing costs relating to

borrowed funds attributable to acquisition, which takes substantial period of time to get ready for its intended use are also included, for the period till such asset is put to use.

**DEPRECIATION / AMORTISATION:**

- a) Depreciation on fixed assets (other than Fire Fighting Equipment at Avadh Division) is provided on Straight Line Method (SLM) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except for depreciation on Shuttering & Scaffolding which are being depreciated on SLM at 16.67% p.a. based on useful life determined by the Management.
- b) Depreciation on Fire Fighting Equipment at Avadh Division is provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- c) The depreciation has not been charged on Fixed Assets whose written down value had reached below 5% of its cost.
- d) Asset costing Rs. 5000 or less individually is fully depreciated in the year of purchase.
- e) Leasehold land is amortised over the period of the lease.
- f) Software are being amortised over the estimated useful life of 3 years.
- g) In case of impairment loss, if any, depreciation on it is provided on the revised carrying amount for their remaining useful life.

**IMPAIRMENT OF ASSETS:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If recoverable amount of such asset is less than the carrying amount, then the carrying amount is reduced to its recoverable amount and the difference arising therefrom is treated as impairment loss and is charged to profit and loss account.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**BORROWING COST:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are considered as part of the cost of that asset upto the date the assets are ready / put to use. Other Borrowing costs are recognized as an expense in the year in which they are incurred.

**INVESTMENTS:**

Long term Investments are stated at cost. However, provision is made for diminution in value, other than temporary, on individual basis.

**INVENTORIES:**

Materials, Stores and Spares, tools and consumables are valued at cost or net realisable value, whichever is lower on the basis of 'First In First Out' (FIFO) method.

Work-in-progress is valued at lower of cost and net realisable value. Cost of construction includes cost of land, materials, services, depreciation, interest on borrowing and other incidental cost incurred in relation to project.

**COST OF CONSTRUCTION (Real Estate Development):**

Cost of construction includes cost of land, materials, services, depreciation, interest on borrowing, and other incidental cost incurred in relation to project.

**CONSTRUCTION WORK IN PROGRESS:**

The construction work in progress is carried at the lower of cost or net realisable value, wherever the NRV could be reasonably determined. Cost includes all expenditure necessary to bring the assets to its working condition.

**EMPLOYEE BENEFITS:****a) Defined Contribution Plan**

Company's contribution to Provident Fund is deposited with the employees Provident Fund Organisation (EPFO). The Company's monthly contribution towards Provident Fund is accounted for on accrual basis.

**b) Defined Benefit Plan**

Liability on account of 'Gratuity' is accounted for on the basis of Actuarial Valuation at the end of each year.

**c) Other Long Term**

Liability on account of 'leave encashment' is made on the basis of actuarial valuation at the end of the year.

**d) Other Short Term**

Other Short term Employee Benefits are charged to revenue in the year in which the related services are rendered.

**MISCELLANEOUS EXPENDITURE:**

Expenditure in the nature of miscellaneous expenditure represented by Voluntary Termination Benefits are amortised in accordance with Accounting Standard 15 (Revised) 'Employee Benefits' issued by the Institute of Chartered Accountants of India.

**TAXATION:**

- a) Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.
- b) Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced up to the balance sheet date. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the profit and loss account of the respective year of change.
- c) Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognised only if there is a virtual certainty of its realisation supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is reasonable certainty of its realisation.

**FOREIGN CURRENCY TRANSACTIONS:**

- a) The transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.
- b) Current Assets and Current Liabilities in Foreign currency outstanding at the Balance Sheet date are translated at the exchange rates prevailing on the date of Balance Sheet.

The resulting Exchange Difference, if any, is charged to the Profit and Loss Account.

**EARNINGS PER SHARE ('EPS'):**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**PROVISIONS:**

Provision is recognized when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

**LEASES:**

Lease arrangements where the risk and rewards incident to ownership of asset substantially vest with the lessor are recognized as operating lease. Lease rent under operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

Assets given under operating leases are included in fixed assets. Lease income is recognized in the profit and loss account on a straight line basis over the lease term. Costs, including depreciation are recognized as expense in the profit and loss account.

**SEGMENT POLICIES:**

Company's reporting segments are identified based on activities/ products, risks and reward, organization structure and internal reporting systems.

Segment revenue and expense includes amounts, which can be directly attributed to the segment and are allocable on a reasonable basis. Unallocable items and interest income / expenses are disclosed separately.

Segment assets and liabilities are operating assets / liabilities by the segments which are directly attributable to the segment. The components of capital employed that cannot be directly identified are shown as unallocable capital employed.

**CONTINGENT LIABILITIES:**

The company makes a provision when there is present obligation as a result of past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- (i) Possible obligation, the existence of which will be confirmed by the occurrence / non-occurrence of one or more uncertain events, not fully within the control of the company;
- (ii) Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
- (iii) Present obligation where a reliable estimate cannot be made.

**OTHER ACCOUNTING POLICIES:**

These are consistent with the generally accepted accounting practices.

**SCHEDULE 21 - Notes forming part of consolidated financial statements for the year ended 31st December, 2010**

1. (a) Preference shares includes 1,17,011 - 0 % Redeemable Preference Shares of face value of Rs. 100 each and 1,36,877 - 11% Redeemable Cumulative Preference Shares of face value of Rs. 100 each which are due for redemption on 30th October, 2017 and 31st October, 2018 respectively. During the year, the Company has decided to redeem these preference shares earlier than the date of redemption and for which preference shareholders have given consent at their general meeting held on 5th July, 2010.
- (b) During the year one of the subsidiary has issued 79,500 Compulsorily Convertible Preference Shares (CCPS) on 11th January, 2010 and 79,500 Compulsorily Convertible Preference Shares (CCPS) on 31st March, 2010, of Rs. 10 each at a premium of Rs. 4,368 per share. Thus, the subsidiary has received Rs. 15,90,000 towards preference share capital and Rs. 69,45,12,000 towards share premium. Each CCPS so issued is convertible into one equity share of Rs.10 each. The above 1,59,000 CCPS alongwith 91,000 CCPS issued on 28th October, 2009 are due for conversion into equity shares in the three equal installment of 83,333 each after the end of 24, 30 and 36 months from 28th October, 2009.

**2. Issue of convertible warrants:**

During the year, the Company has issued on preferential / private placement basis, 1,60,00,000 equity warrants carrying an option to subscribe to equivalent number of equity shares of Rs 10 each on a future date, to the Promoters / Promoters Group and Others. Out of above, the Company has allotted 160,00,000 equity warrants to the Promoters / Promoters Group and Others at its Board meeting held on 30th January, 2010. The other terms and conditions of the convertible warrants issued are as follows:

- (a) An amount of 25% of the price of equity warrants, as prescribed as per applicable SEBI regulations relating to preferential allotment as amended from time to time, is payable on or before allotment of equity warrants.
- (b) Warrant holders shall have the option of applying for and being allotted equity shares of the Company of face value of Rs. 10 each by paying the balance subscription price after adjusting the upfront payment made on the date of allotment of warrants, at any time prior to expiry of 18 months from the date of allotment of the Warrants by the allottees.
- (c) The relevant dates for the preferential issue of equity warrants, as prescribed as per applicable SEBI regulations relating to preferential allotment as amended upto date, for determination of applicable price for the issue of above mentioned equity warrants was 20th December, 2009 i.e. 30 (thirty) days prior to the date of declaration of the postal ballot result.
- (d) In the event the equity warrants holder(s) doesn't exercise the option given under the equity warrants within 18 months from the date of allotment of the equity warrants, the equity warrants shall lapse and the amount paid as deposit shall stand forfeited by the Company.
- (e) The equity shares to be issued and allotted by the Company as a consequence of the conversion / exchange of the equity warrants in the manner aforesaid shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respect with the existing equity shares of the Company.
- (f) The equity warrants and the equity shares allotted pursuant to exercise of such equity warrants shall be subject to the lock-in period and restrictions in transferability as specified as per applicable SEBI (ICDR) Regulations, 2009 relating to preferential allotment.
- (g) The aforesaid warrants by itself shall not give the holder thereof any rights of the shareholder of the Company.

The amount received during the year has been utilised towards the objects of the issue. Detail of the amount received is as under:

Number of Warrants issued /allotted	Issue price of the warrant	Total Amount (Rs.) Received
1,60,00,000	Rs.140 (Rs. 35 i.e. 25% of Rs. 140 received on allotment of equity warrants)	56,00,00,000

**3. Capital Commitments :**

**Amount in Rupees**

Particulars	Current Year	Previous Year
Estimated amount of contracts remaining to be executed on Capital Account and not provided for :	17,71,416	18,03,096

**4. Contingent Liabilities in respect of :**

**Amount in Rupees**

Sr. No.	Particulars	Current Year	Previous Year
a)	Claims against the Company not acknowledged as debts	4,86,10,732	4,87,69,366
b)	Bank Guarantees	NIL	3,00,00,000
c)	Outstanding Letter of Credit facility availed	NIL	48,25,309
d)	Labour Matters :		
	i) Pending in court in respect of claims for Retrenchment Compensation etc.	4,87,240	4,87,240
	ii) Pending Court cases - 5 (Previous Year: 5) in respect of claims for Back Wages etc. filed by ex-employees of the Company for which the amount of Contingent Liability is unascertainable		
e)	Income Tax Matters :		
	i) Income Tax demand for Asst. Year 2004-05	79,57,942	NIL
	ii) Income Tax demand for Asst. Year 2007-08 for which appeal has been filed with CIT (Appeal)	43,58,910	43,58,910
f)	i) Water Tax dispute with BMC	64,12,770	27,48,330
	ii) Sewerage Tax dispute with BMC	38,47,662	16,48,998
	iii) Property Tax dispute with BMC	2,54,84,173	1,60,35,383
g)	Excise Duty demand [Bank Guarantee provided for the same Rs. 3,39,250 (Previous Year: Rs. 3,39,250) not included above]	3,39,250	3,39,250
h)	Customs Duty demand [Bank Guarantee provided for the same Rs. 6,98,250 (Previous Year: Rs. 6,98,250) not included above]	6,98,250	6,98,250
i)	Dividend in respect of 1,36,877 11% Redeemable Cumulative Preference Shares of Face Value of Rs. 100 each	1,07,90,470	92,84,823
j)	Pending court cases- 5 (Previous Year: 3) in respect of other matters against the Company for which the amount of Contingent Liability is unascertainable.		



5. a) Arbitration proceedings are underway which have been filed by Kalpataru Properties (Pvt) Ltd [formerly known as Kalpataru Construction (Overseas) Pvt Ltd] in respect of development rights of Plot 5A admeasuring 20,955.40 sq.mtrs of the Company's Worli Estate for which it has received Rs. 30 crores. The Bombay High Court had passed a status quo order on about 23,500 sq. mtrs of the said Estate. Recently, Kalpataru Properties (Pvt) Ltd have filed a claim of compensation for Rs. 1,528.93 crores alongwith interest as alternative to their original claim for specific performance. The Company has received legal advice from its lawyers that the said claim for compensation is not tenable, and the chances of it being held against the Company are highly remote. The Company had filed requisite documents for a counter-claim for Rs. 2,677.32 crores from the said Kalpataru Properties (Pvt) Ltd. In respect of the said counter claim filed by the Company against Kalpataru Properties (Pvt) Ltd. for Rs. 2,677.32 crores, the Arbitral Tribunal have held that only claim of Rs. 760.36 crores is within their jurisdiction and balance claim of Rs.1,916.96 crores is outside their jurisdiction. The Company is seeking legal advice to pursue for the balance claim of Rs.1,916.96 crores before the competent court.
- (b) Arbitration proceedings filed by Utility Premises Private Limited and Cogent Ventures (India) Ltd [formerly known as Bhupendra Capital & Finance Ltd] in respect of Plot 2 admeasuring 4,848.50 sq. mtrs. of the Company's Worli Estate have been terminated and the claim has been dismissed vide Arbitral Tribunal Order dated 23rd October, 2010. The Company had given a Bank Guarantee for Rs. 3 crores in favour of the Arbitration Tribunal towards the pending arbitration proceedings which has been released pursuant to arbitration proceeding being terminated by tribunal.
6. In the opinion of the Management, no item of current assets has a value on realization in the ordinary course of business, which is less than the amount of value at which it is stated in the Balance Sheet. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.
7. Shares held as investment by the company have been classified as Long term Investment. Provision for the diminution in the value of investment has been made in the accounts where the management is of the view that such diminution is of permanent nature.
8. The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If recoverable amount of such asset is less than the carrying amount, then the carrying amount is reduced to its recoverable amount and such difference between recoverable amount and carrying amount is treated as impairment loss and is charged to Profit and Loss Account. For the current year ended 31st December 2010 impairment loss charged to Profit and Loss account is of Rs. 7,28,34,724 (Previous year: Rs. 2,32,46,755 ).
9. Operating future minimum Rent Payable / Receivable as at 31st December, 2010

Particulars	Amount (Rs.)	Amount (Rs.)
<b>a) Rent Payable</b>	<b>As at 31.12.2010</b>	<b>As at 31.12.2009</b>
i) Not later than one year	NIL	1,00,000
ii) Later than one year and not later than five years	NIL	NIL
iii) Later than five years	NIL	NIL
<b>b) Rent Receivable</b>	<b>As at 31.12.2010</b>	<b>As at 31.12.2009</b>
i) Not later than one year	12,56,300	97,76,600
ii) Later than one year and not later than five years	2,52,000	15,08,300
iii) Later than five years	NIL	NIL

10. As at 31st December, 2010 the percentage of completion with respect to actual cost incurred for the project including cost of land as against the total estimated cost of the project under execution, is less than 30% of the total estimated cost. Accordingly, no revenue has been recognized in relation to the sold areas. Further, the management is of the view that the total estimated project cost is within the total estimated revenues from the project.
11. No revenue has been recognized by the subsidiary SRM Sites Pvt. Ltd. for the year ended 31st December, 2010 in respect of the work executed, since in the opinion of the subsidiary's management the same is below the prescribed level (30%) of the completion of the project as compared to the total projected cost.
12. No significant events which could affect the financial position as on 31st December, 2010, to a material extent have been occurred, after the balance sheet date till the signing of report.
13. Managerial Remuneration comprises of the following

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Salary	27,00,000	24,55,000
Contribution to Provident Fund	3,24,000	2,94,600
Ex-Gratia	90,000	90,000
Others	9,24,342	3,43,243
<b>Total</b>	<b>40,38,342</b>	<b>31,82,843</b>
<b>Less:</b> Transferred to cost of construction	22,15,314	17,33,548
Debited to Profit and Loss Account	<b>18,23,028</b>	<b>14,49,295</b>

14. Audit fees include payment to auditors:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
For Statutory Audit	14,59,630	14,61,475
For Tax Audit	—	66,180
For VAT Audit	—	25,000
For Other Matters	2,37,150	33,105
Out of pocket expenses	6,381	—
<b>Total</b>	<b>17,03,161</b>	<b>15,85,760</b>

15. The Company has recognized the Deferred Tax Liability / Assets as at 31st December 2010 as per Accounting Standard –22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India as detailed under:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
<b>Deferred Tax Liabilities</b>		
Depreciation on Fixed Assets and others	—	44,77,471
Misc. Expenditure	—	1,78,02,261
<b>Total Deferred Tax Liabilities</b>	<b>—</b>	<b>2,22,79,732</b>
<b>Deferred Tax Assets</b>		
Preliminary expenses	7,20,807	9,15,818
Depreciation on Fixed Assets and others	1,74,52,651	—
Provision for Gratuity / Leave Encashment	7,84,872	4,33,582
Unabsorbed depreciation / Fiscal losses	2,65,81,571	3,45,10,313
<b>Total Deferred Tax Assets</b>	<b>4,55,39,901</b>	<b>3,58,59,713</b>
<b>Deferred Tax Liabilities / (Assets) - Net</b>	<b>(4,55,39,901)</b>	<b>(1,35,79,981)</b>
<b>Deferred Tax (Assets) recognized in Balance Sheet</b>	<b>NIL</b>	<b>NIL</b>

2010

**Shree Ram Urban Infrastructure Limited**

(Formerly known as Shree Ram Mills Limited)

As a matter of prudence, the Company has not recognized deferred tax asset being timing differences on account of unabsorbed depreciation, carried forward losses and depreciation on fixed assets and others, under Accounting Standard (AS)-22 "Accounting for Taxes on Income".

16. **Segment Reporting:**

The Company has recognized the "Textile" and "Real Estate" as segments for Segment Reporting as at 31st December, 2010 as per Accounting Standard –17 issued by the Institute of Chartered Accountants of India as detailed under:

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

2010

**Accounting Standard 17 'Segment Reporting'**

**(a) Business Segments :**

Particulars	(Amount in Rupees)					
	TEXTILE		REAL ESTATE		TOTAL	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>REVENUE :</b>						
External Revenue	32,93,27,260	37,09,62,550	1,75,63,642	2,72,25,437	34,68,90,902	39,81,87,987
Inter-segment Revenue	—	—	—	—	—	—
<b>Total Revenue</b>	<b>32,93,27,260</b>	<b>37,09,62,550</b>	<b>1,75,63,642</b>	<b>2,72,25,437</b>	<b>34,68,90,902</b>	<b>39,81,87,987</b>
<b>RESULT</b>						
Segment Result	(6,97,00,702)	(5,95,20,057)	87,74,192	1,03,16,477	(6,09,26,510)	(4,92,03,580)
Less : Unallocable expenditure net of unallocable income					10,65,77,232	11,55,62,265
Less : Interest expenses					1,05,809	76,564
Add : Interest income					17,19,899	21,29,813
<b>Profit before Prior Period adjustment</b>					<b>(16,58,89,653)</b>	<b>(16,27,12,596)</b>
Less / (Add) : Prior Period adjustment					5,11,840	(2,41,673)
<b>Profit before Taxation &amp; Exceptional Item</b>					<b>(16,64,01,493)</b>	<b>(16,24,70,923)</b>
<b>Less : Tax Provision</b>						
Income Tax					2,00,000	—
Wealth Tax					21,802	20,108
Fringe Benefit Tax					—	4,82,089
Income / Wealth Tax for earlier years					25,478	3,63,892
Fringe Benefit Tax for earlier years					—	(1,50,837)
MAT Credit Entitlement					—	(2,83,607)
Deferred Tax					—	(2,17,22,187)
<b>Profit after Taxation</b>					<b>(16,64,48,773)</b>	<b>(14,11,80,381)</b>
<b>Less : Minority Interest's share in loss of Subsidiaries</b>					<b>(2,15,205)</b>	<b>(1,66,930)</b>
<b>Profit / (Loss) for the year</b>					<b>(16,64,33,568)</b>	<b>(14,10,13,451)</b>

**Shree Ram Urban Infrastructure Limited**  
(Formerly known as Shree Ram Mills Limited)

**2010**  
**(Amount in Rupees)**

Particulars	TEXTILE		REAL ESTATE		TOTAL	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>OTHER INFORMATION</b>						
Segment Assets	8,69,13,428	16,05,85,362	12,14,31,02,112	7,08,18,20,852	12,23,00,15,540	7,24,24,06,214
Unallocable Assets					13,13,97,581	1,09,89,56,720
<b>Total Assets</b>					<b>12,36,14,13,121</b>	<b>8,34,13,62,934</b>
Segment Liabilities	13,31,706	8,82,78,338	5,87,22,23,362	2,85,61,73,968	5,87,35,55,068	2,94,44,52,306
Unallocable Liabilities					7,09,37,487	4,00,74,947
<b>Total Liabilities</b>					<b>5,94,44,92,555</b>	<b>2,98,45,27,253</b>
<b>Capital Expenditure</b>						
Segment Capital Expenditure	6,30,869	13,48,133	24,13,80,909	12,33,69,641	24,20,11,778	12,47,17,774
Unallocable Capital Expenditure					—	—
<b>Total Capital Expenditure</b>					<b>24,20,11,778</b>	<b>12,47,17,774</b>
<b>Depreciation /Amortisation / Impairment</b>						
Segment Depreciation /Amortisation /Impairment	8,05,48,129	3,35,60,944	9,93,61,220*	5,93,93,512*	17,99,09,349	9,29,54,456
Unallocable Depreciation /Amortisation /Impairment					3,56,389	6,27,998
<b>Total Depreciation /Amortisation /Impairment</b>					<b>18,02,65,738</b>	<b>9,35,82,454</b>

\* Includes depreciation of Rs. 9,90,01,159 (Previous Year: Rs. 5,90,33,451) relating to Real Estate division which has been debited to Cost of Construction (Real Estate Development) (Refer Schedule 15)

Note : Real Estate segment includes income from Business Centre and income from construction activities.

**(b) Secondary Segment Reporting (Geographical Segments) :**

Not Applicable

17. During the year, 'Raghuv eer Suburban Infrastructure Private Limited' (a company incorporated in India) and 'Shree Ram Realinfra Ventures Private Limited' (a company incorporated in India) have become wholly owned subsidiary companies with effect from 14th January, 2010 and 24th February, 2010 respectively and accordingly the financial statements of these subsidiaries have been included in Consolidated Financial Statements.

**18. Employee Benefits:**

Disclosure under Accounting Standard 15 "Employee Benefits" (Revised 2005) issued by the Institute of Chartered Accountants of India:

**Defined Contribution Plan:**

The Company's contribution to Provident Fund is deposited with the Employees Provident Fund Organization (EPFO). During the year, the Company has recognized Rs. 8,73,042 (Previous year: Rs. 9,27,519) towards provident fund.

**Defined Benefit Plan:**

Gratuity

The gratuity liability arises on retirement, premature withdrawal, resignation and death of an employee. The gratuity liability is calculated on the basis of actuarial valuation as per projected unit credit method.

**Other Long Term Benefit:**

Leave Encashment Plan

The earned leave liability arises as and when services are performed by an employee. The said liability is calculated on the basis of actuarial valuation as per projected unit credit method.

I) Changes in Defined Benefit Obligation.

Particulars	Gratuity as on 31.12.2010	Gratuity as on 31.12.2009	Leave Encashment as on 31.12.2010	Leave Encashment as on 31.12.2009
Liability at the beginning of the year	13,00,726	13,49,649	9,17,721	9,21,324
Current service cost.	2,65,044	3,50,000	1,36,501	2,18,406
Past service cost	65,385	—	—	—
Interest cost	1,04,058	1,06,780	73,418	66,452
Benefits paid	(98,880)	(1,13,755)	(4,68,871)	(2,34,797)
Actuarial Gain/ (Loss) on obligation	(42,485)	(3,91,948)	2,87,420	(53,664)
<b>Liability at the end of the year</b>	<b>15,93,848</b>	<b>13,00,726</b>	<b>9,46,189</b>	<b>9,17,721</b>

II) The fair value of plan assets is Nil since retirement benefit plans are wholly unfunded.

III) Amount recognized in Balance Sheet

Particulars	Gratuity as on 31.12.2010	Gratuity as on 31.12.2009	Leave Encashment as on 31.12.2010	Leave Encashment as on 31.12.2009
Liability at the end of the year	15,93,848	13,00,726	9,46,189	9,17,721
Amount recognized in balance sheet	15,93,848	13,00,726	9,46,189	9,17,721

## IV) Expenses recognized in Profit and Loss Account

<b>Particulars</b>	<b>Gratuity as on 31.12.2010</b>	<b>Gratuity as on 31.12.2009</b>	<b>Leave Encashment as on 31.12.2010</b>	<b>Leave Encashment as on 31.12.2009</b>
Current Service Cost	2,65,044	3,50,000	1,36,501	2,18,406
Past Service Cost	65,385	—	—	—
Interest Cost	1,04,058	1,06,780	73,418	66,452
Adjustments for increase in opening provision	—	—	—	—
Expenses transfer to reserves	—	—	—	—
Actuarial (Gain)/ Loss	(42,485)	(3,91,948)	2,87,420	(53,664)
<b>Total expenses</b>	<b>3,92,002</b>	<b>64,832</b>	<b>4,97,339</b>	<b>2,31,194</b>
Expenses charged to the Profit and Loss Account	2,21,070	1,23,476	3,50,634	1,45,572
Expenses charged to Construction Costs	1,70,932	(58,644)	1,46,705	85,622
<b>Total expenses</b>	<b>3,92,002</b>	<b>64,832</b>	<b>4,97,339</b>	<b>2,31,194</b>

## V) Balance Sheet Reconciliation:

<b>Particulars</b>	<b>Gratuity as on 31.12.2010</b>	<b>Gratuity as on 31.12.2009</b>	<b>Leave Encashment as on 31.12.2010</b>	<b>Leave Encashment as on 31.12.2009</b>
Opening Net Liability	13,00,726	13,49,649	9,17,721	9,21,324
Expenses as above	3,92,002	64,832	4,97,339	2,31,194
Adjustment for increase in opening provision for retirement benefits	—	—	—	—
Benefits paid	(98,880)	(1,13,755)	(4,68,871)	(2,34,797)
<b>Amount Recognition in the Balance sheet</b>	<b>15,93,848</b>	<b>13,00,726</b>	<b>9,46,189</b>	<b>9,17,721</b>

## VI) Principal Actuarial Assumptions

<b>Particulars</b>	<b>Gratuity as on 31.12.2010</b>	<b>Gratuity as on 31.12.2009</b>	<b>Leave Encashment as on 31.12.2010</b>	<b>Leave Encashment as on 31.12.2009</b>
Discount Rate	8.00 %	8.00 %	8.00 %	8.00 %
Future Salary Increases	5.00 %	5.00 %	5.00 %	5.00 %
Attrition Rate	2.00 %	2.00 %	2.00 %	2.00 %

The discount rate is based upon the bench mark rate available on Government Securities having maturity equal to the tenure of benefits.

The estimate of salary growth rate considered in actuarial valuation takes into account inflation, seniority and other relevant factors on long term basis.

**19. Related Party Disclosures:**

In compliance with Accounting Standard 18 – ‘Related Party Disclosures’ issued by The Institute of Chartered Accountants of India, the required disclosures are given in the table below:

a) Name of the Related Party and Nature of Related Party Relationship

Name of the Related Party	Nature of Related Party Relationship
a) Raghuv eer Urban Construction Company Private Limited (Formerly known as Raghuv eer Urban Infrastructure Private Limited (18th March 2009 to 24th September, 2009))	Subsidiary
Akhil esh Developers Private Limited	Enterprise that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise
a) Landmarc Leisure Corporation Limited b) S. Kumars Online Limited c) Vidhi Holdings Private Limited d) Raghuv eer Urban Construction Company Private Limited (w.e.f. 7th April, 2010) (Formerly known as Raghuv eer Urban Infrastructure Private Limited) e) Akhil esh Developers Private Limited f) Hanumesh Realtors Private Limited g) Mandakini Hospitality Private Limited h) Yashaswini Leisure Private Limited i) SKM Fabrics (Andheri) Limited j) Aura Realtors Private Limited k) Goldmount Advisors l) Vasundhara Hospitality Private Limited	Enterprises over which key management personnel & their relatives exercise significant influence where the Company has entered into transactions during the year
a) Mr. Vikas S. Kasliwal - Vice Chairman & CEO b) Mr. S. K. Luharuka – Whole-Time Director c) Mr. Ashok Bhatt (in subsidiary SRM Sites Private Limited)	Key Management Personnel



- b) Details of transactions between the Company and related parties and the status of outstanding balances as on 31st December, 2010.

(Amount In Rupees)

Nature of transactions	Current Year	Previous Year
<b>Contract with material and other charges</b>		
Raghuvveer Urban Construction Company Private Limited	68,02,59,289	37,26,80,201
<b>Total</b>	<b>68,02,59,289</b>	<b>37,26,80,201</b>
<b>Sale of Flat</b>		
Aura Realtors Private Limited	36,11,52,000	—
<b>Total</b>	<b>36,11,52,000</b>	<b>—</b>
<b>Consultancy charges paid / (reversed)</b>		
Landmarc Leisure Corporation Limited	—	(21,942)
Goldmount Advisors	6,61,800	—
Vasundhara Hospitality Private Limited	2,75,000	—
<b>Total</b>	<b>9,36,800</b>	<b>(21,942)</b>
<b>Rent received</b>		
S Kumars Online Limited	3,00,000	2,71,150
<b>Total</b>	<b>3,00,000</b>	<b>2,71,150</b>
<b>Investment in equity shares</b>		
Raghuvveer Urban Infrastructure Private Limited	—	99,00,000
<b>Total</b>	<b>—</b>	<b>99,00,000</b>
<b>Loans taken</b>		
Vidhi Holdings Private Limited	—	16,50,26,275
Akhilesh Developers Private Limited	21,54,000	50,05,00,000
Hanumesh Realtors Private Limited	—	10,44,90,000
Mandakini Hospitality Private Limited	—	10,99,00,000
Yashaswini Leisure Private Limited	—	9,90,10,000
SKM Fabrics (Andheri) Limited	—	4,60,00,000
<b>Total</b>	<b>21,54,000</b>	<b>102,49,26,275</b>
<b>Repayment of Loans taken</b>		
Vidhi Holdings Private Limited	10,50,00,000	6,00,26,275
Akhilesh Developers Private Limited	33,13,45,000	14,80,00,000
SKM Fabrics (Andheri) Limited	—	4,60,00,000
<b>Total</b>	<b>43,63,45,000</b>	<b>25,40,26,275</b>
<b>Allotment of Equity Share Warrants</b>		
<b>(a) Amount adjusted from loan taken</b>		
Hanumesh Realtors Private Limited	4,19,00,000	5,25,00,000
Mandakini Hospitality Private Limited	4,74,00,000	5,25,00,000
Yashaswini Leisure Private Limited	3,65,10,000	5,25,00,000

<b>(b) Amount received</b>		
Hanumesh Realtors Private Limited	9,81,00,000	—
Mandakini Hospitality Private Limited	7,80,63,730	—
Yashaswini Leisure Private Limited	10,34,90,000	—
<b>Total</b>	<b>40,54,63,730</b>	<b>15,75,00,000</b>
<b>Advances received</b>		
Raghuveer Urban Construction Company Private Limited	—	1,75,00,000
<b>Total</b>	<b>—</b>	<b>1,75,00,000</b>
<b>Payments towards advances received</b>		
Raghuveer Urban Construction Company Private Limited	—	75,00,000
Hanumesh Realtors Private Limited	1,00,00,000	—
Mandakini Hospitality Private Limited	1,00,00,000	—
Yashaswini Leisure Private Limited	1,00,00,000	—
Akhilesh Developers Private Limited	1,00,00,000	—
<b>Total</b>	<b>4,00,00,000</b>	<b>75,00,000</b>
<b>Deposit repaid</b>		
S Kumars Online Limited	—	77,00,000
Landmarc Leisure Corporation Limited	—	3,50,000
<b>Total</b>	<b>—</b>	<b>80,50,000</b>
<b>Deposit received</b>		
Landmarc Leisure Corporation Limited	59,355	—
<b>Total</b>	<b>59,355</b>	<b>—</b>
<b>Advances given for materials / contract charges</b>		
Raghuveer Urban Construction Company Private Limited	127,50,87,696	5,20,75,713
<b>Total</b>	<b>127,50,87,696</b>	<b>5,20,75,713</b>
<b>Receipts against advances given for materials</b>		
Raghuveer Urban Construction Company Private Limited	11,48,13,191	5,20,75,713
<b>Total</b>	<b>11,48,13,191</b>	<b>5,20,75,713</b>

<b>Nature of transactions</b>	<b>Current Year</b>	<b>Previous year</b>
<b>Key Management Personnel</b>		
<b>Managerial Remuneration</b>		
- Mr. Vikas S. Kasliwal - Vice Chairman & CEO	22,15,314	17,33,548
- Mr. S. K. Luharuka - Whole-Time Director	18,23,028	14,49,295
<b>Total</b>	<b>40,38,342</b>	<b>31,82,843</b>
<b>Purchase of Equity Shares of SRM Sites Private Limited</b>		
- Mr. Vikas S. Kasliwal - Vice Chairman & CEO	—	50,000
- Mr. S. K. Luharuka - Whole-Time Director	—	50,000
<b>Total</b>	<b>—</b>	<b>1,00,000</b>

<b>Purchase of Equity Shares of Raghuveer Suburban Infrastructure Private Limited</b>		
- Mr. S. K. Luharuka - Whole-Time Director	50,000	—
<b>Total</b>	<b>50,000</b>	<b>—</b>
<b>Purchase of Equity Shares of Shree Ram Realinfra Ventures Private Limited</b>		
- Mr. S. K. Luharuka - Whole-Time Director	50,000	—
<b>Total</b>	<b>50,000</b>	<b>—</b>
<b>Outstanding balances as on 31st December, 2010</b>		
<b>Debtors</b>		
S Kumars Online Limited	22,500	3,05,192
<b>Total</b>	<b>22,500</b>	<b>3,05,192</b>
<b>Investments held</b>		
Raghuveer Urban Construction Company Private Limited	99,00,000	—
<b>Total</b>	<b>99,00,000</b>	<b>—</b>
<b>Loans taken</b>		
Vidhi Holdings Private Limited	—	10,50,00,000
Akhilesh Developers Private Limited	2,33,09,000	35,25,00,000
Hanumesh Realtors Private Limited	1,00,90,000	5,19,90,000
Mandakini Hospitality Private Limited	1,00,00,000	5,74,00,000
Yashaswini Leisure Private Limited	1,00,00,000	4,65,10,000
<b>Total</b>	<b>5,33,99,000</b>	<b>61,34,00,000</b>
<b>Advance received</b>		
Akhilesh Developers Private Limited	8,00,00,000	9,00,00,000
Hanumesh Realtors Private Limited	8,00,00,000	9,00,00,000
Mandakini Hospitality Private Limited	8,00,00,000	9,00,00,000
Yashaswini Leisure Private Limited	8,00,00,000	9,00,00,000
Aura Realtors Private Limited	36,11,52,000	—
<b>Total</b>	<b>68,11,52,000</b>	<b>36,00,00,000</b>
<b>Advances given for materials / contract charges</b>		
Raghuveer Urban Construction Company Private Limited	140,44,81,505	—
<b>Total</b>	<b>140,44,81,505</b>	<b>—</b>
<b>Deposits received</b>		
Landmarc Leisure Corporation Limited	13,71,26,297	13,70,66,942
S Kumars Online Limited	73,00,000	73,00,000
<b>Total</b>	<b>14,44,26,297</b>	<b>14,43,66,942</b>

20. Computation of Earnings per share (EPS)

Particulars	Current Year	Previous Year
Profit / (Loss) after taxation (Rs.)	(16,64,33,568)	(14,10,13,451)
Weighted average number of equity shares	2,06,34,540	2,06,34,540
Face value per equity shares (Rs.)	10	10
Basic earnings per share (EPS) Rs.	(8.07)	(6.83)
Diluted earnings per share (EPS) Rs.	(8.07)	(6.83)

As on 31st December, 2010, 2,05,00,000 (Previous Year: 45,00,000) equity share warrants are outstanding. As there is a loss during the period, the effect of exercise of equity share warrants is anti-dilutive and hence the same has not been considered in the computation of diluted earnings per share. Accordingly basic and diluted EPS are same.

21. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues on account of principal amount together with interest as at the Balance sheet date. This has been determined to the extent such parties have been identified on the basis of information available with the Company.
22. 'Sundry debit balances written off (Net)' amounting to Rs. 3,29,738 are net of sundry credit 'balances written back amounting to Rs. 4,63,066. (Previous Year: Sundry credit balances 'written back (Net)' amounting to Rs. 130,120 are net of sundry debit balances written off 'amounting to Rs. 3,35,489).
23. Movement in Minority Interest during the year :

Particulars	Year ended 31st December, 2010	Year ended 31st December, 2009
<b>Minority Interest balance at the beginning</b>	2,08,47,136	NIL
Equity share capital held by minority in subsidiary acquired during the year	—	5,500
Add: Minority share in the share premium received during the year	3,62,06,787	2,10,08,566
Less: Minority share in loss of subsidiary for the year	(2,15,205)	(1,66,930)
<b>Minority Interest balance at the end</b>	<b>5,68,38,718</b>	<b>2,08,47,136</b>

24. The Company has maintained the 'Debt Service Reserve Account' (DSR) with the banks from whom the Company has borrowed the money for the real estate project. An amount equal to three months interest on each disbursement under the rupee term loan is being transferred directly by the lender to the DSR Account out of the proceeds of such disbursement. The Company is required to maintain and operate this account during the entire tenure of the facility. As at 31st December, 2010, the outstanding balance in DSR Account is Rs. 13,77,29,970 (Previous Year: Rs. 12,67,00,420) and is included in the balances lying in Fixed Deposit Accounts.
25. During the year, inspection u/s. 209A of the Companies Act, 1956 was carried out by the Deputy Registrar of Companies arising from which, the Company has received notices pointing out certain irregularities / contraventions of the Companies Act, 1956. In response, the Company has provided all necessary explanations / documentary evidences. In order to avoid long drawn litigation, the Company without accepting any of irregularities / contraventions, has filed application for compounding of offences under

section 621A of the Companies Act, 1956 which is pending. In the opinion of the Company, liability in this regard is estimated at Rs. 16,45,500 which have been provided for in the books of accounts.

26. (a) With effect from 1st July, 2010, Service tax is applicable on services in relation to 'construction of residential complex'. However, as the 'Maharashtra Chamber of Housing Industry' (MCHI), an organization of member developers has challenged the constitutional validity of service tax on sale of premises and Hon. Bombay High Court vide its order dated 23rd July, 2010 has granted interim stay on recovery based on writ petition filed by MCHI. Further the Bombay High Court order has clarified that assessments may proceed in accordance with Law. Pending the final outcome of the said writ petition, the Company has neither recovered separately nor deposited service tax on advances collected towards sale of residential flat / unit, the service tax liability, in respect of the same amounts to Rs. 1,73,60,178.
- (b) The 'Maharashtra Chamber of Housing Industry' (MCHI) has also filed a writ petition in Bombay High Court challenging the levy of VAT under MVAT Act, 2002 on property under construction. The Hon'ble High Court has directed that the members of the MCHI should not be treated as 'Dealers' liable to tax under the MVAT Act, 2002 in respect of flats on ownership basis under the Maharashtra Ownership Flats Act, 1963 (MOFA Act), and members of MCHI have been absolved from assessments till the disposal of the petition. Pending the final outcome of the said writ petition, the Company has neither recovered separately nor deposited MVAT on advances collected towards sale of residential flat / unit, the MVAT liability, in respect of the same amounts to Rs. 3,02,48,570.
27. The Company has granted a "put option" to a finance Company in consideration of the said finance company subscribing to the debentures amounting to Rs. 100,00,00,000 of buyers of units in the upcoming Palais Royale project thus facilitating the sale of such units.
28. The Company is regular in depositing all the statutory dues including provident fund, employee's state insurance, property tax, income-tax, wealth tax, service tax, sales tax, custom duty, tax deducted at source, works contract tax, cess and other statutory dues. However, due to administrative reason, there are delays in few cases in depositing Tax deducted at source, TDS on works contract tax under MVAT Act', Property tax, Wealth tax and Service tax.
29. Previous year's figures are regrouped wherever necessary in order to bring them in conformity with the current year classification.

As per our report of even date

For **Khandelwal Jain & Co.**  
*Chartered Accountants*

**Narendra Jain**  
(Partner)  
Membership No. 048725

Place : Mumbai  
Dated : 14th May, 2011

As per our report of even date

For **Habib & Co.**  
*Chartered Accountants*

**D. P. Shroff**  
(Partner)  
Membership No.045417

Place : Mumbai  
Dated : 14th May, 2011

For and on behalf of the Board

**S. S. Kasliwal** - Chairman  
**S. K. Luharuka** - Whole -Time Director  
**Manju B. Batham** - Company Secretary

Place : Mumbai  
Dated : 14th May, 2011

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

<b>I Registration Details</b>			
Registration No.	0 0 0 2 2 4 1	State Code -	0 0 0 0 0 1 1
Balance Sheet	31/12/2010		
<b>II Capital raised during the year (Amount in Rs. Thousands)</b>			
Public Issue	—	Rights Issue	—
Bonus Issue	—	Private Issue	—
<b>III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)</b>			
Total Liabilities	66,12,565	Total Assets	66,12,565
<b>Sources of Funds</b>			
Paid-up Capital	2,34,234	Reserves and Surplus	10,40,454
Secured Loans	45,10,140	Un-Secured Loans	53,399
Deferred Tax Liability/(Assets)/Net	—	Convertible Equity	7,17,500
Minority Interest	56,839	Share Warrant	
<b>Application of Funds</b>			
Net Fixed Assets	17,80,798	Investments	9,900
Net Current Assets	46,83,016	Profit and Loss Account	1,38,806
Goodwill on Consolidation	46	(debit)	
<b>IV Performance of Company (Amount in Rs. Thousands)</b>			
Turnover and other Income	3,48,772	Total Expenditure	5,15,174
Profit/(Loss) before Tax	(1,66,401)	Profit/(Loss) after Tax	(1,66,649)
Earning per Share in Rs.	(7.87)	Dividend Rate %	—
<b>V. Generic Names of Principal Products / Services</b>			
Production Description		I.T.C. Code No.	
1. Fabrics		5 5 1 5	
2. Real Estate Development		Not Applicable	

As per our report of even date

As per our report of even date

For **Khandelwal Jain & Co.**  
*Chartered Accountants*

For **Habib & Co.**  
*Chartered Accountants*

For and on behalf of the Board

**Narendra Jain**  
*(Partner)*  
Membership No. 048725

**D. P. Shroff**  
*(Partner)*  
Membership No.045417

**S. S. Kasliwal** - Chairman  
**S. K. Luharuka** - Whole- Time Director  
**Manju B. Batham** - Company Secretary

Place : Mumbai  
Dated : 14th May, 2011

Place : Mumbai  
Dated :14th May, 2011

Place : Mumbai  
Dated : 14th May, 2011

# SHREE RAM URBAN INFRASTRUCTURE LIMITED

(Formerly known as Shree Ram Mills Limited)

**Registered Office** : Shree Ram Mills Premises, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013.

## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member / members  
of the above named company hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
as my/our Proxy to vote for me/us and on my/our behalf at the 74th Annual General Meeting of the Company  
to be held on Tuesday 28th June, 2011 and at any adjournment thereof.  
As witness my/our hand(s) this \_\_\_\_\_ day of June 2011.

Signed by the said

Affix Rs.1/-  
Revenue  
Stamp

In the presence of \_\_\_\_\_

- Notes :
1. The Proxy form should be signed across the stamp as per specimen signature with the Company.
  2. This proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the meeting.

# SHREE RAM URBAN INFRASTRUCTURE LIMITED

(Formerly known as Shree Ram Mills Limited)

**Registered Office** : Shree Ram Mills Premises, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013.

## ATTENDANCE SLIP

Please record my presence at the 74th Annual General Meeting of the Company held at Sunville 9, Annie Besant Road, Worli, Mumbai 400 018 on Tuesday 28th June, 2011 at 11.00 a.m.

Name of the Shareholder (in Block Letter) \_\_\_\_\_

Signature of the Shareholder of Proxy holder \_\_\_\_\_

Folio No. \_\_\_\_\_

Client ID No. \_\_\_\_\_

Please sign. this attendance slip and hand it over at the entrance of the Hall.