

SHREE RAM URBAN INFRASTRUCTURE LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31st DECEMBER, 2012

CORPORATE INFORMATION

Board Of Directors	:	Mr. Shambhukumar S. Kasliwal - Chairman Mr. Vikas S. Kasliwal - Vice - Chairman & CEO Mr. S. K. Luharuka - Whole Time Director Mr. Mukul S. Kasliwal - Director Mr. Vijay G. Kalantri - Director Dr. O. P. Chawla - Director Mr. Lalit Mohan - Director Mr. Mohan M. Jayakar - Director Dr. Poornima G. Advani - Director Mr. N. K. Sethi - Director
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 E-mail : info@bigshareonline.com
Registered Office	:	Shree Ram Mills Premises Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013. Tel. No. : 022-61404900 Fax No. : 022-24928617 Website : www.shreeramurban.co.in

CONTENTS

Notice of Annual General Meeting	3-8
Directors' Report	9-13
Management Discussion and Analysis	14-15
Report on Corporate Governance	16-28
Compliance Certificate on Code of Conduct	29
Certification by Whole Time Director & Chief Financial Officer	30
Certificate on Corporate Governance	31
<u>FINANCIAL SECTION</u>	
Auditors' Report on Financial Statements	35-39
Financial Statements & Notes	40-73
Statement under Section 212 of Companies Act, 1956	74
Consolidated Financial Statements & Notes	77-114
Attendance Slip and Proxy Form	

SHREE RAM URBAN INFRASTRUCTURE LIMITED

NOTICE

NOTICE is hereby given that the 76th Annual General Meeting of Shree Ram Urban Infrastructure Limited will be held on Saturday, the 20th April, 2013, 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, 2012, Profit and Loss Account and Cash Flow Statement for the year ended December 31, 2012, the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. S. S. Kasliwal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mukul S. Kasliwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. 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 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, Mr. Vikas S. Kasliwal, Vice-Chairman and Chief Executive Officer (CEO) of the Company be and is hereby re-appointed for a period of three years with the effect from 1st August, 2012 on the terms and conditions as mentioned below."

In any financial year, if the Company has no profit or inadequate profit, the remuneration and perquisites of Mr. Vikas S. Kasliwal, shall not exceed the amount as specified in Part II of Schedule XIII of the Companies Act, 1956.

Category A

Salary : Rs. 1, 75,000/- per month.

Category B

- 1) Provident Fund : Contribution to Provident Fund as per rules of the Company.
- 2) Gratuity : Gratuity payable at ½ month's salary for each completed year of service.
- 3) Medical Reimbursement : Expenses incurred for him and his family, subject to a ceiling of one month's salary in a year.
- 4) Residence Electricity Bill : Reimbursement of electricity bill on actual basis.
- 5) Residence Telephone Bill : Reimbursement of actual telephone bill. (with the limit of Rs. 2 Lacs p. a.)

6) Period of Appointment : 3 years

7) 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. Vikas S. Kasliwal, the remuneration including the perquisites as aforesaid shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956.

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

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

“**RESOLVED THAT** pursuant to the provision of Section 31 of the Companies Act, 1956 and other applicable provisions, if any, the Article of Association of the Company be and is hereby altered by replacing the existing Articles thereof by the following Articles:

Alteration of Article 2 as follows

“S. Kumars” shall mean Akhilesh Investfin Private Limited and shall include its duly authorized nominees.

“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all such acts, deeds or things as may be required to effect to this Resolution.”

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

Manju B. Batham
Sr. GM & Company Secretary

Place : Mumbai

Date : 27th February, 2013

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 16.04.2013 to 20.04.2013 (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. S. S. Kasliwal |
| ii.) Age | : | 82 years |
| iii.) Date of Appointment | : | 09.10.1978 |
| iv.) Expertise | : | In Textile |
| v.) No. of Shares held | : | 50,000 |

Mr. S. S. Kasliwal is holding Directorship in four other Public Limited Companies which are as follows:

1. S Kumar & Company (Trades) Limited
2. S. Kumars Limited
3. S. Kumar Enterprises (Synfabs) Limited
4. K. U. Enterprises Limited

Item No: 3

- i.) Name : Mr. Mukul S. Kasliwal
- ii.) Age : 48 years
- iii.) Date of Appointment : 28.04.2003
- iv.) Expertise : In Finance & Administration
- v.) No. of Shares held : 50,000

Mr. Mukul S. Kasliwal is also holding Directorship in Twelve other Public Limited Companies which are as follows.

1. Entegra Limited
2. MW Unitexx Limited
3. Shree Maheshwar Hydel Power Corporation Limited
4. S. Kumars Limited
5. Cable Corporation of India Limited
6. MW Infra Developers Limited
7. MW Advisers Limited
8. Klopman International Srl
9. Dhvani Terefabs Exports Limited
10. KU Enterprises Limited
11. S. Kumar and Company (Trades) Limited
12. S. Kumars Enterprises (Synfabs) Limited

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5**

Mr. Vikas S. Kasliwal, Vice-Chairman & CEO of the Company is MBA from Harvard University and possesses vast experience in several fields, particularly in Real Estate, Finance and Administration and the Company will be benefitted under his able guidance. Therefore the Company has decided, at the meeting of Board of Directors held on 12th May, 2012, to re-appoint him as Vice-Chairman and Chief Executive Officer (CEO) of the Company for a period of three years with effect from 1st August, 2012.

In any financial year, if the Company has no profit or inadequate profit, the remuneration and perquisites of Mr. Vikas S. Kasliwal, shall not exceed the amount as specified in Part II of Schedule XIII of the Companies Act, 1956.

Category A

Salary : Rs. 1, 75,000/- per month.

Category B

- 1) Provident Fund : Contribution to Provident Fund as per rules of the Company.
- 2) Gratuity : Gratuity payable at ½ month's salary for each completed year of service.
- 3) Medical Reimbursement : Expenses incurred for him and his family subject to a ceiling of one month's salary in a year
- 4) Residence Electricity Bill : Reimbursement of electricity bill on actual basis.
- 5) Residence Telephone Bill : Reimbursement of actual telephone bill.
(with the limit of Rs. 2 Lacs p. a.)
- 6) Period of Appointment : 3 years
- 7) 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. Vikas S. Kasliwal, the remuneration including the perquisites as aforesaid shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956.

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

The Board recommends this resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution except Mr. S. S. Kasliwal, Mr. Vikas S. Kasliwal and Mr. Mukul S. Kasliwal.

Item No. 6

As per the scheme of arrangement between Akhilesh Developers Private Limited and Akhilesh Investfin Private Limited, sanctioned by Hon'ble High Court of Bombay the shares held by Akhilesh Developers Private Limited in Shree Ram Urban Infrastructure Limited have been transferred to Akhilesh Investfin Private Limited. Consequent to transfer of shares the name of Akhilesh Developers Private Limited appearing in definition of "S. Kumars" in Articles of Association would be replaced with Akhilesh Investfin Private Limited.

The Board recommends this resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution except Mr. S. S. Kasliwal, Mr. Vikas S. Kasliwal and Mr. Mukul S. Kasliwal.

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

**Manju B. Batham
Sr. GM & Company Secretary**

**Place : Mumbai
Date : 27th February, 2013**

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 76th Annual Report on the business and operations of your Company along with the Audited Balance Sheet as at 31st December, 2012 and Profit and Loss Account and Cash Flow Statement for the year ended 31st December, 2012.

FINANCIAL HIGHLIGHTS

Your Company earned a Profit of Rs. 9,09,67,136 (Rupees Nine Crores Nine Lacs Sixty Seven Thousand One Hundred Thirty Six only) as compared to a Profit of Rs. 60,20,775 (Rupees Sixty Lacs Twenty Thousand Seven Hundred Seventy Five only) in the previous year. Highlights of the financial performance are as follows:

Particulars	Financial Year ended December 31, 2012	(In Rupees) Financial Year ended December 31, 2011
Profit/(Loss) before interest & Depreciation/impairment	10,37,78,803	69,90,860
Less: Interest	41,73,346	2,25,129
Less: Depreciation/Impairment	6,75,576	7,41,072
	9,89,29,881	60,24,659
Profit/(Loss) before tax	9,89,29,881	60,24,659
Provision for Tax / Deferred Tax	79,62,745	3,884
	9,09,67,136	60,20,775
Profit/(Loss) after tax	9,09,67,136	60,20,775
Add: Balance brought forward from previous year	(14,07,87,838)	(14,68,08,613)
	(4,98,20,702)	(14,07,87,838)
Profit/(Loss) available for appropriation	(4,98,20,702)	(14,07,87,838)
Appropriations :		
Transfer to Reserve Fund / General Reserve	—	—
Dividend on Equity Shares	—	—
Corporate Dividend Tax	—	—
	(4,98,20,702)	(14,07,87,838)
Balance carried forward	(4,98,20,702)	(14,07,87,838)

DIVIDEND

Your Directors do not recommend any dividend due to inadequate Profit earned during the year.

BUSINESS

The Company's Project "Palais Royale" has entered the final stages of implementation and finishing of the building has commenced. The project has started acquiring iconic status in India and globally, and has started featuring in the record books for world records in engineering and design. It is expected that this project will firmly establish the Company in the business of real estate and infrastructure development.

INSURANCE

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

SUBSIDIARIES

SRM Sites Private Limited is a material, unlisted Indian Subsidiary Company.

Raghuveer Suburban Infrastructure Private Limited and Shree Ram Realinfra Ventures Private Limited are non-material, unlisted Indian Subsidiary Company.

The reports and accounts of the Subsidiary Companies are not annexed to this Report. The Board of Directors of the Company have approved and passed a resolution in this regard. A statement pursuant to Section 212 (8) of the Companies Act, 1956 is annexed.

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

In accordance with the provisions of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. S. S. Kasliwal, Mr. Mukul S. Kasliwal retire by rotation at the ensuing Annual General Meeting. Mr. S. S. Kasliwal and Mr. Mukul S. Kasliwal being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

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, 1956 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 profit 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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report as required under Clause 49 of the Listing Agreement with the Stock Exchange forms part of this Report.

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 Practicing Company Secretary, is annexed herewith. A certificate from the Whole-Time Director and Senior President (Finance) & CFO of the Company confirming internal controls and checks pertaining to financial statements for the year ended 31st December, 2012 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

		Current year 2012	Previous year 2011
1. Electricity :			
(a) Purchased			
Total amount	Kwh in lakhs	41.73	43.10
	Rs. in lakhs	315.65	302.84
	Rs./Unit	7.56	7.03
(b) Own generation			
Through diesel generator (LDO)	Kwh '000	—	—
Units per ltr. of diesel oil	Kwh	—	—
Cost / Unit	Rs.	—	—

2. Coal :

Quantity	—	Not Applicable	Not Applicable
Total cost	—	Not Applicable	Not Applicable
Average rate	—	Not Applicable	Not Applicable

3. Furnace Oil :

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

4. Others :

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. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption.

— —

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

1. Specific areas in which R & D carried out by the Company:

The Company has engaged its R&D staff to economize production of high grade & high performance concrete. Company has successfully developed and utilized M80 grade self competing concrete by using non convention materials like Metakaolin, etc. M200 self competing concrete has been produced at laboratory level and further trails on same being conducted to make sure it is worthiness to be part of actual structure

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 trying 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 market for products and services and exports plants.

NIL

Total foreign exchange used and earned Used (includes Advance given)

Current Year

Rs. 68,97,86,430

Previous Year

Rs. 57,37,08,775

Earned (includes Advance received)

Current Year

NIL

Previous Year

Rs. 1,47,84,000

Acknowledgements

Your Directors place on record their sincere appreciation for the dedication and commitment of the Employees at all levels and their significant contribution to your Company's growth. Your Company is grateful to the customers, vendors and all the other business associates for their support and encouragement.

Your Directors thank the banks, financial institutions, government departments and Shareholders and look forward to having the same support in all our future endeavors.

For and on behalf of the Board,

**Shambhukumar S. Kasliwal
Chairman**

Place : Mumbai

Date : 27th February, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY DEVELOPMENTS

The Country has been passing through challenging times with several issues of governance and lack of cohesive direction. In recent times, the overall situation has started improving with the Central Government taking up positive steps to revive the economic growth. However, a certain degree of uncertainty will continue considering the impending elections in 2014 both at the centre and in Maharashtra. The real estate market will revive entirely only after these events.

OPPORTUNITIES AND THREATS

OPPORTUNITIES:

The demand for housing and infrastructure continues unabated and there is ample opportunity for the Company to grow in this field.

THREATS:

Regulatory environment has become more unpredictable with the recent tussles between the Government and the Judiciary on overturning of laid down policies. This uncertainty in permissions has generated a lot of confusion in the marketplace and is not conducive for healthy growth of the business.

ENVIRONMENTAL IMPACT

Palais Royale is a LEEDS platinum pre-certified building as well as a 5 Palm rated (CETEC) building. It has a very positive impact on the environment.

RESEARCH & DEVELOPMENT

In continuation with its efforts in the field of advanced concreting the Company has been working of higher strength grades of concrete.

RISKS & CONCERNS

The uncertainties generated owing to governance issues and regulatory issues is a risk and a matter of concern to the Company and its ongoing project.

INTERNAL CONTROL SYSTEM

The Company is well defined organization structure, documented policy guidelines, predefined authority levels, and an extensive system of internal controls ensure optimal utilization and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable Laws and regulations. The internal control is supplemented by an extensive programme of internal and external audits and periodic review by the management. The system is designed to adequately ensure that financial and other records are reliable for presenting financial information and other data and maintaining accountability of assets.

HUMAN RESOURCES

Your Company firmly believes that success of the Company comes from good human resources. Employees are considered as important assets and key to its success. The Company has been constantly reviewing its HR policies and practices to keep abreast with the market changes and has embarked upon several initiatives to focus on creating a positive work environment that provides employees with ample growth and development opportunities as well as ensuring high levels of motivation and engagement.

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)

	Year 2012	Year 2011	Change
Turnover	235.20	378.66	(143.46)
Profit/(loss) before interest, tax and depreciation	10.38	0.70	9.68
Net profit/loss	9.10	0.60	8.50

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, 2012 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:

The Board of Directors guides, directs and oversees the management and protects long term interests of Shareholders, employees and the society at large. The Board also ensures compliance of the applicable provisions and code of ethical standards wherever the Company and its subsidiaries are present.

2.1 COMPOSITION OF THE BOARD OF DIRECTORS (as on 31st December, 2012)

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. S. K. Luharuka	Whole Time Director	None	Executive
Mr. Mukul S. Kasliwal	Director	Son of Mr. S. S. Kasliwal and Brother of Mr. Vikas S. Kasliwal	Non-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
Composition :	Independent - 60%		Non-Executive - 80%

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. S. S. Kasliwal, Mr. Mukul S. Kasliwal retire by rotation at the ensuing Annual General Meeting. Mr. S. S. Kasliwal and Mr. Mukul S. Kasliwal being eligible, offer themselves for re-appointment. The Board recommends their re-appointment. .

2.2 Remuneration to Non-Executive Directors (as on 31st December, 2012)

Name of Director	Sitting Fees & Others (Rs.)
Mr. S. S. Kasliwal	20,000
*Mr. Ambuj A. Kasliwal	5,000
Mr. Mukul S. Kasliwal	15,000
Mr. Vijay G. Kalantri	15,000
Dr. O. P. Chawla	35,000
Mr. Lalit Mohan	40,000
Mr. Mohan M. Jayakar	25,000
Dr. Poornima G. Advani	10,000
Mr. N. K. Sethi	15,000
Total	1,80,000

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

*Mr. Ambuj A. Kasliwal, Director has retired on 21.04.2012

2.3 Managerial Remuneration: (as on 31st December, 2012)

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	01.08.2012	3 yrs	18,20,000	2,18,400	6,15,983	26,54,383
Mr. S. K. Luharuka	WholeTime Director	01.01.2011	3 yrs	14,52,000	1,74,240	5,79,945	22,06,185
Total				32,72,000	3,92,640	11,95,928	48,60,568

2.4 Shareholding of the Directors :

Shareholding of the Directors as on 31st December, 2012:

Name of the Director	No. of Equity Shares held	% Holding
Mr. S. S. Kasliwal	50,000	0.12
Mr. Vikas S. Kasliwal	4,48,000	1.09
Mr. Mukul S. Kasliwal	50,000	0.12
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. Mohan M. Jayakar	0	0
Dr. Poornima G. Advani	0	0
Mr. N. K. Sethi	0	0
Total	5,48,120	1.33

*being less than 0.01%.

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

Name of Director	Number of Board Meetings held during the year 2012	Number of Board Meetings attended during the year 2012	Attendance at the Seventy Fifth Annual General Meeting
Mr. S. S. Kasliwal	4	4	Present
Mr. Vikas S. Kasliwal	4	4	Present
Mr. Ambuj A. Kasliwal	4	1	Absent
Mr. Mukul S. Kasliwal	4	3	Absent
Mr. S. K. Luharuka	4	4	Present
Mr. Vijay G. Kalantri	4	3	Absent
Dr. O. P. Chawla	4	3	Present
Mr. Lalit Mohan	4	4	Present
Mr. Mohan M. Jayakar	4	2	Absent
Dr. Poornima G. Advani	4	2	Present
Mr. N. K. Sethi	4	3	Present

2.6 DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS OF DIRECTORS IN OTHER COMPANIES
(As on 31st December, 2012)

Name of the Director	No. of Directorships in other companies	No. of Committee Memberships in other companies	
		Chairman	Member
Mr. S. S. Kasliwal	4	NIL	NIL
Mr. Vikas S. Kasliwal	1	NIL	NIL
Mr. Mukul S. Kasliwal	12	4	4
Mr. S. K. Luharuka	1	NIL	NIL
Mr. Vijay G. Kalantri	13	NIL	10
Dr. O. P. Chawla	1	NIL	1
Mr. Lalit Mohan	NIL	NIL	NIL
Mr. Mohan M. Jayakar	7	1	4
Dr. Poornima G. Advani	NIL	NIL	NIL
Mr. N. K. Sethi	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'/InventersGrievances and Share Transfer Committee of Public Limited Companies, whether listed or not.

2.7 NUMBER, DAY, DATE AND VENUE OF THE BOARD MEETINGS HELD IN THE YEAR 2012

Sr. No.	Day	Date	Venue
1	Monday	27th February, 2012	Registered office
2	Saturday	12th May, 2012	Registered office
3	Tuesday	14th August, 2012	Registered office
4	Saturday	10th November, 2012	Registered office

Four Board meetings were held during the year 2012 and the gap between any two Board Meetings did not exceed four months.

2.8 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.

2.9 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. Mohan M. Jayakar.

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, 2012, Four Audit Committee Meetings were held on 25.02.2012, 11.05.2012, 14.08.2012 and 09.11.2012. The attendance of each Audit Committee' member is given hereunder:-

Name of the Director	Designation	Number of Meetings held during the year 2012	Number of Meetings attended during the year 2012
Dr. O. P. Chawla	Chairman	4	3
Mr. Lalit Mohan	Member	4	4
Mr. Mohan M. Jayakar	Member	4	3

3.3. ATTENDEES:

The WholeTime Director, the Senior President (Finance) & CFO, 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. Mohan M. Jayakar.

4.2. MEETING OF REMUNERATION COMMITTEE:

During the year ended 31st December, 2012, one Remuneration Committee meeting has been held on 10.05.2012. The Attendance of Remuneration Committee Members is given here under.

Name of the Director	Designation	Number of Meetings held during the year 2012	Number of Meetings attended during the year 2012
Mr. Vijay G. Kalantri	Chairman	1	0
Dr. O. P. Chawla	Member	1	1
Mr. Mohan M. Jayakar	Member	1	1

4.3. REMUNERATION POLICY:

While deciding on remuneration for Directors, the Board and Remuneration Committee considers the performance of the Company, the current trends in the industry, the qualification of the appointee, his experience, past performance and other relevant factors. This information is used to review the Company's remuneration policies.

4.4. 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. SHAREHOLDERS' / INVESTORS' GRIEVANCES AND SHARE TRANSFER COMMITTEE:**5.1. CONSTITUTION OF THE SHAREHOLDERS'/INVESTORS' GRIEVANCES AND SHARE TRANSFER COMMITTEE:**

The present Chairman of the Shareholders' / Investors Grievances and Share Transfer Committee is Mr. Lalit Mohan. The other members of the Shareholders' / Investors Grievances and Share Transfer Committee are Mr. S. K. Luharuka and Mr. Mohan M. Jayakar.

5.2. MEETINGS OF SHAREHOLDERS' / INVESTORS GRIEVANCES AND SHARE TRANSFER COMMITTEE:

During the year ended 31st December, 2012, Twelve Shareholder'/Investors Grievances and Share Transfer Committee meetings were held. The attendance of each Shareholders' / Investors Grievances and Share Transfer Committee members 3 is given hereunder:-

Name of the Director	Designation	Number of Meetings held during the year 2012	Number of Meetings attended during the year 2012
Mr. Lalit Mohan	Chairman	12	11
Mr. S. K. Luharuka	Member	12	12
Mr. Mohan M. Jayakar	Member	12	12

5.3. THE TERMS OF REFERENCE OF THE SHAREHOLDERS' / INVESTORS' GRIEVANCES AND SHARE TRANSFER COMMITTEE:

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, 2012, the Company received four 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
2009	AGM	28.06.2010	11.00 a.m.	'Sunville', 9, Annie Besant Road, Worli, Mumbai - 400 018.	1) Appointment of M/s Goldmount Advisors,a sole proprietary concern of Mr. Gaurav Kaul u/s 314 (1) 314(B) of the Companies Act, 1956
2010	AGM	28.06.2011	11.00 a.m.	'Sunville', 9, Annie Besant Road, Worli, Mumbai - 400 018	NIL
2011	AGM	21.04.2012	11.00 a.m.	'Sunville', 9, Annie Besant Road, Worli, Mumbai - 400 018	1) Re-Classification of Authorised Share capital 2) Alteration of clause No. V of the Memorandum of Association by inserting of new Para as clause No. V 3) Alteration of Article 3 of Articles of Association by inserting new Para as Article 3.

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.

Raghuvver Suburban Infrastructure Private Limited and Shree Ram Realinfra Ventures Private Limited is non 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. 34 forming part of the accounts for the year ended 31st December, 2012.
- 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) Remuneration of Directors:** Remuneration of Directors is stated under Note No. 24 forming part of the accounts for the year ended 31st December, 2012.
- E) Management Discussion and Analysis:** Management Discussion and Analysis forms part of the Annual Report. It is incorporated in the Annual Report.
- F) 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 SENIOR PRESIDENT (FINANCE) & CFO:

Mr. S. K. Luharuka, Whole Time Director and Mr. N. K. Modani, Senior 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 27.02.2013 in which the Accounts for the Financial Year ended 31st December, 2012 were considered and approved by the Board of Directors.

11. GENERAL INFORMATION FOR SHAREHOLDERS**11.1 SEVENTY SIXTH ANNUAL GENERAL MEETING — DAY, DATE, TIME AND VENUE**

Day	Saturday
Date	20th April, 2013
Time	11.00 A.M.
Venue	'Sunville', 9 Dr. Annie Besant Road, Worli, Mumbai – 400 018.

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 : 16.04.2013

To : 20.04.2013

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 2012-13.

11.5 STOCK CODE:

Scrip Code:	ISIN No.:
Equity : 503205	Equity : INE164H01011

BSE PRICE DATA

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

Months	High (Rs.)	Low (Rs.)
January 2012	154.70	130.25
February 2012	163.00	141.00
March 2012	154.75	140.40
April 2012	164.30	138.00
May 2012	153.80	133.50
June 2012	143.70	131.75
July 2012	142.00	128.80
August 2012	158.00	121.00
September 2012	143.00	123.75
October 2012	153.95	126.50
November 2012	141.00	123.00
December 2012	165.00	112.00

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, 2012):

No. of Equity Shares held	Shareholders (Nos.)	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	5469	90.52	528014	1.28
501 – 1000	226	3.74	176069	0.43
1001 – 2000	130	2.15	196275	0.48
2001 – 3000	57	0.94	148825	0.36
3001 – 4000	29	0.48	104536	0.25
4001 – 5000	26	0.43	121127	0.29
5001 - 10000	32	0.53	236626	0.58
10001 - 9999999	73	1.21	39623068	96.33
Total	6,042	100	41134540	100

11.9 Shareholding pattern (as on 31st December, 2012):

Category	No. of Shares held	% of Shareholding
Promoter's Holding		
Promoters		
- Indian Promoters	22,34,800	5.43
- Foreign Promoters	NIL	-
Persons acting in Concerts	2,68,35,125	65.24
Sub – Total	2,90,69,625	70.67
Non-Promoters Holding		
Institutional Investors	NIL	-
Mutual Funds and UTI	NIL	-
Banks, Financial Institution, Insurance Companies, Central/State Govt. Institution/Non Govt. Institution	20,940	0.5
Foreign Institutional Investors (FIIs)	20,87,756	5.08
Sub – Total	21,08,696	5.13
Others		
Corporate Bodies	71,46,448	17.37
Indian Public	27,84,954	6.77
NRIs/OCB	20,295	0.05
Any others (please specify) Trust	-	-
Clearing Members	4,222	0.01
Sub – Total	99,55,919	24.20
Grand Total	4,11,34,540	100

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 99.66% 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 : 27th February, 2013

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 : 27th February, 2013

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**, Senior President (Finance) & CFO, certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended December 31, 2012 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
Senior President (Finance) & CFO

Place : Mumbai
Date : 27th February, 2013

PRACTISING COMPANY SECRETARY**CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING
AGREEMENT**

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 2012, and certain information till the date of notice as stipulated by Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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 implementation 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 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

C. P. No. 124 A.C.S. No. 1157

Place : Mumbai

Date : 27th February, 2013

(Kept Intentionally Blank)

SHREE RAM URBAN INFRASTRUCTURE LIMITED

FINANCIAL SECTION

(Kept Intentionally Blank)

AUDITORS' REPORT

**TO,
THE MEMBERS OF SHREE RAM URBAN INFRASTRUCTURE LIMITED**

1. We have audited the attached Balance Sheet of **SHREE RAM URBAN INFRASTRUCTURE LIMITED** as at 31st December 2012 and also the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st December, 2012 from being appointed as a Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;

- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with 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, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the Profit 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 Regn. No. 105049W

For HABIB & Co.
Chartered Accountants
Firm Regn. No. 103479W

(NARENDRA JAIN)
Partner
Membership No. 048725

(D. P. SHROFF)
Partner
Membership No. 045417

Place : Mumbai
Date : 27th February, 2013

Place : Mumbai
Date : 27th February, 2013

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 FOR THE YEAR ENDED 31st DECEMBER, 2012)**

- i) a) The Company has 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 had 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. 8,33,99,000 and the year-end balance of loans taken from such companies was Rs. 7,33,99,000.
- 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) The principal amount of loan taken is repayable on demand. The Company is regular in repayment of principal whenever such demand has been made.
- 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by Central Government of India, regarding the maintenance of cost records under clause (d) of subsection (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) In respect of statutory dues:
- 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, Maharashtra Valued Added Tax (MVAT), 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 'TDS on contractor', 'TDS on interest', 'Service Tax', 'Property Tax' and 'MVAT' with the appropriate authorities during the year.* According to the information and explanations given to us, there are no undisputed statutory dues remaining unpaid for a 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, excise duty and custom duty as at 31st December, 2012 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 2002 to March 2003	1,32,11,576	Bombay High Court
			April 2003 to March 2004	1,00,62,829	Bombay High Court
			April 2003 to March 2004	1,14,13,758	Commissioner of Income Tax (Appeal)
			April 2003 to March 2004	21,47,021	Bombay High Court
			April 2004 to March 2005	8,74,93,855	Bombay High Court
			April 2006 to March 2007	5,29,944	Income Tax Appellate Tribunal
			April 2008 to March 2009	55,49,260	Commissioner of Income Tax (Appeal)
2	Income Tax Act, 1961	Demand against short deduction of tax at source and interest thereon	April 1997 to March 1998	1,14,95,000	Commissioner of Income Tax (Appeal)
			April 1999 to March 2000	56,64,844	Commissioner of Income Tax (Appeal)
			April 2000 to March 2001	1,18,815	Commissioner of Income Tax (Appeal)
			April 2001 to March 2002	1,78,319	Commissioner of Income Tax (Appeal)

			April 2008 to March 2009	87,78,230	Commissioner of Income Tax (Appeal)
			April 2009 to March 2010	22,60,270	Commissioner of Income Tax (Appeal)
3	Central Excise Act, 1944	Excise Duty	October 2000	3,39,250	Customs, Excise and Service Tax Appellate Tribunal
4	Customs Act, 1962	Custom Duty	July 2008	6,98,250	Customs, Excise and Service Tax Appellate Tribunal

- x) The accumulated losses at the end of the financial year are less than fifty per cent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or bank.
- xii) 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.
- xiii) 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.
- xiv) 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.
- xv) 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.
- xvi) In our opinion, the term loans raised during the year have been applied for the purpose for which they were raised.
- xvii) 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.
- xviii) During the year, the Company has not made preferential allotment of equity shares to the parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) 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.
- xx) During the year covered by our Audit Report the Company has not raised any money by public issues.
- xxi) 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 Regn. No. 105049W

(NARENDRA JAIN)

Partner

Membership No. 048725

Place : Mumbai

Date : 27th February, 2013

For HABIB & Co.

Chartered Accountants

Firm Regn. No. 103479W

(D. P. SHROFF)

Partner

Membership No. 045417

Place : Mumbai

Date : 27th February, 2013

BALANCE SHEET AS AT 31ST DECEMBER, 2012

(Amount in Rupees)

	Notes	As at 31-December-12	As at 31-December-11
A	<u>EQUITY AND LIABILITIES :</u>		
1	Shareholders' funds		
	a) Share capital	41,13,45,400	41,13,45,400
	b) Reserves and surplus	2,62,74,83,655	2,53,65,16,519
		<u>3,03,88,29,055</u>	<u>2,94,78,61,919</u>
2	Non-current liabilities		
	a) Deferred tax liabilities (net)	—	—
	b) Other long term liabilities	43,71,26,297	43,71,26,297
	c) Long term provisions	24,52,976	23,11,598
		<u>43,95,79,273</u>	<u>43,94,37,895</u>
3	Current liabilities		
	a) Short term borrowings	6,42,46,25,924	5,98,46,32,505
	b) Trade payables	3,28,49,32,944	1,82,09,44,653
	c) Other current liabilities	5,33,24,34,802	5,26,25,92,270
	d) Short term provisions	13,53,482	4,11,544
		<u>15,04,33,47,152</u>	<u>13,06,85,80,972</u>
	TOTAL	<u>18,52,17,55,480</u>	<u>16,45,58,80,786</u>
B	<u>ASSETS :</u>		
1	Non-current assets		
	a) Fixed assets	10	
	(i) Tangible assets	1,68,98,04,232	1,73,11,92,035
	(ii) Intangible assets	81,636	3,72,236
	(iii) Capital work-in-progress	—	3,37,55,740
	b) Non-current investments	11	1,02,00,000
	c) Long term loans and advances	12	54,85,53,429
	d) Other non-current assets	13	—
		<u>2,93,31,21,411</u>	<u>2,32,40,73,440</u>
2	Current assets		
	a) Inventories	14	11,11,74,82,736
	b) Trade receivables	15	8,51,84,34,573
	c) Cash and bank balances	16	22,12,84,228
	d) Short term loans and advances	12	6,23,14,950
	e) Other current assets	17	20,71,13,044
		<u>3,44,46,72,159</u>	<u>4,76,96,75,859</u>
		<u>74,28,79,996</u>	<u>50,65,11,982</u>
		<u>15,58,86,34,069</u>	<u>14,13,18,07,346</u>
	TOTAL	<u>18,52,17,55,480</u>	<u>16,45,58,80,786</u>

Summary of significant accounting policies 1

The accompanying notes are an integral part of Financial Statements

As per our report of even date

As per our report of even date

For Khandelwal Jain & Co.Chartered Accountants
Firm Regn. No. 105049W**Narendra Jain**(Partner)
Membership No. 048725

Place : Mumbai

Dated : 27th February, 2013

For Habib & Co.Chartered Accountants
Firm Regn. No. 103479W**D. P. Shroff**(Partner)
Membership No. 045417

Place : Mumbai

Dated : 27th February, 2013

For and on behalf of the Board**S. S. Kasliwal**
(Chairman)**S. K. Luharuka**
(Whole Time Director)

Place : Mumbai

Dated : 27th February, 2013

Vikas S. Kasliwal
(Vice-Chairman & CEO)**Manju B. Batham**
(Sr. GM & Company Secretary)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER, 2012

(Amount in Rupees)

	Notes	Year ended 31-December-12	Year ended 31-December-11
A INCOME:			
Revenue from operations	18	2,35,20,48,712	3,78,66,40,185
Other income	19	1,43,65,552	44,07,663
Total revenue		2,36,64,14,264	3,79,10,47,848
B EXPENDITURE:			
Purchases of traded goods	20	—	23,97,47,533
Cost of constructions (Real Estate Dev.)	21	13,05,27,23,334	11,89,82,12,392
Less: Carried to inventories		10,82,96,93,882	8,43,01,30,383
Employee benefit expenses	22	32,46,240	64,58,438
Finance costs	23	41,73,346	2,25,129
Depreciation and amortisation expense	10	6,75,576	7,41,072
Other expenses	24	3,63,59,769	6,97,69,009
Total expenses		2,26,74,84,383	3,78,50,23,189
Profit / (Loss) before Tax		9,89,29,881	60,24,659
Less: Tax expenses			
(a) Current tax		1,98,89,178	—
(b) Income tax for earlier years		—	3,884
(c) MAT Credit entitlement		(1,19,26,433)	—
(d) Deferred tax		—	—
		79,62,745	3,884
Profit / (Loss) for the year		9,09,67,136	60,20,775
Earning per share (EPS)			
Basic		2.21	0.20
Diluted		2.21	0.20

Summary of significant accounting policies 1

The accompanying notes are an integral part of Financial Statements.

As per our report of even date As per our report of even date

For Khandelwal Jain & Co.Chartered Accountants
Firm Regn. No. 105049W**Narendra Jain**(Partner)
Membership No. 048725

Place : Mumbai

Dated : 27th February, 2013

For Habib & Co.Chartered Accountants
Firm Regn. No. 103479W**D. P. Shroff**(Partner)
Membership No. 045417

Place : Mumbai

Dated : 27th February, 2013

For and on behalf of the Board**S. S. Kasliwal**
(Chairman)**S. K. Luharuka**
(Whole Time Director)

Place : Mumbai

Dated : 27th February, 2013

Vikas S. Kasliwal
(Vice-Chairman & CEO)**Manju B. Batham**
(Sr. GM & Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2012

(Amount in Rupees)

Particulars	31-Dec-2012	31-Dec-2011
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	9,89,29,881	60,24,659
Adjustments for :		
Depreciation [#]	5,87,43,943	9,11,53,457
Bad debts written off	2,59,617	24,69,203
Finance Costs [#]	60,82,41,082	94,32,60,938
Interest received [#]	(87,82,105)	(1,85,15,171)
Loss on sale / write off of assets [#]	78,48,434	97,34,544
Provision for Wealth Tax	62,360	45,798
Liabilities / provisions no longer required written back (net) [#]	(1,20,28,643)	(16,62,796)
Operating Profit before Working Capital Changes	75,32,74,570	1,03,25,10,632
Adjustments for :		
Trade and other receivables	99,65,47,858	(2,77,03,23,115)
Inventories	(1,88,12,75,776)	(2,20,82,01,877)
Trade payables and other liabilities	1,37,85,78,268	1,65,33,67,666
Cash generated from Operations	1,24,71,24,920	(2,29,26,46,694)
Direct Taxes Paid (Net of Refund)	(4,81,96,616)	(38,57,274)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES: TOTAL (A)	1,19,89,28,304	(2,29,65,03,967)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets (including capital work-in-progress)	(5,21,46,980)	(11,58,06,592)
Sale of fixed assets	5,33,334	38,05,039
Purchase of Investments	(25,06,39,184)	—
Interest Received	61,71,238	2,88,75,935
Advance against Investments	(39,43,58,963)	(52,62,12,270)
Investment in Fixed deposit with Bank	1,09,16,546	13,02,64,990
NET CASH FROM / (USED IN) INVESTING ACTIVITIES: TOTAL (B)	(67,95,24,009)	(47,90,72,898)
CASH FLOW FROM FINANCING ACTIVITIES:		
Finance Costs	(1,09,22,18,926)	(98,02,60,580)
Proceeds from secured short term borrowings (Net of repayment)	41,99,93,419	1,42,11,39,304
Proceeds from unsecured short term borrowings (Net of repayment)	2,00,00,000	—
Proceeds from issue of convertible equity warrants	—	2,15,25,00,000
Share issue expenses	—	(28,70,000)
Repayment of preference shares	—	(2,53,88,800)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES: TOTAL (C)	(65,22,25,508)	2,56,51,19,924
Net Increase / (decrease) in Cash and Cash Equivalents TOTAL (A+B+C)	(13,28,21,213)	(21,04,56,942)
Cash and Cash Equivalents - Opening Balance	19,05,69,937	40,10,26,879
Cash and Cash Equivalents - Closing Balance	5,77,48,724	19,05,69,937

Consist of amount included in "cost of constructions", which is charged to Statement of Profit and Loss during the year.

Notes:

- The above statement has been prepared by the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement as notified by the Companies (Accounting Standards) Rules, 2006.
- 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
Firm Regn. No. 105049W**Narendra Jain**(Partner)
Membership No. 048725

Place : Mumbai

Dated : 27th February, 2013

For Habib & Co.Chartered Accountants
Firm Regn. No. 103479W**D. P. Shroff**(Partner)
Membership No. 045417

Place : Mumbai

Dated : 27th February, 2013

For and on behalf of the Board**S. S. Kasliwal**
(Chairman)**S. K. Luharuka**
(Whole Time Director)

Place : Mumbai

Dated : 27th February, 2013

Vikas S. Kasliwal
(Vice-Chairman & CEO)**Manju B. Batham**
(Sr. GM & Company Secretary)

Company Profile:-

Shree Ram Urban Infrastructure Ltd. ("The Company") is a Company incorporated under the Companies Act, 1956 and having its registered office at Shree Ram Mills Premises, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013. The Company is in the business of real estate and listed on the Bombay Stock Exchange, Mumbai.

1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st DECEMBER 2012:**a) Basis of preparation of financial statements:**

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.

The Company is engaged in the business of developing real estate and is currently developing the project Palais Royale for which operating cycle is around 9 years.

b) 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 recognized in the current and future periods.

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

The Company follows Accounting Standard AS-9 'Revenue Recognition' as notified under the Companies (Accounting Standards) Rules, 2006 read along with 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 recognized when the Company has transferred to the buyer all significant risks and rewards of ownership, i.e., when the buyer has entered into an agreement for sale which is duly registered and according to which the buyer has a legal right to sell or transfer his interest in the property, without any material condition and in respect of unregistered agreement / letter of allotment when the substantial consideration has been received. Where the Company is obliged to perform substantial acts after the transfer of all significant risk and rewards of ownership, the revenue is recognized 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' as notified under the Companies (Accounting Standards) Rules, 2006. Further, Revenue is recognized, 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 recognized 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 recognized immediately.

(ii) Others:

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

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

d) Unbilled Receivables:

Unbilled receivables disclosed under Note 17 - "Other Current Assets" represents revenue recognized based on Percentage of completion method, as per Revenue Recognition Policy in respect of Real Estate Sales, over and above the amount due as per the payment plans agreed with the customers.

e) 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.

f) Depreciation / Amortisation:

- i) 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.
- ii) 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.
- iii) The depreciation has not been charged on Fixed Assets whose written down value had reached below 5% of its cost.
- iv) Asset costing Rs. 5,000 or less individually is fully depreciated in the year of purchase.
- v) Leasehold land is amortised over the period of the lease.
- vi) Software are being amortised over the estimated useful life of 3 years.
- vii) In case of impairment loss, if any, depreciation on it is provided on the revised carrying amount for their remaining useful life.

g) 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 statement of profit and loss.

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

h) 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.

i) Investments:

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

j) Inventories:

Materials, Stores and Spares, tools and consumables are valued at cost or net realizable 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 realizable value. Cost of construction includes cost of land, materials, services, depreciation, interest on borrowing and other incidental cost incurred in relation to project.

k) Cost of Constructions (Real Estate Development):

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

l) Employee Benefits:**i) Defined Contribution Plan**

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

ii) Defined Benefit Plan

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

iii) Other Long Term

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

iv) Other Short Term

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

m) Share Issue Expenses:

Share Issue Expenses are adjusted against Share Premium to the extent balance available in the share premium account.

n) Taxation:

i) Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

ii) 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 recognized 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 statement of profit and loss of the respective year of change.

iii) Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognized only if there is a virtual certainty of its realization supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is reasonable certainty of its realization.

o) Foreign Currency Transactions:

i) The transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.

ii) 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 statement of profit and loss.

p) 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.

q) 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.

r) Lease:

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 statement of profit and loss on a straight line basis over the lease term.

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

s) Segmental Policies:

Company's reporting segments are identified based on activities / products, risks and rewards, 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.

t) 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.

u) Other accounting Policies:

These are consistent with the generally accepted accounting practices.

(Amounts in Rupees)

2. Share Capital	31-Dec-2012	31-Dec-2011
Authorised:		
9,82,50,000 (Previous Year: 9,57,11,120) Equity Shares of Rs. 10 each.	98,25,00,000	95,71,11,200
NIL (Previous Year: 1,36,877) 11% - Redeemable Cum. Pref. Shares of Rs. 100 each.	—	1,36,87,700
NIL (Previous Year: 1,17,011) 0% - Redeemable Pref. Shares of Rs. 100 each.	—	1,17,01,100
17,50,000 (Previous Year: 17,50,000) Unclassified Shares of Rs. 10 each.	1,75,00,000	1,75,00,000
	1,00,00,00,000	1,00,00,00,000
Issued, Subscribed and Paid up :		
4,11,34,540 (Previous Year: 4,11,34,540) Equity Shares of Rs. 10 each, fully paid	41,13,45,400	41,13,45,400
Total	41,13,45,400	41,13,45,400

Note:

During the year, the Company has reclassified the Authorised Capital to 9,82,50,000 equity shares of Rs.10 each from 9,57,11,120 equity shares of Rs. 10 each, 1,36,877 - 11% Redeemable Cum. Pref. shares of Rs. 100 each and 1,17,011 - 0% Redeemable Pref. Shares of Rs. 100 each.

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Equity shares	31-Dec-2012		31-Dec-2011	
	Nos.	In Rs.	Nos.	In Rs.
At the beginning of the year	4,11,34,540	41,13,45,400	2,06,34,540	20,63,45,400
Add: Issued upon conversion of equity warrants	—	—	2,05,00,000	20,50,00,000
Outstanding at the end of the year	4,11,34,540	41,13,45,400	4,11,34,540	41,13,45,400
11% Redeemable Cumulative Preference Shares				
At the beginning of the year	—	—	1,36,877	1,36,87,700
Less: Redemption during the year	—	—	1,36,877	1,36,87,700
Outstanding at the end of the year	—	—	—	—
0% Redeemable Preference Shares				
At the beginning of the year	—	—	1,17,011	1,17,01,100
Less: Redemption during the year	—	—	1,17,011	1,17,01,100
Outstanding at the end of the year	—	—	—	—

b) Terms / rights attached to equity shares:

- i) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the outstanding equity shares held by the shareholders.
- ii) 75,40,400 and 1,29,59,600 equity shares allotted on 15th June 2011 and 29th July 2011 respectively on preferential basis pursuant to exercise of equity warrants are subject to lock-in for a period of three years for the promoters group i.e. 1,60,84,678 equity shares and for the period of one year for other allottees i.e. 44,15,322 equity shares.

c) Details of shareholders holding more than 5% shares in the Company:

	31-Dec-2012		31-Dec-2011	
	No. of Shares (Rs. 10 each)	% of holding in the class	No. of Shares (Rs. 10 each)	% of holding in the class
Equity shares:				
Akhilesh Developers Private Limited	90,71,713	22.05%	90,71,713	22.05%
Mandakini Hospitality Private Limited	50,84,678	12.36%	50,84,678	12.36%
Yashaswini Leisure Private Limited	55,00,000	13.37%	55,00,000	13.37%
Hanumesh Realtors Private Limited	61,50,848	14.95%	55,00,000	13.37%
Adhir Barter Private Limited	22,15,322	5.39%	22,15,322	5.39%
Hakmans Financial Services and Securities Private Ltd	22,00,000	5.35%	22,00,000	5.35%

d) Demerger of Promoter Companies:

i) **Akhilesh Developers Private Limited**

Pursuant to scheme of arrangement of demerger between Akhilesh Developers Pvt. Ltd and Akhilesh Investfin Pvt. Ltd, Akhilesh Developers Pvt. Ltd has executed the transfer for 52,73,883 shares on 18.02.2013 and Akhilesh Investfin Pvt. Ltd has acquired the shares.

ii) **Mandakini Hospitality Private Limited**

Pursuant to scheme of arrangement of demerger between Mandakini Hospitality Private Limited and Mandakini Investfin Pvt. Ltd, Mandakini Hospitality Private Limited has executed the transfer for 50,84,678 shares on 18.02.2013 and Mandakini Investfin Pvt. Ltd has acquired the shares.

iii) **Yashaswini Leisure Private Limited**

Pursuant to scheme of arrangement of demerger between Yashaswini Leisure Private Limited and Yashaswini Investments Company Pvt. Ltd, Yashaswini Leisure Private Limited has executed the transfer for 55,00,000 shares on 18.02.2013 and Yashaswini Investments Company Pvt. Ltd has acquired the shares.

iv) **Hanumesh Realtors Private Limited**

Pursuant to scheme of arrangement of demerger between Hanumesh Realtors Private Limited and Hanumesh Investments Pvt. Ltd, Hanumesh Realtors Private Limited has executed the transfer for 61,50,848 shares on 18.02.2013 and Hanumesh Investments Pvt. Ltd has acquired the shares.

e) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date:

Particulars	Aggregate number of shares	
	As at 31-Dec-2012	As at 31-Dec-2011
<u>Equity shares with voting rights</u>		
Fully paid up bonus shares by way of capitalisation from General Reserve in the year 2006	—	34,39,090

	(Amount in Rupees)	
	31-Dec-2012	31-Dec-2011
3. Reserves and Surplus		
a) Capital Reserve		
Balance as per last financial statements	1,49,500	1,49,500
b) Securities premium account		
Balance as per last financial statements	2,66,21,30,000	—
Add : Premium received on shares issued during the year	—	2,66,50,00,000
Less: Utilised during the year towards share issue expenses	—	28,70,000
Closing balance	<u>2,66,21,30,000</u>	<u>2,66,21,30,000</u>
c) Other reserves (Workers Welfare and Benevolent Reserve)		
Balance as per last financial statements	24,857	24,857
d) General Reserve		
Balance as per last financial statements	1,50,00,000	1,50,00,000
e) Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per last financial statements	(14,07,87,838)	(14,68,08,613)
Add: Profit / (Loss) for the year	9,09,67,136	60,20,775
	<u>(4,98,20,702)</u>	<u>(14,07,87,838)</u>
Less: Appropriation: Transferred to General Reserve	—	—
Closing balance	<u>(4,98,20,702)</u>	<u>(14,07,87,838)</u>
Total	<u><u>2,62,74,83,655</u></u>	<u><u>2,53,65,16,519</u></u>
4. Deferred Tax Assets	31-Dec-2012	31-Dec-2011
<u>Deferred tax liability</u>		
Depreciation on fixed assets as per Companies Act	—	—
Total deferred tax liability	<u>—</u>	<u>—</u>
<u>Deferred tax assets</u>		
Depreciation as per Income Tax Act	21,62,310	41,79,329
Provision for gratuity / leave encashment	40,840	4,65,938
Unabsorbed depreciation / fiscal losses	1,52,63,030	97,24,458
Total Deferred Tax Assets	<u>1,74,66,180</u>	<u>1,43,69,725</u>
Total Deferred Tax Liability	<u>(1,74,66,180)</u>	<u>(1,43,69,725)</u>
Deferred Tax (Assets) recognized in Balance Sheet	<u>— *</u>	<u>— *</u>

***Note:**

As a matter of prudence, the Company has not recognised deferred tax asset being timing differences on account of unabsorbed depreciation, carried forward losses and depreciation on fixed assets and others as per Accounting Standard (AS) - 22 "Accounting for Taxes on Income", as notified by Companies (Accounting Standards) Rules, 2006.

	(Amount in Rupees)	
5. Other Long - Term Liabilities	31 Dec-2012	31 Dec-2011
<u>Deposits - Unsecured</u>		
- From related parties	13,71,26,297	13,71,26,297
Advances against development right (Refer Note - 26)	30,00,00,000	30,00,00,000
	Total	43,71,26,297
	43,71,26,297	43,71,26,297

Deposit includes from related party (unsecured):

Landmarc Leisure Corporation Limited	13,71,26,297	13,71,26,297
--------------------------------------	--------------	--------------

6. Provisions	Long Term		Short Term	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
<u>Provision for employee benefits:</u>				
- Leave salary	7,16,875	3,22,527	2,75,831	3,68,888
- Gratuity benefits	17,36,101	19,89,071	10,15,855	—
<u>Others</u>				
Wealth tax provision	—	—	61,796	42,656
	Total	24,52,976	13,53,482	4,11,544
	24,52,976	23,11,598	13,53,482	4,11,544

7. Short - Term Borrowings	31-Dec-2012	31-Dec-2011
<u>Secured Term Loans</u>		
<u>Project loan</u>		
- from NBFCs	5,50,00,00,000	5,50,00,00,000
<u>Equipment loans</u>		
- from NBFCs	84,29,61,994	42,52,23,700
<u>Vehicle loans</u>		
- from Banks	32,32,713	48,40,802
- from NBFCs	50,32,217	11,69,003
	6,35,12,26,924	5,93,12,33,505
<u>Unsecured loans</u>		
Inter-corporate loans from related parties*	7,33,99,000	5,33,99,000
	7,33,99,000	5,33,99,000
	Total	6,42,46,25,924
	6,42,46,25,924	5,98,46,32,505

	(Amount in Rupees)	
	31-Dec-2012	31-Dec-2011
*Inter-corporate loans from related parties		
Akhilesh Developers Private Ltd	2,33,09,000	2,33,09,000
Hanumesh Realtors Private Ltd	1,00,90,000	1,00,90,000
Mandakini Hospitality Private Ltd	1,00,00,000	1,00,00,000
Vidhi Holdings Private Ltd	2,00,00,000	—
Yashaswini Leisure Private Ltd	1,00,00,000	1,00,00,000
	7,33,99,000	5,33,99,000

i Term loans from Banks

Vehicle loans

Vehicle loans taken from banks are secured against hypothecation of assets financed and personal guarantee of one of the director. These loans are repayable in 36 equated monthly installments from the date of disbursement.

These loans carries interest in the range of 10.25% per annum to 12.25% per annum.

Loan repayable within one year is Rs. 18,63,163 (Previous Year: Rs. 16,08,089).

ii Term loans from NBFCs

a) Project loan

The project loan taken from NBFC of Rs. 5,50,00,00,000 is secured against registered mortgage of Plot Nos. 5B and 6 situated at Shree Ram Mills Premises, Lower Parel Div., Mumbai together with building and structures thereon, both present and future viz. "Palais Royale" and further secured by first and exclusive charge on all the receivables / cash flows arising from the sale of the aforesaid project of developed area as well as pre-sold in favor of the lender and personal guarantee of one of the Director. The loan is repayable within 60 months from the date of disbursement.

The rate of interest is linked to lenders' PLR minus 320 basis points (currently 18.80% per annum).

Loan repayable within one year is Rs. 1,65,00,00,000 (Previous Year : Rs. NIL).

b) Equipment loans

The equipment loans taken from NBFCs are secured against hypothecation of assets financed, pledge of 32,47,830 shares (Previous Year: 17,47,830 shares) of the Company held by promoters and personal guarantee of one of the director. These loans are repayable in 35 to 40 equated monthly installments from the date of disbursement.

Theses loans carries interest in the range of 12% per annum to 18.50% per annum.

Loan repayable within one year is Rs. 33,07,21,982 (Previous Year: Rs. 13,45,24,812).

c) Vehicle loans

Vehicle loans taken from NBFCs are secured against hypothecation of assets financed. These loans are repayable in 36 equated monthly installments from the date of disbursement.

These loans carries interest in the range of 12% per annum to 12.70 % per annum.

Loan repayable within one year is Rs. 20,48,773 (Previous Year: Rs. 3,93,744).

iii Unsecured loans

The loans taken from related parties are unsecured. These loans are repayable on demand.

These loans are interest free.

	(Amount in Rupees)	
8. Trade Payables*	31-Dec-2012	31-Dec-2011
Acceptances	4,33,85,342	—
Other than acceptances	3,24,15,47,602	1,82,09,44,653
<p>(* 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)</p>		
Total	3,28,49,32,944	1,82,09,44,653
9. Other Current Liabilities	31-Dec-2012	31-Dec-2011
Payable for purchase of fixed assets	30,07,640	40,60,039
Interest accrued but not due on borrowings	16,61,33,571	8,17,68,610
Statutory dues	5,50,68,140	12,83,89,828
Advances from customers against sale flats	4,98,32,95,950	5,02,13,64,058
Security deposits	—	75,00,000
<p><u>Other payables:</u></p>		
Interest accrued on trade payables	8,39,66,037	—
Liabilities for expenses	2,32,92,973	1,63,11,947
Other liabilities	1,76,70,491	31,97,789
Total	5,33,24,34,802	5,26,25,92,270
<p><u>Security deposits include from related party:</u></p>		
S. Kumars Online Ltd	—	73,00,000

Note 10 - Fixed Assets

(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 / A M O R T I S A T I O N					N E T B L O C K	
		As at 01-Jan-2012	Additions / Adjustments during the year		Deductions / Adjustments during the year	As at 31-Dec-2012	As at 01-Jan-2012	For the year	Deductions / Adjustments during the year	As at 31-Dec-2012	As at 31-Dec-2012	As at 31-Dec-2011	
			Acquisition	Borrowing Cost									
1	Land - Leasehold	5,625	—	—	5,625	2,800	200	—	3,000	2,625	2,825		
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	—	1,02,84,370	3,15,620	24,99,624	2,47,632	26,45,796	1,01,460	2,14,160	81,00,366		
4	Buildings Leasehold Land	4,46,215	—	—	4,46,215	2,91,829	7,273	—	2,99,102	1,47,113	1,54,386		
5	Roads	2,42,000	—	—	2,42,000	21,919	3,945	—	25,864	2,16,137	2,20,081		
6	Fire Fighting Equipments	2,11,975	—	—	2,11,975	2,07,330	362	—	2,07,692	4,283	4,645		
7	Computers & Peripherals	5,91,451	4,500	—	5,95,951	4,44,463	48,626	—	4,93,089	1,02,862	1,46,988		
8	Office Equipments	1,40,006	—	—	1,40,006	34,012	7,141	—	41,153	98,853	1,05,994		
9	Motor Cars	34,34,046	7,71,197	—	42,05,243	1,77,672	3,40,085	—	5,17,757	36,87,486	32,56,374		
10	Air Conditioners	4,27,620	—	—	4,27,620	1,07,845	20,312	—	1,28,157	2,99,463	3,19,775		
11	Furniture & Fixtures	9,788	—	—	9,788	978	—	—	978	—	—		
12	Plant & Machinery	29,30,541	—	—	29,30,541	27,84,014	—	—	27,84,014	1,46,527	1,46,527		
	Total (A)	1,10,11,08,132	7,75,697	1,02,84,370	1,09,15,99,459	65,81,296	6,75,576	26,45,796	46,11,076	1,08,69,88,384	1,09,45,26,836		
	Previous Year (A)	1,34,82,93,364	29,40,616	25,01,25,848	1,10,11,08,132	11,50,20,161	7,41,072	10,91,79,938	65,81,296	1,09,45,26,836	1,10,35,54,734		
	Real Estate Dev. Division												
13	Computer & Printers	55,91,023	1,28,598	—	57,19,621	26,68,030	9,15,828	—	35,83,858	21,35,763	29,22,993		
14	Intangible Assets (Software)	15,93,192	28,875	—	16,22,067	12,20,956	3,19,475	—	15,40,431	81,636	3,72,236		
15	Air Conditioners	15,69,092	5,08,294	—	20,77,386	2,95,846	87,190	—	3,83,036	16,94,350	12,73,246		
16	Plant & Machinery	26,39,22,057	7,60,82,041	24,94,978	34,24,99,076	3,54,27,554	1,43,72,024	—	4,97,99,578	29,26,99,498	22,84,94,503		
17	Heavy Earth Moving Machinery	1,53,56,486	9,12,563	—	1,62,69,049	44,93,441	18,38,620	—	63,32,061	99,36,988	1,08,63,045		
18	Motor Buses & Lorries	6,65,520	—	—	6,65,520	2,77,984	75,270	—	3,53,254	3,12,266	3,87,536		
19	Office Equipments	38,08,018	22,966	—	38,30,984	9,67,816	1,61,367	—	11,29,183	27,01,801	28,40,202		
20	Laboratory Equipment	36,32,505	3,98,110	—	40,30,615	6,99,665	1,68,589	—	8,68,254	31,62,361	29,32,840		
21	Temporary Structure	1,35,08,566	12,75,216	—	1,47,83,782	19,36,867	9,25,339	—	28,62,206	1,19,21,576	1,15,71,699		
22	Furniture & Fixture	1,42,50,757	1,43,750	—	1,43,94,507	39,54,049	8,75,783	—	48,29,832	95,64,675	1,02,96,708		
23	Office Building	92,93,134	—	—	92,93,134	6,10,854	1,51,478	—	7,62,332	85,30,802	86,82,280		
24	Motor Car	1,20,37,276	62,73,613	18,31,867	1,64,79,022	20,29,268	14,12,808	6,49,647	27,92,429	1,36,86,593	1,00,08,008		
25	Electrical Fittings	43,82,012	—	—	43,82,012	8,04,342	2,08,146	—	10,12,488	33,69,524	35,77,670		
26	Shuttering & Scaffolding	59,66,54,286	—	—	59,66,54,286	25,38,39,818	9,97,14,819	—	35,35,54,637	24,30,99,650	34,28,14,468		
	Total (B)	94,62,63,924	8,57,74,026	18,31,867	1,03,27,01,061	30,92,26,490	12,12,26,735	6,49,647	42,98,03,579	60,28,97,484	63,70,37,434		
	Previous Year (B)	86,80,83,010	7,91,82,917	10,02,001	94,62,63,924	19,35,59,902	11,58,35,987	1,69,406	30,92,26,490	63,70,37,434	67,45,23,108		
	Total (A+B)	2,04,73,72,056	8,65,49,723	1,21,16,237	2,12,43,00,520	31,58,07,786	12,19,02,311	32,95,443	43,44,14,655	1,68,98,85,868	1,73,15,64,270		
	Previous Year (A+B)	2,21,63,76,374	8,21,23,533	25,11,27,849	2,04,73,72,056	30,85,80,063	11,65,77,059	10,93,49,344	31,58,07,786	1,73,15,64,270	1,78,00,77,842		
	Capital Work in Progress	—	—	—	—	—	—	—	—	—	3,37,55,740		

Note:

During the year, the company has reviewed its fixed assets for impairment loss as required by Accounting Standards 28 - "Impairment of Assets". In the opinion of management no provision for impairment loss is considered necessary.

		(Amount in Rupees)	
		31-Dec-2012	31-Dec-2011
11. Non - Current Investments			
A Trade Investments - Quoted			
Investment in equity shares			
1,704 (Previous Year: 1,704) 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>
10 (Previous Year: 10) Equity Shares of Rs. 1,000 each of Engineering Raw Materials Cons. Corp. Ltd.		10,000	10,000
Less: Provision for diminution in value		10,000	10,000
		<u>—</u>	<u>—</u>
B Trade Investments - Unquoted			
i) Investment in equity - at cost			
a) In subsidiaries			
10,000 (Previous Year: 10,000) Equity share of Rs. 10 each of Shree Ram Realinfra Ventures Private Ltd, fully paid.		1,00,000	1,00,000
10,000 (Previous Year: 10,000) Equity share of Rs. 10 each of SRM Sites Private Ltd, fully paid.		1,00,000	1,00,000
10,000 (Previous Year: 10,000) Equity share of Rs. 10 each of Raghuveer Suburban Infrastructure Private Ltd, fully paid.		1,00,000	1,00,000
		<u>3,00,000</u>	<u>3,00,000</u>
b) In other			
9,90,000 (Previous Year: 9,90,000) Equity share of Rs. 10 each of Raghuveer Urban Constructions Company Private Ltd, fully paid.		99,00,000	99,00,000
ii) Investment in Preference shares - at cost			
In subsidiary			
Investment in Compulsorily Convertible Preference Shares (CCPS) - at cost			
1,18,437 (Previous Year: NIL) Compulsorily Convertible Preference Shares of Rs. 10 each of SRM Sites Private Ltd, fully paid		77,68,51,454	—
C Non-trade Investments			
"A" Government Securities - Quoted			
3% Government Loan 1986 (Deposited with Central Excise as Security - Matured but not realised)		3,521	3,521
5% Loan 2,000 (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>
D Other Investments			
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>
Total		<u><u>78,70,51,454</u></u>	<u><u>1,02,00,000</u></u>
Aggregate book value - Quoted		—	—
Unquoted		78,70,51,454	1,02,00,000
Aggregate Market value - Quoted		—	—

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.

(Amount in Rupees)

12. Loans and Advances (Unsecured considered good unless otherwise stated)	Non current		Current	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
Capital advances	—	17,67,018	—	—
Advance against Investment	39,43,58,963	52,62,12,270	—	—
Security deposits	—	—	1,81,82,095	1,81,09,993
Loans and advances to related parties	—	—	79,34,02,586	1,98,33,29,468
Advances recoverable in cash or kind	—	—	2,61,16,17,517	2,75,91,72,752
Others				
Loans to officers	—	—	15,80,000	21,60,000
Advance income tax (net of provision)	4,85,54,752	2,02,90,534	—	—
MAT credit entitlement	1,22,10,040	2,83,607	—	—
Receivable from government authorities	6,45,287	6,45,287	1,27,10,167	—
Prepaid expenses	—	—	71,79,794	69,03,646
Others (doubtful)	—	—	2,25,000	2,25,000
	6,14,10,079	2,12,19,428	2,16,94,961	92,88,646
Less: Provision for doubtful loans and advances	6,45,287	6,45,287	2,25,000	2,25,000
	6,07,64,792	2,05,74,141	2,14,69,961	90,63,646
Total	45,51,23,755	54,85,53,429	3,44,46,72,159	4,76,96,75,859
Loans and advances to related parties includes:				
Raghuvver Urban Constructions Company Private Ltd	—	—	79,34,02,586	1,98,33,29,468
	—	—	79,34,02,586	1,98,33,29,468

13. Other Non - Current Assets	31-Dec-2012	31-Dec-2011
Fixed deposit with bank*	10,60,334	—
Total	10,60,334	—

Note : *Fixed deposit of Rs. 10,60,334 (Previous Year : Rs. NIL) pledged with the bank for issuing bank guarantees.

14. Inventories	31-Dec-2012	31-Dec-2011
(At lower of cost and realisable value: as taken, valued and certified by management)		
Raw materials (includes goods-in-transit Rs. NIL (Previous Year: Rs.16,55,806))	27,86,52,752	7,72,23,470
Raw materials (scrap)	19,96,434	20,13,988
Construction work-in-progress	10,82,96,93,882	8,43,01,30,383
Stores and spares	71,39,668	90,66,732
Total	11,11,74,82,736	8,51,84,34,573

	(Amount in Rupees)	
	31-Dec-2012	31-Dec-2011
15. Trade Receivables		
(Unsecured considered good unless otherwise stated)		
<u>Debts outstanding for a period exceeding six months from the date they were due for payment</u>		
Unsecured, considered good	6,12,47,017	71,32,000
Doubtful	57,02,918	57,02,918
	<u>6,69,49,935</u>	<u>1,28,34,918</u>
Less: Provision for doubtful debts	57,02,918	57,02,918
	<u>6,12,47,017</u>	<u>71,32,000</u>
Others	16,00,37,211	12,29,39,888
Total	<u><u>22,12,84,228</u></u>	<u><u>13,00,71,888</u></u>
16. Cash and Bank Balances	31-Dec-2012	31-Dec-2011
<u>Cash and cash equivalents</u>		
(a) Cash on hand	1,06,96,168	1,07,55,521
(b) Balances with banks:		
In current accounts	3,65,45,210	6,81,54,947
(c) Deposit with original maturity of less than three months.	1,05,07,346	11,16,59,469
	<u>5,77,48,724</u>	<u>19,05,69,937</u>
<u>Other bank balances</u>		
(i) Deposits with original maturity of more than three months but less than twelve months.	25,72,283	21,76,932
(ii) Deposits with original maturity of more than twelve months.	6,51,434	43,76,842
(iii) Balances held as margin money or security against borrowings, guarantees and other commitments held under lien for custom and excise demand.*	13,42,509	12,55,332
(iv) Deposits with Bank held under lien against letter of credit**	—	87,34,000
	<u>45,66,226</u>	<u>1,65,43,106</u>
Total	<u><u>6,23,14,950</u></u>	<u><u>20,71,13,044</u></u>
Note:		
*Deposits of Rs. 13,42,509 (Previous Year: Rs. NIL), have an original maturity of more than three months but less than twelve months and Rs. NIL (Previous Year: Rs. 12,55,332) have an original maturity of more than twelve months.		
** Deposits of Rs. NIL (Previous Year: Rs. 87,34,000), have an original maturity of more than three months but less than twelve months.		
17. Other Current Assets	31-Dec-2012	31-Dec-2011
Unbilled revenue	74,26,54,748	50,56,70,863
Interest accrued on deposits	2,25,248	8,41,119
Total	<u><u>74,28,79,996</u></u>	<u><u>50,65,11,982</u></u>

	(Amount in Rupees)	
	31-Dec-2012	31-Dec-2011
18. Revenue from Operations		
Operating revenue:		
<u>Sale of Products</u>		
Sales of flats - ongoing project	2,35,20,48,712	3,53,65,83,555
Traded goods - Grey cloth	—	24,81,49,453
<u>Sale of Services</u>		
Income from Business Centre	—	19,07,177
	(A)	2,35,20,48,712
		3,78,66,40,185
Other operating revenue:		
Scrap sales	20,23,065	24,32,334
Less: Transferred to cost of construction (Refer Note - 21)	20,23,065	24,32,334
	(B)	—
		—
Total (A + B)	2,35,20,48,712	3,78,66,40,185
19. Other Income	31-Dec-2012	31-Dec-2011
Interest income		
(a) from Bank:		
- On fixed deposits	52,46,105	1,98,17,014
- On other balances	1,55,635	46,511
(b) Interest on I. T. Refund	—	3,23,265
(c) Other interest	1,53,627	1,35,204
Other non operating income		
Rent (net)	1,66,135	6,57,303
Insurance claim	11,200	4,250
Liabilities / provisions no longer required written back (net) (Refer Note - 35)	1,20,14,267	18,60,312
Prior period adjustments (net)	—	5,18,248
Miscellaneous income	12,75,587	3,000
	1,90,22,556	2,33,65,107
Less: Transferred to cost of construction (Refer Note - 21)	46,57,004	1,89,57,444
	Total	44,07,663
20. Purchases of Traded Goods	31 Dec-2012	31 Dec-2011
Traded goods - Grey Cloth	—	23,97,47,533
	Total	23,97,47,533

(Amount in Rupees)

21. Cost of Constructions (Real Estate Development)	31-Dec-2012	31-Dec-2011
Opening balance	8,43,01,30,383	6,10,83,77,943
Add:		
Material Consumed		
Opening stock	7,92,37,458	5,05,52,786
Add : Purchase of materials	89,78,50,708	1,28,00,54,441
Less : Closing stock of Scrap Material	19,96,434	20,13,988
Less : Closing stock	27,86,52,752	7,72,23,470
	69,64,38,980	1,25,13,69,769
Stores and Spares Consumed		
Opening stock	90,66,732	2,53,31,711
Add : Purchase of stores, spares and tools	72,65,882	1,05,63,273
Less : Closing stock	71,39,668	90,66,732
	91,92,946	2,68,28,252
Contractual, Sub-Contract with material and other charges	2,13,71,74,245	3,12,58,36,234
Power and fuel expenses	3,12,76,009	2,94,82,857
Land Dev./cleaning charges	3,52,50,000	-
Water charges	1,22,96,706	1,52,68,220
Premium charges- BMC	20,58,68,209	10,29,34,105
Payment to and provision for employees	1,61,64,849	1,08,05,377
Administration and other expenses	10,93,82,726	8,78,43,598
Finance and Interest expenses	1,25,50,01,616	1,04,50,19,828
Depreciation	12,12,26,735	11,58,35,987
	3,92,36,41,095	4,53,30,26,206
	13,05,94,03,403	11,91,96,02,170
Less: Interest on FDR	46,31,537	1,88,39,777
Insurance claim received	11,200	4,250
Sundry balance written off (net)(Refer Note - 35)	14,267	1,13,417
Scrap sales	20,23,065	24,32,334
	66,80,069	2,13,89,778
	13,05,27,23,334	11,89,82,12,392
Less : Balance carried to Inventories (Refer Note - 14)	10,82,96,93,882	8,43,01,30,383
Transferred to Statement of Profit and Loss	2,22,30,29,452	3,46,80,82,008
Details of Material Consumed	31-Dec-2012	31-Dec-2011
Raw Material		
Steel	46,34,85,334	98,26,91,792
Cement	10,23,88,168	23,78,27,785
Marble	4,89,56,173	—
Electrical Items	4,46,30,513	—
Others	3,69,78,792	3,08,50,192
Total	69,64,38,980	1,25,13,69,769
Stores & Spares		
Nuts/Bolts Item	21,05,540	—
Electric Generating D. G. Sets	—	2,04,94,758
Others	70,87,406	63,33,494
Total	91,92,946	2,68,28,252

	(Amount in Rupees)	
<u>Detail of Inventory</u>	31-Dec-2012	31-Dec-2011
Raw Material		
Electrical Items	19,99,05,987	—
Steel	5,13,09,462	4,81,85,865
Marble	1,12,86,769	1,39,78,374
Others	1,61,50,534	1,50,59,231
Total	27,86,52,752	7,72,23,470
Stores & Spares		
Transformer	60,68,020	60,68,020
Others	10,71,648	29,98,712
Total	71,39,668	90,66,732
22. Employee Benefits Expense	31-Dec-2012	31-Dec-2011
Salaries and wages	1,65,27,550	1,46,39,491
Contributions to provident and other funds	12,97,990	11,62,888
Gratuity	7,62,885	5,37,212
Staff welfare Expenses	8,22,664	9,24,224
	1,94,11,089	1,72,63,815
Less: Transferred to cost of construction (Refer Note - 21)	1,61,64,849	1,08,05,377
Total	32,46,240	64,58,438
23. Finance Costs	31-Dec-2012	31-Dec-2011
<u>Interest</u>		
- on Term loan	1,14,72,93,296	95,51,86,390
- on others	8,67,51,812	10,31,776
Loan and other processing charges	2,47,01,560	8,86,74,317
Bank charges	4,28,293	3,52,474
	1,25,91,74,961	1,04,52,44,957
Less: Transferred to cost of construction (Refer Note - 21)	1,25,50,01,616	1,04,50,19,828
Total	41,73,346	2,25,129

(Amount in Rupees)

24. Other Expenses	31-Dec-2012	31-Dec-2011
Power and fuel expenses	3,15,369	8,01,282
Rent	80,136	81,109
Repairs and maintenance - Buildings	15,28,686	55,200
Repairs and maintenance - Machinery	13,37,994	2,15,024
Repairs and maintenance - Others	8,73,811	17,88,454
Insurance	97,69,275	95,99,237
Rates and taxes	71,00,983	91,47,238
Telephone and communication expenses	13,34,055	10,59,311
Travelling and conveyance	1,38,49,703	1,47,14,671
Printing and stationery	22,38,237	27,25,203
Sales commission	25,95,703	24,99,457
Business promotion	60,01,791	69,14,028
Donations and contributions	96,000	2,95,000
Legal and professional	7,05,31,633	7,70,28,082
Auditors Remuneration	19,12,666	19,49,550
Bad trade and other receivables, loans and advances written off	2,59,617	24,69,203
Foreign exchange gain/(loss)	1,91,460	10,44,492
Loss on fixed assets sold / scrapped / written off	82,87,460	1,02,55,008
Security expenses	69,18,616	44,29,934
Miscellaneous expenses	71,64,797	63,75,024
Office expenses	12,09,452	14,76,256
Motor car expenses	21,45,051	26,89,844
	<hr/>	<hr/>
	14,57,42,495	15,76,12,606
Less: Transferred to cost of construction (Refer Note - 21)	10,93,82,726	8,78,43,598
	<hr/>	<hr/>
Total	3,63,59,769	6,97,69,009
	<hr/> <hr/>	<hr/> <hr/>
Payments to Auditors	31-Dec-2012	31-Dec-2011
Payments to the auditors comprises:		
As auditors - statutory audit	17,15,381	15,44,200
For other services	1,80,455	4,05,350
Reimbursement of expenses	16,830	—
	<hr/>	<hr/>
	19,12,666	19,49,550
Less: Transferred to cost of construction (Refer Note - 21)	66,550	3,06,080
	<hr/>	<hr/>
Total	18,46,116	16,43,470
	<hr/> <hr/>	<hr/> <hr/>

25. Contingent Liabilities and Commitments

(Amount in Rupees)

A) Contingent Liabilities

Sr.No.	Particulars	31-Dec-2012	31-Dec-2011
a)	Claims against the Company not acknowledged as debts	6,02,98,513	4,81,10,732
b)	Labour Matters:		
	i) Pending in court in respect of claims for Retrenchment Compensation etc.	15,98,886	14,69,751
	ii) Pending court cases - 7 (Previous Year: 6) in respect of claims for Back Wages etc. filed by ex-employees of the Company for which the amount of Contingent Liability is unascertainable.		
c)	Income Tax Matters:		
	i) Disputed demand of Income Tax for assessment year 2003-04, where the department is in appeal.	23,24,613	23,24,613
	ii) Disputed demand of Income Tax for assessment year 2003-04, where the Company has filed application for rectification.	1,08,86,963	1,08,86,963
	iii) Disputed demand of Income Tax for assessment year 2004-05, where the department is in appeal.	1,22,09,858	1,00,62,825
	iv) Disputed demand of Income Tax for assessment year 2004-05, where the Company is in appeal.	1,29,46,164	NIL
	v) Disputed demand of Income Tax for assessment year 2005-06, where the department is in appeal.	8,74,93,855	8,74,93,855
	vi) Disputed demand of Income Tax for assessment year 2007-08, where the Company is in appeal.	43,58,910	43,58,910
	vii) Disputed demand of Income Tax for assessment year 2009-10, where the Company is in appeal.	90,49,260	90,49,260
	viii) Income tax demand for short deduction of tax at source and interest thereon for various assessment years, where the Company is in appeal.	2,98,52,478	2,98,52,478
d)	i) Property Tax disputed with BMC where the Company is in appeal.	2,09,64,798	1,61,23,536
	ii) Property Tax disputed with BMC.	4,43,81,754	3,49,32,964
	iii) Property Tax disputed with BMC where the Company has filed Complaint.	26,34,934	NIL
e)	Excise Duty demand [Bank guarantee provided for the same]	3,39,250	3,39,250
f)	Customs Duty demand [Bank guarantee provided for the same]	6,98,250	6,98,250
g)	Bank guarantee	10,00,000	NIL
h)	Dividend in respect of 1,36,877 11% Redeemable Cumulative Preference Shares of Face Value of Rs. 100 each.	1,22,30,116	1,22,30,116
i)	Interest liability on service tax amounting to Rs. 1,34,29,366 has not been provided for, as the matter is pending before the Hon. Supreme Court on writ petition filed by the Maharashtra Chamber Housing Industry (MCHI) to which the Company is a member, challenging levy of service tax on real estate business.		
j)	Pending court cases - 4 (Previous Year: 4) in respect of other matters against the Company for which the amount of Contingent Liability is unascertainable.		

B) Capital and Other Commitments

Particulars	31-Dec-2012	31-Dec-2011
Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for:	2,32,03,406	11,34,481
Other Commitments	5,17,05,88,216	3,62,17,52,191

26. Arbitration proceedings have been underway since 2005 with Kalpataru Properties Pvt Ltd. (KPPL) in respect of development rights of Plot 5A admeasuring 20,955.4 sq.mtrs of the Company's Worli Estate, against which it has received Rs. 30,00,00,000. The Bombay High Court had passed a status quo order on about 23,500 sq. mtrs. of the said estate. Subsequently, KPPL had filed a claim of compensation for Rs. 15,28,93,00,000 along with interest as an alternative to their original claim for specific performance. The Company has received legal advice that the said claim for compensation is not tenable, and the chances of it being held against the Company are highly remote. As regards the Company's own counter-claim of Rs. 26,77,32,00,000 against KPPL, the Arbitral Tribunal has held that claim of Rs. 7,60,36,00,000 is under their jurisdiction under the present Arbitration proceeding and for the balance amount of Rs. 19,16,96,00,000, alternative remedies will have to be sought. The Company is in discussion with its legal advisors on the most optimum course to follow for the said balance claim.
27. 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.
28. The Company has achieved more than 30% of the total estimated project cost and accordingly revenue is recognized on proportionate basis as per its accounting policy in respect of real estate sales.
29. No significant events which could affect the financial position as on 31st December, 2012, to a material extent have been occurred, after the balance sheet date till the signing of report.
30. Hitherto, the Company was recognizing revenue from real estate activity, only in respect of agreement registered for the sale of flat. However, during the year, the Company has also recognized revenue in respect of unregistered agreements / letter of allotment for the sale of flat, where substantial amount has been received. As a result of this change "Revenue" and "Profit before tax" for the current year are higher by Rs. 30,57,12,996 and Rs. 11,93,58,525 respectively.

31. Segment Reporting

During the year, the Company has identified one reportable segment i.e. "Real Estate" (Previous Year: Real Estate and Textile) as per Accounting Standard - 17 notified by Companies (Accounting Standards) Rules, 2006, detailed as under:

Accounting Standard 17 'Segment Reporting'

(a) Business Segments

(Amount in Rupees)

PARTICULARS	TEXTILE		REAL ESTATE		TOTAL	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
REVENUE :						
External Revenue	—	24,82,47,368	2,35,20,48,712	3,53,90,50,120	2,35,20,48,712	3,78,72,97,488
Inter-segment Revenue	—	—	—	—	—	—
Total Revenue	—	24,82,47,368	2,35,20,48,712	3,53,90,50,120	2,35,20,48,712	3,78,72,97,488
RESULT						
Segment Result	—	(29,62,908)	11,85,00,583	6,69,39,363	11,85,00,583	6,39,76,455
Less : Unallocable expenditure net of unallocable income					(1,63,21,187)	(5,91,62,372)
Less : Interest expenses					(41,73,346)	(2,25,129)
Add : Interest income					9,23,830	14,35,706
Profit before Prior Period adjustment					9,89,29,881	60,24,659
Add / (Less) : Prior Period adjustment					—	—
Profit before Taxation & exceptional item					9,89,29,881	60,24,659
Less : Tax Provision					—	—
Income Tax					1,98,89,178	—
Income / Wealth Tax for earlier years					—	3,884
MAT Credit Entitlement					(1,19,26,433)	—
Deferred Tax					—	—
Profit after Taxation					9,09,67,136	60,20,775

Note :-

The segment result for Real Estate segment has been arrived at after considering the interest expense of Rs. 60,40,67,737 (Previous Year: Rs. 94,30,35,809) and Interest income of Rs. 78,58,275 (Previous Year: Rs. 1,70,79,465).

Shree Ram Urban Infrastructure Limited
OTHER INFORMATION

2012
(Amount in Rupees)

PARTICULARS	TEXTILE		REAL ESTATE		TOTAL	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
Segment Assets	4,42,22,887	5,06,25,595	17,21,10,16,758	15,82,13,18,552	17,25,52,39,645	15,87,19,44,147
Unallocable Assets					1,26,65,15,835	58,39,36,639
Total Assets					18,52,17,55,480	16,45,58,80,786
Segment Liabilities		12,90,799	9,03,50,07,488	7,50,19,55,689	9,03,50,07,488	7,50,32,46,488
Unallocable Liabilities					2,32,93,013	2,01,39,873
Total Liabilities					9,05,83,00,501	7,52,33,86,361
Capital Expenditure						
Segment Capital Expenditure			5,27,46,246	11,39,85,991	5,27,46,246	11,39,85,991
Unallocable Capital Expenditure					7,75,697	29,40,616
Total Capital Expenditure					5,35,21,943	11,69,26,607
Depreciation / Amortisation / Impairment						
Segment Depreciation / Amortisation / Impairment			12,14,85,785*	11,61,96,048*	12,14,85,785	11,61,96,048
Unallocable Depreciation / Amortisation / Impairment					4,16,526	3,81,011
Total Depreciation / Amortisation / Impairment					12,19,02,311	11,65,77,059

* Includes depreciation of Rs. 12,12,26,735 (Previous Year: Rs.11,58,35,987) relating to Real Estate division which has been debited to Cost of Constructions (Real Estate Development). (Refer Note - 21)

Note : Real Estate segment includes income from Business Centre.

(b) Secondary Segment Reporting (Geographical Segments) :

Not Applicable

32. Employee Benefits

Disclosure under Accounting Standard - 15 "Employee Benefits" (Revised 2005) notified by Companies (Accounting Standards) Rules, 2006.

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. 12,97,990 (Previous Year: Rs. 11,62,888) 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-Dec-2012	Gratuity as on 31-Dec-2011	Leave Encashment as on 31-Dec-2012	Leave Encashment as on 31-Dec-2011
Liability at the beginning of the year	19,89,071	15,93,848	6,91,415	9,46,189
Current service cost	2,41,806	4,45,865	1,58,767	1,82,948
Past service cost	—	—	—	—
Interest cost	1,74,044	1,31,492	60,499	78,061
Benefits paid	—	(1,41,990)	(3,68,888)	(10,78,355)
Actuarial gain / (loss) on obligation	3,47,035	(40,144)	4,50,913	5,62,572
Liability at the end of the year	27,51,956	19,89,071	9,92,706	6,91,415

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-Dec-2012	Gratuity as on 31-Dec-2011	Leave Encashment as on 31-Dec-2012	Leave Encashment as on 31-Dec-2011
Liability at the end of the year	27,51,956	19,89,071	9,92,706	6,91,415
Amount recognized in balance sheet	27,51,956	19,89,071	9,92,706	6,91,415

IV) Expenses recognized in Statement of Profit and Loss

Particulars	Gratuity as on 31-Dec-2012	Gratuity as on 31-Dec-2011	Leave Encashment as on 31-Dec-2012	Leave Encashment as on 31-Dec-2011
Current service cost	2,41,806	4,45,865	1,58,767	1,82,948
Past service cost	—	—	—	—
Interest cost	1,74,044	1,31,492	60,499	78,061
Adjustments for increase in opening provision	—	—	—	—
Expenses transfer to reserves	—	—	—	—
Actuarial (gain) / loss	3,47,035	(40,144)	4,50,913	5,62,572
Total Expenses	7,62,885	5,37,213	6,70,179	8,23,581
Expenses charged to Statement of Profit and Loss	92,014	3,33,815	84,333	4,63,768
Expenses charged to Construction Cost	6,70,871	2,03,398	5,85,846	3,59,813
Total Expenses	7,62,885	5,37,213	6,70,179	8,23,581

V) Balance Sheet Reconciliation

Particulars	Gratuity as on 31-Dec-2012	Gratuity as on 31-Dec-2011	Leave Encashment as on 31-Dec-2012	Leave Encashment as on 31-Dec-2011
Opening net liability	19,89,071	15,93,848	6,91,415	9,46,189
Expenses as above	7,62,885	5,37,213	6,70,179	8,23,581
Adjustment for increase in opening provision for retirement benefits	—	—	—	—
Benefits paid	—	(1,41,990)	(3,68,888)	(10,78,355)
Amount recognized in the balance sheet	27,51,956	19,89,071	9,92,706	6,91,415

VI) Principal Actuarial Assumptions

Particulars	Gratuity as on 31-Dec-2012	Gratuity as on 31-Dec-2011	Leave Encashment as on 31-Dec-2012	Leave Encashment as on 31-Dec-2011
Discount Rate	8.25 %	8.75 %	8.25 %	8.75 %
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.

33. Related Party Disclosures:

In compliance with Accounting Standard 18 – ‘Related Party Disclosures’ notified by Companies (Accounting Standards) Rules, 2006, 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) Raghuveer Suburban Infrastructure Private Limited c) Shree Ram Realinfra Ventures Private Limited	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) Raghuveer Urban Constructions Company 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 and 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, 2012.

(Amount in Rupees)

Nature of transactions	31-Dec-2012	31-Dec-2011
<u>Contract for material and other charges</u>		
Raghuveer Urban Constructions Company Private Limited	1,11,62,21,304	1,43,97,30,938
SRM Sites Private Limited	1,00,35,71,430	1,63,73,49,944
Total	2,11,97,92,734	3,07,70,80,882
<u>Purchase of materials</u>		
Raghuveer Urban Constructions Company Private Limited	7,57,73,015	30,06,26,551
Total	7,57,73,015	30,06,26,551
<u>Land Development / Cleaning Charges</u>		
Raghuveer Urban Constructions Company Private Limited	3,52,50,000	—
Total	3,52,50,000	—
<u>Expenses Incurred by subsidiary on Company's behalf</u>		
Raghuveer Suburban Infrastructure Private Limited	7,50,65,000	—
Total	7,50,65,000	—
<u>Revenue recognised on sale of flat on percentage completion basis</u>		
Hanumesh Realtors Private Limited	74,14,468	3,59,19,132
Mandakini Hospitality Private Limited	74,14,468	3,59,19,132
Yashaswini Leisure Private Limited	74,14,468	3,59,19,132
Akhilesh Developers Private Limited	74,14,468	3,59,19,132
Aura Realtors Private Limited	3,34,71,876	16,21,53,328
Total	6,31,29,748	30,58,29,856
<u>Consultancy charges paid / (reversed)</u>		
Goldmount Advisors	24,00,000	18,05,376
Vasundhara Hospitality Private Limited	1,22,222	21,91,353
Total	25,22,222	39,96,729
<u>Rent received</u>		
S Kumars Online Limited	—	3,00,000
Total	—	3,00,000
<u>Expenses incurred on behalf of subsidiary (recoverable from subsidiary)</u>		
SRM Sites Private Limited	7,00,000	1,10,300
Raghuveer Suburban Infrastructure Private Limited	—	8,16,22,000
Total	7,00,000	8,17,32,300
<u>Receipts against expenses incurred on behalf of subsidiary</u>		
Raghuveer Suburban Infrastructure Private Limited	—	8,16,22,000
SRM Sites Private Limited	8,10,300	—
Total	8,10,300	8,16,22,000

Loans taken		
Vidhi Holdings Private Limited	3,00,00,000	—
Raghuveer Suburban Infrastructure Private Limited	51,95,00,000	—
Total	54,95,00,000	—
Repayment of Loans taken		
Vidhi Holdings Private Limited	1,00,00,000	—
Raghuveer Suburban Infrastructure Private Limited	51,95,00,000	—
Total	52,95,00,000	—
Allotment of Equity Share Warrants		
(a) Amount received*		
Hanumesh Realtors Private Limited	—	57,75,00,000
Mandakini Hospitality Private Limited	—	53,38,91,190
Yashaswini Leisure Private Limited	—	57,75,00,000
Total	—	1,68,88,91,190
*(Previous Year, the Company has allotted 1,60,84,678 equity shares of Rs. 10 each at a premium of Rs. 130 per share, on conversion of equivalent number of equity share warrants)		
Payments towards 11% Redeemable Cumulative Preference Shares		
Vidhi Holdings Private Limited	—	34,36,400
Mr. Vikas S. Kasliwal	—	18,200
Akhilesh Developers Private Limited	—	93,87,000
Total	—	1,28,41,600
Payments towards 0% Redeemable Cumulative Preference Shares		
Vidhi Holdings Private Limited	—	1,10,66,900
Mr. Vikas S. Kasliwal	—	11,000
Total	—	1,10,77,900
Expenses incurred for making documentary film "Palais Royale"		
Landmarc Leisure Corporation Limited	25,30,727	—
Total	25,30,727	—
Reimbursement of Expenses		
Raghuveer Urban Constructions Company Private Limited	1,89,08,941	—
Landmarc Leisure Corporation Limited	24,86,950	—
Total	2,13,95,891	—
Repayment of Deposits		
S Kumars Online Limited	73,00,000	—
Total	73,00,000	—
Advances given / (received back) for materials / contract charges (net)		
Raghuveer Urban Constructions Company Private Limited	(1,18,99,26,882)	57,88,47,963
Total	(1,18,99,26,882)	57,88,47,963

Key Management Personnel		
Managerial Remuneration -		
- Mr. Vikas S. Kasliwal - Vice - Chairman & CEO	26,54,383	23,29,141
- Mr. S. K. Luharuka - Whole Time Director	22,06,185	22,02,781
Total	48,60,568	45,31,922
Outstanding balances as on 31st December, 2012		
Trade Receivables		
S Kumars Online Limited	22,500	22,500
Aura Realtors Private Limited	—	70,67,745
Total	22,500	70,90,245
Investments held in Equity shares of :		
SRM Sites Private Limited	1,00,000	1,00,000
Raghuveer Suburban Infrastructure Private Limited	1,00,000	1,00,000
Shree Ram Realinfra Ventures Private Limited	1,00,000	1,00,000
Raghuveer Urban Constructions Company Private Limited	99,00,000	99,00,000
Total	1,02,00,000	1,02,00,000
Investment in Compulsorily Convertible Preference Shares (CCPS) of:		
SRM Sites Private Limited	77,68,51,454	—
Total	77,68,51,454	—
Loans taken		
Akhilesh Developers Private Limited	2,33,09,000	2,33,09,000
Hanumesh Realtors Private Limited	1,00,90,000	1,00,90,000
Mandakini Hospitality Private Limited	1,00,00,000	1,00,00,000
Yashaswini Leisure Private Limited	1,00,00,000	1,00,00,000
Vidhi Holdings Private Limited	2,00,00,000	—
Total	7,33,99,000	5,33,99,000
Advance received		
Akhilesh Developers Private Limited	3,66,66,400	4,40,80,868
Hanumesh Realtors Private Limited	3,66,66,400	4,40,80,868
Mandakini Hospitality Private Limited	3,66,66,400	4,40,80,868
Yashaswini Leisure Private Limited	3,66,66,400	4,40,80,868
Aura Realtors Private Limited	16,55,26,796	19,89,98,672
Total	31,21,92,396	37,53,22,144
Advances given for materials / contract charges		
Raghuveer Urban Constructions Company Private Limited	79,34,02,586	1,98,33,29,468
Total	79,34,02,586	1,98,33,29,468
Deposit Received		
Landmarc Leisure Corporation Limited	13,71,26,297	13,71,26,297
S Kumars Online Limited	—	73,00,000
Total	13,71,26,297	14,44,26,297

Trade Payables		
SRM Sites Private Limited	2,58,81,02,944	1,60,44,92,644
Vasundara Hospitality Private Limited	—	1,64,000
Goldmount Advisors	9,19,838	2,02,042
Landmarc Leisure Corporation Limited	43,777	—
Total	2,58,90,66,559	1,60,48,58,686

34. Computation of Earnings per share (EPS)

Particulars	31-Dec-2012	31-Dec-2011
Profit / (Loss) after taxation (Rs.)	9,09,67,136	60,20,775
Weighted Average number of equity shares	4,11,34,540	3,03,05,164
Face Value per equity shares (Rs.)	10	10
Basic Earnings per share (EPS) (Rs.)	2.21	0.20
Diluted Earnings per share (EPS) (Rs.)	2.21	0.20

The Company does not have any potential dilutive equity shares. Consequently, the basic and diluted earnings per share remains the same.

- 35.** 'Sundry Credit balances written back (Net)' amounting to Rs. 1,20,14,267 are net of 'Sundry Debit balances written off' amounting to Rs. 14,267 (Previous Year: 'Sundry Credit balances written back (Net)' amounting to Rs.18,60,312 are net of 'Sundry Debit balances written off' amounting to Rs. 1,13,417)
- 36.** During the previous year, the Company has received notices arising out of inspection u/s. 209A of the Companies Act, 1956 carried out by the Deputy Registrar of Companies 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, Company without accepting any of the irregularities / contraventions, has filed application for compounding of offences under section 621A of the Companies Act, 1956. The said applications are pending for hearing. In opinion of the Company, liability in this regard is estimated at Rs. 22,60,000 which was provided in the books of accounts in the previous year.
- 37.** Public Interest Litigation 43 of 2012 ("PIL") in the high court Filed by Janhit Manch against Shree Ram Urban Infrastructure Limited (SRUIL), Mumbai Municipal Corporation and others. The PIL is filed by Janhit Manch the Non Government Organization (NGO), against Municipal Corporation of Greater Mumbai (MCGM) and Shree Ram Urban Infrastructure Limited (SRUIL) alleging that various building permissions granted by MCGM to SRUIL for the said project including sanction of Public Parking Lot are not in accordance with Development Control Regulations. The order has been reserved since January 2013. Based on legal advice received, the management is hopeful that the Public Interest Litigation would be dismissed.
- 38.** The Company has extended mortgage of its property at Plot Nos. 5B and 6 situated at Shree Ram Mills Premises, Lower Parel Div. ,Mumbai viz. "Palais Royale" and also is secured by first and exclusive charge on all the receivables of the aforesaid project and personal guarantee of one of the Director for loan availed of Rs. 1,11,00,00,000 (Previous Year: Rs. 35,00,00,000) by its wholly owned subsidiary company 'Raghuveer Suburban Infrastructure Private Limited' from others.
- 39.** The Company had received Letter of Intent / Intimation of Disapproval / Commencement Certificate from the Govt. of Maharashtra – Municipal Corporation of Greater Mumbai (MCGM) for construction of Public Parking Lot under DCR 33(24) and had commenced construction accordingly. On 29th November, 2011, the MCGM issued a show-case notice to the Company regarding the Public Parking Lot asking why it

should not be cancelled / modified in keeping with the revised policies of the state government / MCGM. Subsequently, the MCGM issued stop work notice to the Company which was stayed by the Hon'ble City Civil Court. The matter is pending before the Hon'ble Court. In the meanwhile, as per the Hon'ble Court's directions, the construction of the Public Parking Lot completed and the Company has already informed MCGM to take over the possession of Public Parking Lot. The Company has been advised that the MCGM actions are not tenable under law.

40. Some of the balances of deposit, loans and advances, trade receivables, trade payables and other long / short term liabilities are subject to confirmation from the respective parties and consequential reconciliation / adjustments arising therefrom, if any. The management however does not expect any material variation.

41. C.I.F. Value of Imports, Expenditures and Earning in Foreign Currencies

Particulars	31-Dec-2012	31-Dec-2011
a) C.I.F.: i) Capital goods	39,47,415	2,40,92,250
ii) Material	4,98,28,539	2,34,33,843
iii) Stores and Spare Parts	15,24,750	NIL
b) Advance received in foreign currencies	NIL	1,47,84,000
c) Expenditure / Remittances in foreign currencies		
i) Consultancy charges paid	30,02,111	50,16,234
ii) Other Matters	51,23,356	1,09,11,158

42 Details of consumption of imported and indigenous items

a) Raw Material Consumed

Particulars	31-Dec-2012		31-Dec-2011	
	Value	Percentage	Value	Percentage
Imported	4,35,63,249	6.26%	3,08,50,191	2.47%
Indigenous	65,28,75,731	93.74%	1,22,05,19,578	97.53%
Total	69,64,38,980	100.00%	1,25,13,69,769	100.00%

b) Stores and Spares Consumed

Particulars	31-Dec-2012		31-Dec-2011	
	Value	Percentage	Value	Percentage
Imported	21,05,540	22.90%	—	—
Indigenous	70,87,406	77.10%	2,68,28,252	100.00%
Total	91,92,946	100.00%	2,68,28,252	100.00%

43. Till the year ended December 31, 2011, the Company was using pre-revised Schedule VI of the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended December 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year's figures to conform to current year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed by the Company for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of Balance Sheet.

As per our report of even date

For Khandelwal Jain & Co.

Chartered Accountants
Firm Regn.No. 105049W

Narendra Jain

(Partner)
Membership No.048725

Place : Mumbai

Dated : 27th February, 2013

As per our report of even date

For Habib & Co.

Chartered Accountants
Firm Regn.No. 103479W

D. P. Shroff

(Partner)
Membership No.045417

Place : Mumbai

Dated : 27th February, 2013

For and on behalf of the Board

S. S. Kasliwal
(Chairman)

S. K. Luharuka
(Whole Time Director)

Place : Mumbai

Dated : 27th February, 2013

Vikas S. Kasliwal
(Vice-Chairman & CEO)

Manju B. Batham
(Sr. GM & Company Secretary)

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

Name of the Subsidiary	(Amount in Rupees)		
	SRM Sites Private Limited	Raghuv 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 31.12.2012			
- 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 31.12.2012	(30,26,991)	(2,01,036)	(57,234)
- For all the previous financial years of the subsidiary since it became the Company's subsidiary	(97,69,959)	(1,68,429)	(82,911)
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 31.12.2012	NIL	NIL	NIL
- For all the previous financial years of the subsidiary since it became the Company's subsidiary	NIL	NIL	NIL

For and on behalf of the Board

S. S. Kasliwal
(Chairman)

Vikas S. Kasliwal
(Vice-Chairman & CEO)

S. K. Luharuka
(Whole Time Director)

Manju B. Batham
(Sr. GM & Company Secretary)

Place : Mumbai
Dated : 27th February, 2013

SHREE RAM URBAN INFRASTRUCTURE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS & NOTES

(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, 2012 and also the Consolidated Statement of Profit & Loss 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. 4,18,24,88,591 as at 31st December, 2012, total revenue of Rs. 32,779 and net cash outflow amounting to Rs. 1,97,627 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" as notified under the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
5. *As mentioned in Note No. 29(a) one of the subsidiary, SRM Sites Private Limited (SRM), has not recognized revenue amounting to Rs. 12,20,72,776 on construction work in progress, since the work completed is below the prescribed level of completion. The auditors of the SRM have qualified their report for the said non-recognition of revenue. As a result of this, the consolidated profit for the year is higher by Rs. 3,85,19,304, Liabilities towards Minority Interest is lower by Rs. 45,95,440 and provision for tax is lower by Rs. 3,39,23,864.*

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, *subject to our comment in paragraph 5 above*, read together with notes 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, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, of the Consolidated Profit 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 Regn. No.: 105049W

For HABIB & Co.
Chartered Accountants
Firm Regn. No.: 103479W

(NARENDRA JAIN)
Partner
Membership No. 048725

(D. P. SHROFF)
Partner
Membership No. 045417

Place : Mumbai
Date : 27th February, 2013

Place : Mumbai
Date : 27th February, 2013

(Kept Intentionally Blank)

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 2012

(Amount in Rupees)

	Notes	As at 31-December-12	As at 31-December-11
A	EQUITY AND LIABILITIES :		
1	Shareholders' funds		
	a) Share capital	41,13,45,400	41,13,45,400
	b) Reserves and surplus	5,43,93,54,524	5,02,85,51,768
	c) Minority Interest (Refer Note - 37)	15,46,84,764	13,70,79,600
		6,00,53,84,688	5,57,69,76,768
2	Compulsorily Convertible Preference Shares (issued by Subsidiary Company)	39,08,810	46,81,410
3	Non-current liabilities		
	a) Deferred tax liabilities (net)	—	—
	b) Other long term liabilities	43,71,26,297	43,71,26,297
	c) Long term provisions	24,52,976	23,11,598
		43,95,79,273	43,94,37,895
4	Current liabilities		
	a) Short term borrowings	7,53,46,25,924	6,33,46,32,504
	b) Trade payables	70,55,07,812	21,64,52,009
	c) Other current liabilities	5,37,17,24,525	5,27,55,87,483
	d) Short term provisions	13,53,482	4,11,544
		13,61,32,11,743	11,82,70,83,540
	TOTAL	20,06,20,84,514	17,84,81,79,613
B	ASSETS :		
1	Non-current assets		
	a) Fixed assets		
	(i) Tangible assets	1,68,98,04,232	1,73,11,92,035
	(ii) Intangible assets	81,636	3,72,236
	(iii) Capital work-in-progress	—	3,37,55,740
	b) Goodwill on Consolidation (Refer Note - 38)	77,57,13,274	46,189
	c) Non-current investments	99,00,000	99,00,000
	d) Long term loans and advances	50,56,12,782	58,04,75,430
	e) Other non-current assets	10,60,334	—
		2,98,21,72,258	2,35,57,41,630
2	Current assets		
	a) Inventories	11,32,64,87,325	8,59,80,67,823
	b) Trade receivables	22,12,84,228	13,00,71,888
	c) Cash and bank balances	6,53,04,409	85,88,00,130
	d) Short term loans and advances	4,72,39,32,627	5,39,68,03,369
	e) Other current assets	74,29,03,667	50,86,94,773
		17,07,99,12,256	15,49,24,37,983
	TOTAL	20,06,20,84,514	17,84,81,79,613

Summary of significant accounting policies 1

The accompanying notes are an integral part of Consolidated Financial Statements

As per our report of even date As per our report of even date

For Khandelwal Jain & Co.Chartered Accountants
Firm Regn. No. 105049W**Narendra Jain**(Partner)
Membership No. 048725

Place : Mumbai

Dated : 27th February, 2013

For Habib & Co.Chartered Accountants
Firm Regn. No. 103479W**D. P. Shroff**(Partner)
Membership No. 045417

Place : Mumbai

Dated : 27th February, 2013

For and on behalf of the Board**S. S. Kasliwal**
(Chairman)**S. K. Luharuka**
(Whole Time Director)

Place : Mumbai

Dated : 27th February, 2013

Vikas S. Kasliwal
(Vice-Chairman & CEO)**Manju B. Batham**
(Sr. GM & Company Secretary)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER, 2012

(Amount in Rupees)

	Notes	Year ended 31-December-2012	Year ended 31-December-2011
A INCOME:			
Revenue from operations	18	2,35,20,48,712	3,78,66,40,185
Other Income	19	1,43,98,331	44,07,663
Total revenue		2,36,64,47,043	3,79,10,47,848
B EXPENSES :			
Purchases of traded goods	20	—	23,97,47,533
Cost of Constructions (Real Estate Dev.)	21	13,26,17,27,923	11,97,78,45,641
Less : Carried to Inventories		<u>11,03,86,98,471</u>	<u>8,50,97,63,633</u>
Employee benefit expenses	22	32,46,240	64,58,438
Finance Costs	23	41,90,795	2,25,686
Depreciation and amortisation expense	10	6,75,576	7,41,072
Other expenses	24	3,74,96,845	7,11,01,463
Total expenses		2,26,86,38,908	3,78,63,56,200
Profit / (Loss) before tax		9,78,08,135	46,91,648
Less: Tax expenses			
(a) Current Tax		2,22,19,178	18,00,000
(b) Income Tax for earlier years		76,42,619	3,884
(c) MAT Credit entitlement		(1,19,26,433)	—
(d) Deferred tax		—	—
		<u>1,79,35,364</u>	<u>18,03,884</u>
Profit / (Loss) after tax before minority interest		7,98,72,771	28,87,764
Less: Minority interest's share in loss of subsidiary		(5,64,915)	(1,54,381)
Profit / (Loss) for the year		8,04,37,686	30,42,145
Earning Per Share (EPS)			
Basic		1.96	0.10
Diluted		1.96	0.10

Summary of significant accounting policies 1

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date As per our report of even date

For Khandelwal Jain & Co.Chartered Accountants
Firm Regn. No. 105049W**Narendra Jain**(Partner)
Membership No. 048725

Place : Mumbai

Dated : 27th February, 2013

For Habib & Co.Chartered Accountants
Firm Regn. No. 103479W**D. P. Shroff**(Partner)
Membership No. 045417

Place : Mumbai

Dated : 27th February, 2013

For and on behalf of the Board**S. S. Kasliwal**
(Chairman)**S. K. Luharuka**
(Whole Time Director)

Place : Mumbai

Dated : 27th February, 2013

Vikas S. Kasliwal
(Vice-Chairman & CEO)**Manju B. Batham**
(Sr. GM & Company Secretary)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2012

(Amount in Rupees)

Particulars	31-Dec-2012	31-Dec-2011
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	9,78,08,135	46,91,648
Adjustments for :		
Depreciation*	5,87,43,943	9,11,53,457
Bad debts written off	2,59,617	24,69,203
Finance Costs*	60,82,58,531	94,32,61,495
Interest received*	(87,82,105)	(1,85,15,171)
Loss on sale / write off of assets*	78,48,434	97,34,544
Provision for Wealth Tax	62,360	45,798
Liabilities / provisions no longer required written back (net)*	(1,20,61,422)	(16,62,796)
Operating Profit before Working Capital Changes	75,21,37,493	1,03,11,78,179
Adjustments for :		
Trade and other receivables	34,44,14,901	(3,24,05,30,557)
Inventories	(1,88,27,05,459)	(1,19,59,61,278)
Trade payables and other liabilities	40,35,13,657	(2,48,79,790)
Cash generated from Operations	(38,26,39,408)	(3,43,01,93,446)
Direct taxes paid (Net of Refund)	(7,67,36,261)	(3,75,54,751)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES: TOTAL (A)	(45,93,75,669)	(3,46,77,48,197)
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Purchase of fixed assets (including capital work-in-progress)	(5,21,46,980)	(11,58,06,592)
Sale of fixed assets	5,33,334	38,05,039
Purchase of Investments	(25,06,39,184)	—
Interest received	1,52,88,393	3,26,02,130
Advance against Investments	(39,43,58,963)	(52,62,12,270)
Investment in fixed deposit with bank	65,94,16,547	(51,87,35,011)
NET CASH FROM / (USED IN) INVESTING ACTIVITIES: TOTAL (B)	(2,19,06,853)	(1,12,43,46,704)
CASH FLOW FROM FINANCING ACTIVITIES:		
Finance Costs	(1,20,06,76,657)	(1,06,06,78,046)
Proceeds from issue of convertible equity warrants	—	2,15,25,00,000
Share issue expenses	(10,53,050)	(85,61,090)
Proceeds from issue of Compulsorily Convertible Preference Shares (including Security Premium)	34,99,99,971	1,54,99,99,807
Proceeds from secured short term borrowings (Net of repayment)	1,17,99,93,420	1,77,11,39,304
Proceeds from unsecured short term borrowings (Net of repayment)	2,00,00,000	—
Repayment of preference shares	—	(2,53,88,800)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES TOTAL (C)	34,82,63,683	4,37,90,11,175
Net Increase / (decrease) in Cash and Cash Equivalents TOTAL (A+B+C)	(13,30,18,840)	(21,30,83,726)
Cash and Cash Equivalents - Opening Balance	19,12,57,023	40,43,40,749
Cash and Cash Equivalents - Closing Balance	5,82,38,183	19,12,57,023

Consist of amount included in "cost of constructions", which is charged to Statement of Profit and Loss during the year.

Notes:

- The above statement has been prepared by the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement as notified by the Companies (Accounting Standards) Rules, 2006.
- 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
Firm Regn.No. 105049W

Narendra Jain
(Partner)
Membership No. 048725

Place : Mumbai
Dated : 27th February, 2013

For Habib & Co.
Chartered Accountants
Firm Regn.No. 103479W

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

Place : Mumbai
Dated : 27th February, 2013

For and on behalf of the Board

S. S. Kasliwal
(Chairman)

S. K. Luharuka
(Whole Time Director)

Place : Mumbai
Dated : 27th February, 2013

Vikas S. Kasliwal
(Vice-Chairman & CEO)

Manju B. Batham
(Sr. GM & Company Secretary)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2012

A 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)' as notified under the Companies (Accounting Standards) Rules, 2006.

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 unrealized 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 recognized 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 companies and the percentage of ownership interest therein of the company as on 31st December, 2012 are as under:

Name of the Companies	w. e. f.	Country of Incorporation	Percentage of holding as at 31st Dec, 2012	Reporting Date
SRM Sites Private Limited	24th August, 2009	India	94.79%	31st December, 2012
Shree Ram Realinfra Ventures Private Limited	24th February, 2010	India	100 %	31st December, 2012
Raghuvveer Suburban Infrastructure Private Limited	14th January, 2010	India	100 %	31st December, 2012

B BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

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.

The Company is engaged in the business of developing real estate and is currently developing the project Palais Royale for which operating cycle is around 9 years.

C 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 recognized in the current and future periods.

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

The Company follows Accounting Standard AS-9 'Revenue Recognition' as notified under the Companies (Accounting Standards) Rules, 2006 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 recognized when the Company has transferred to the buyer all significant risks and rewards of ownership, i.e., when the buyer has entered into an agreement for sale which is duly registered and according to which the buyer has a legal right to sell or transfer his interest in the property, without any material condition and in respect of unregistered agreement / letter of allotment when the substantial consideration has been received. Where the Company is obliged to perform substantial acts after the transfer of all significant risk and rewards of ownership, the revenue is recognized 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' as notified under the Companies (Accounting Standards) Rules, 2006. Further, Revenue is recognized, 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 recognized 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 recognized immediately.

(ii) Policy in respect of Construction Contracts:

Contract revenue is recognized 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 recognized 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 recognized on accrual basis on a time proportion basis.

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

E UNBILLED RECEIVABLES:

Unbilled receivables disclosed under Note 17 - "Other Current Assets" represents revenue recognized based on Percentage of completion method, as per Revenue Recognition Policy in respect of Real Estate Sales, over and above the amount due as per the payment plans agreed with the customers.

F 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.

G DEPRECIATION / AMORTISATION:

- i) 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.
- ii) 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.
- iii) The depreciation has not been charged on Fixed Assets whose written down value had reached below 5% of its cost.
- iv) Asset costing Rs. 5000 or less individually is fully depreciated in the year of purchase.
- v) Leasehold land is amortised over the period of the lease.
- vi) Software are being amortised over the estimated useful life of 3 years.
- vii) In case of impairment loss, if any, depreciation on it is provided on the revised carrying amount for their remaining useful life.

H 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 statement of profit and loss.

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

I 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.

J INVESTMENTS:

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

K INVENTORIES:

Materials, Stores and Spares, tools and consumables are valued at cost or net realizable 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 realizable value. Cost of construction includes cost of land, materials, services, depreciation, interest on borrowing and other incidental cost incurred in relation to project.

L COST OF CONSTRUCTIONS (Real Estate Development):

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

M EMPLOYEE BENEFITS:**i) Defined Contribution Plan**

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

ii) Defined Benefit Plan

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

iii) Other Long term

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

iv) Other Short Term

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

N SHARE ISSUE EXPENSES:

Share Issue Expenses are adjusted against Share Premium to the extent balance available in the share premium account.

O TAXATION:

i) Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

- ii) 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 recognized 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 statement of profit and loss of the respective year of change.
- iii) Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognized only if there is a virtual certainty of its realization supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is reasonable certainty of its realization.

P FOREIGN CURRENCY TRANSACTIONS:

- i) The transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.
- ii) 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 statement of profit and loss.

Q 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.

R 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.

S LEASE:

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 statement of profit and loss on a straight line basis over the lease term.

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

T 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.

U 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.

V OTHER ACCOUNTING POLICIES:

These are consistent with the generally accepted accounting practices.

(Amount in Rupees)

2.1 Share Capital	31-Dec-2012	31-Dec-2011
Authorised:		
9,82,50,000 (Previous Year: 9,57,11,120) Equity Shares of Rs. 10 each.	98,25,00,000	95,71,11,200
NIL (Previous Year: 1,36,877) 11% - Redeemable Cum. Pref. Shares of Rs. 100 each.	—	1,36,87,700
NIL (Previous Year: 1,17,011) 0% - Redeemable Pref. Shares of Rs. 100 each.	—	1,17,01,100
17,50,000 (Previous Year: 17,50,000) Unclassified Shares of Rs. 10 each.	1,75,00,000	1,75,00,000
5,50,000 (Previous Year: 5,50,000) Compulsorily Convertible Pref. (CCP) Shares of Rs. 10 Each	55,00,000	55,00,000
	<u>1,00,55,00,000</u>	<u>1,00,55,00,000</u>
Issued, Subscribed and Paid up:		
4,11,34,540 (Previous Year: 4,11,34,540) Equity Shares of Rs. 10 each	41,13,45,400	41,13,45,400
Total	<u>41,13,45,400</u>	<u>41,13,45,400</u>

Note:

During the year, Company has reclassified the Authorised capital to 9,82,50,000 equity shares of Rs. 10 each from 9,57,11,120 equity shares of Rs. 10 each, 1,36,877 - 11% Redeemable Cum. Preference shares of Rs. 100 each and 1,17,011 - 0% Redeemable Preference Shares of Rs. 100 each.

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Equity shares	31-Dec-2012		31-Dec-2011	
	Nos.	In Rs.	Nos.	In Rs.
At the beginning of the year	4,11,34,540	41,13,45,400	2,06,34,540	20,63,45,400
Add: Issued upon conversion of equity warrants	—	—	2,05,00,000	20,50,00,000
Outstanding at the end of the year	4,11,34,540	41,13,45,400	4,11,34,540	41,13,45,400
11% Redeemable Cumulative Preference Shares				
At the beginning of the year	—	—	1,36,877	1,36,87,700
Less: Redemption during the year	—	—	1,36,877	1,36,87,700
Outstanding at the end of the year	—	—	—	—
0% Redeemable Preference Shares				
At the beginning of the year	—	—	1,17,011	1,17,01,100
Less: Redemption during the year	—	—	1,17,011	1,17,01,100
Outstanding at the end of the year	—	—	—	—

b) Terms / rights attached to equity shares:

- i) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the outstanding equity shares held by the shareholders.
- ii) 75,40,400 and 1,29,59,600 equity shares allotted on 15th June 2011 and 29th July 2011 respectively on preferential basis pursuant to exercise of equity warrants are subject to lock-in for a period of three years for the promoters group i.e. 1,60,84,678 equity shares and for the period of one year for other allottees i.e. 44,15,322 equity shares.

c) Details of shareholders holding more than 5% shares in the Company: (Amount in Rupees)

	31-Dec-2012		31-Dec-2011	
	No. of Shares (Rs. 10 each)	% of holding in the class	No. of Shares (Rs. 10 each)	% of holding in the class
Equity shares:				
Akhilesh Developers Private Limited	90,71,713	22.05%	90,71,713	22.05%
Mandakini Hospitality Private Limited	50,84,678	12.36%	50,84,678	12.36%
Yashaswini Leisure Private Limited	55,00,000	13.37%	55,00,000	13.37%
Hanumesh Realtors Private Limited	61,50,848	14.95%	55,00,000	13.37%
Adhir Barter Private Limited	22,15,322	5.39%	22,15,322	5.39%
Hakmans Financial Services and Securities Private Limited	22,00,000	5.35%	22,00,000	5.35%

d) Demerger of Promoter Companies:

i) **Akhilesh Developers Private Limited**

Pursuant to scheme of arrangement of demerger between Akhilesh Developers Pvt. Ltd and Akhilesh Investfin Pvt. Ltd, Akhilesh Developers Pvt. Ltd has executed the transfer for 52,73,883 shares on 18.02.2013 and Akhilesh Investfin Pvt. Ltd has acquired the shares.

ii) **Mandakini Hospitality Private Limited**

Pursuant to scheme of arrangement of demerger between Mandakini Hospitality Private Limited and Mandakini Investfin Pvt. Ltd, Mandakini Hospitality Private Limited has executed the transfer for 50,84,678 shares on 18.02.2013 and Mandakini Investfin Pvt. Ltd has acquired the shares.

iii) **Yashaswini Leisure Private Limited**

Pursuant to scheme of arrangement of demerger between Yashaswini Leisure Private Limited and Yashaswini Investments Company Pvt. Ltd, Yashaswini Leisure Private Limited has executed the transfer for 55,00,000 shares on 18.02.2013 and Yashaswini Investments Company Pvt. Ltd has acquired the shares.

iv) **Hanumesh Realtors Private Limited**

Pursuant to scheme of arrangement of demerger between Hanumesh Realtors Private Limited and Hanumesh Investments Pvt. Ltd, Hanumesh Realtors Private Limited has executed the transfer for 61,50,848 shares on 18.02.2013 and Hanumesh Investments Pvt. Ltd has acquired the shares.

e) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date:

Particulars	Aggregate number of shares	
	As at 31-Dec-2012	As at 31-Dec-2011
Equity shares with voting rights		
Fully paid up bonus shares by way of capitalisation from General Reserve in the year 2006	—	34,39,090
2.2 Compulsorily Convertible Preference Shares (Issued by Subsidiary Company)	31-Dec-2012	31-Dec-2011
3,90,881 (Previous Year : 4,68,141) Compulsorily Convertible Preference Shares of Rs. 10 each fully paid	39,08,810	46,81,410
Total	39,08,810	46,81,410

a) Terms / rights attached to Compulsorily Convertible Preference Shares

- The above CCPs shall rank senior to all the shares including convertible instruments. The holders of the preference shares shall be entitled to dividend in preference to any other class of shares of the SRM.
- Each CCPS are convertible into one equity share at the end of five years from the date of issue of respective preference shares.

(Amount in Rupees)

- iii) In case of winding up of SRM, the holders of the preference shares shall be entitled to receive in preference to the holders of any other shares, a per share amount equal to the subscription price.
- iv) The Company and SRM undertakes to provide an exit to the preference share holders by most efficient means including but not limited to strategic sale, mergers, initial public offering, buy-back, etc. In case SRM fails to honour the preference shareholders' buy-back option, the Company hereby agrees to purchase the preference shares at such price as may be agreed.
- v) During the year, SRM Sites Private Limited (SRM), a subsidiary Company, has issued 41,177 (Previous Year: 2,18,141) Compulsorily Convertible Preference Shares (CCPS) of Rs. 10 each at a total premium of Rs. 34,95,88,201 (Previous Year: Rs. 1,54,78,18,397).
- b) Details of Preference shareholders holding more than 5% shares in the company:

	31-Dec-2012		31-Dec-2011	
	No. of Shares (Rs. 10 each)	% of holding in the class	No. of Shares (Rs. 10 each)	% of holding in the class
Compulsorily Convertible Preference Shares: IIRF India Realty XII Ltd.	3,79,969	97.21%	4,55,074	97.21%

3. Reserves and Surplus	31-Dec-2012	31-Dec-2011
a) Capital Reserve		
Balance as per last financial statements	1,49,500	1,49,500
b) Securities premium account		
Balance as per last financial statements	5,16,41,41,191	1,04,02,79,147
Add : Premium received on shares issued during the year	34,95,88,201	4,21,28,18,397
Less: Utilised during the year towards share issue expenses	10,53,050	85,61,090
Less: Minority Interest	1,81,70,080	8,03,95,262
Closing balance	5,49,45,06,262	5,16,41,41,191
c) Other reserves (Workers Welfare and Benevolent Reserve)		
Balance as per last financial statements	24,857	24,857
d) General Reserve		
Balance as per last financial statements	1,50,00,000	1,50,00,000
e) Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per last financial statements	(15,07,63,781)	(15,38,05,926)
Add: Profit / (Loss) for the year	8,04,37,686	30,42,145
	(7,03,26,095)	(15,07,63,781)
Less: Appropriation: Transferred to General Reserve	—	—
Closing balance	(7,03,26,095)	(15,07,63,781)
Total	5,43,93,54,524	5,02,85,51,768

		(Amount in Rupees)	
		31-Dec-2012	31-Dec-2011
4. Deferred Tax Assets			
Deferred tax liability			
Depreciation on fixed assets as per Companies Act			
		—	—
Total deferred tax liability			
		—	—
Deferred tax assets			
Depreciation as per Income Tax Act			
		21,62,310	41,79,329
Provision for gratuity / leave encashment			
		40,840	4,65,938
Unabsorbed depreciation / fiscal losses			
		1,52,63,030	97,24,458
Total Deferred Tax Assets			
		1,74,66,180	1,43,69,725
Total Deferred Tax Liability			
		(1,74,66,180)	(1,43,69,725)
Deferred Tax (Assets) recognized in Balance Sheet			
		— *	— *

***Note:**

As a matter of prudence, the Holding Company has not recognised deferred tax asset being timing differences on account of unabsorbed depreciation, carried forward losses and depreciation on fixed assets and others as per Accounting Standard (AS)-22 "Accounting for Taxes on Income", as notified by Companies (Accounting Standards) Rules, 2006.

		31-Dec-2012	31-Dec-2011
5. Other Long - Term Liabilities			
<u>Deposits - Unsecured</u>			
- From related parties			
		13,71,26,297	13,71,26,297
Advances against development right (Refer Note - 26)			
		30,00,00,000	30,00,00,000
	Total	43,71,26,297	43,71,26,297
<u>Deposit includes from related party (unsecured):</u>			
Landmarc Leisure Corporation Limited			
		13,71,26,297	13,71,26,297

	Long Term		Short Term	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
6. Provisions				
<u>Provision for employee benefits:</u>				
- Leave salary				
	7,16,875	3,22,527	2,75,831	3,68,888
- Gratuity benefits				
	17,36,101	19,89,071	10,15,855	—
<u>Others</u>				
Wealth tax provision				
	—	—	61,796	42,656
Total	24,52,976	23,11,598	13,53,482	4,11,544

	(Amount in Rupees)	
	31 Dec-2012	31 Dec-2011
7. Short - Term Borrowings		
<u>Secured loans</u>		
<u>Term loans</u>		
- from NBFCs	6,61,00,00,000	5,85,00,00,000
<u>Equipment loans</u>		
- from NBFCs	84,29,61,994	42,52,23,700
<u>Vehicle loans</u>		
- from Banks	32,32,713	48,40,802
- from NBFCs	50,32,217	11,69,003
	7,46,12,26,924	6,28,12,33,504
<u>Unsecured Loans</u>		
Inter-corporate loan from related parties*	7,33,99,000	5,33,99,000
	7,33,99,000	5,33,99,000
Total	7,53,46,25,924	6,33,46,32,504
*Inter-corporate loans from related parties includes	31-Dec-2012	31-Dec-2011
Akhilesh Developers Private Ltd	2,33,09,000	2,33,09,000
Hanumesh Realtors Private Ltd	1,00,90,000	1,00,90,000
Mandakini Hospitality Private Ltd	1,00,00,000	1,00,00,000
Vidhi Holdings Private Ltd	2,00,00,000	—
Yashaswini Leisure Private Ltd	1,00,00,000	1,00,00,000
	7,33,99,000	5,33,99,000
Total	7,33,99,000	5,33,99,000

i Term loans from Banks

Vehicle loans

Vehicle loans taken from banks are secured against hypothecation of assets financed and personal guarantee of one of the director. These loans are repayable in 36 equated monthly installments from the date of disbursement.

These loans carries interest in the range of 10.25% per annum to 12.25% per annum.

Loan repayable within one year is Rs.18,63,163 (Previous Year: Rs. 16,08,089)

ii Term loans from NBFCs

a) Project loan

The project loan taken from NBFC of Rs. 6,61,00,00,000 is secured against registered mortgage of Plot Nos. 5B and 6 situated at Shree Ram Mills Premises, Lower Parel Div., Mumbai together with building and structures thereon, both present and future viz. "Palais Royale" and further secured by first and exclusive charge on all the receivables / cash flows arising from the sale of the aforesaid project of developed area as well as pre-sold in favor of the Lender and personal guarantee of one of the Director. The loan is repayable within 60 months from the date of disbursement .

The rate of interest is linked to lenders' PLR minus 320 basis points (currently 18.80% per annum)

Loan repayable within one year is Rs. 1,98,30,00,000 (Previous Year: Rs. NIL)

(Amount in Rupees)

b) Equipment loans

The equipment loans taken from NBFCs are secured against hypothecation of assets financed, pledge of 32,47,830 shares (Previous Year : 17,47,830 shares) of the Company held by promoters and personal guarantee of one of the director. These loans are repayable in 35 to 40 equated monthly installments from the date of disbursement.

These loans carries interest rate ranges from 12% per annum to 18.5% per annum.

Loan repayable within one year is Rs. 33,07,21,982 (Previous Year: Rs.13,45,24,812)

c) Vehicle loans

Vehicle loans taken from NBFCs are secured against hypothecation of assets financed. These loans are repayable in 36 equated monthly installments from the date of disbursement..

These loans carries interest rate ranges from 12% per annum to 12.70% per annum.

Loan repayable within one year is Rs. 20,48,773 (Previous Year: Rs. 3,93,744).

iii Unsecured loans

The loans taken from related parties are unsecured. These loans are repayable on demand.

These loans are interest free.

8. Trade Payables*

	31-Dec-2012	31-Dec-2011
Acceptances	4,33,85,342	—
Other than acceptances	66,21,22,470	21,64,52,009

(* 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)

Total	70,55,07,812	21,64,52,009
--------------	---------------------	--------------

9. Other Current Liabilities

	31-Dec-2012	31-Dec-2011
Payable for purchase of fixed assets	30,07,640	40,60,039
Interest accrued but not due on borrowings	19,75,27,983	8,67,03,610
Statutory dues	6,23,22,055	13,61,14,891
Advances from customers against sale flats	4,98,32,95,950	5,02,13,64,058
Security deposits	—	75,00,000

Other payables:

Interest accrued on trade payables	8,39,66,037	—
Liabilities for expenses	2,39,34,369	1,66,47,097
Other liabilities	1,76,70,491	31,97,789

Total	5,37,17,24,525	5,27,55,87,483
--------------	-----------------------	----------------

Security deposits include from related party:

S. Kumars Online Ltd	—	73,00,000
----------------------	---	-----------

Note 10 - Fixed Assets

(Amount in Rupees)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01-Jan-2012	Additions during the year	Adjustments during the year	Deductions / Adjustments during the year	As at 01-Jan-2012	For the year	Deductions / Adjustments during the year	As at 31-Dec-2012	As at 31-Dec-2012	As at 31-Dec-2011
		Acquisition	Borrowing Cost								
1	Land - Leasehold	5,625	—	—	5,625	2,800	200	—	3,000	2,825	2,825
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	—	1,02,84,370	3,15,620	24,99,624	2,47,632	26,45,796	1,01,460	2,14,160	81,00,366
4	Buildings Leasehold Land	4,46,215	—	—	4,46,215	2,91,829	7,273	—	2,99,102	1,47,113	1,54,366
5	Roads	2,42,000	—	—	2,42,000	21,919	3,945	—	25,864	2,16,137	2,20,081
6	Fire Fighting Equipments	2,11,975	—	—	2,11,975	2,07,330	362	—	2,07,692	4,283	4,645
7	Computers & Peripherals	5,91,451	4,500	—	5,95,951	4,44,463	48,626	—	4,93,089	1,02,862	1,46,988
8	Office Equipments	1,40,006	—	—	1,40,006	34,012	7,141	—	41,153	98,853	1,06,994
9	Motor Cars	34,34,046	7,71,197	—	42,05,243	1,77,672	3,40,085	—	5,17,757	36,87,486	32,56,374
10	Air Conditioners	4,27,620	—	—	4,27,620	1,07,845	20,312	—	1,28,157	2,99,463	3,19,775
11	Furniture & Fixtures	9,788	—	—	9,788	9,788	—	—	9,788	—	—
12	Plant & Machinery	29,30,541	—	—	29,30,541	27,84,014	—	—	27,84,014	1,46,527	1,46,527
	Total (A)	1,10,11,08,132	7,75,697	1,02,84,370	1,09,15,99,459	65,81,296	6,75,576	26,45,796	46,11,076	1,08,69,88,384	1,09,45,26,836
	Previous Year (A)	1,34,82,93,364	29,40,616	25,01,25,848	1,10,11,08,132	11,50,20,161	7,41,072	10,91,79,938	65,81,296	1,09,45,26,836	1,10,55,54,794
	Real Estate Dev. Division										
13	Computers & Printers	55,91,023	1,28,598	—	57,19,621	26,68,030	9,15,828	—	35,83,858	21,35,763	29,22,993
14	Intangible Assets (Software)	15,93,192	28,875	—	16,22,067	12,20,956	3,19,475	—	15,40,431	81,636	3,72,236
15	Air Conditioners	15,69,092	5,08,294	—	20,77,386	2,95,946	87,190	—	3,83,036	16,94,350	12,73,246
16	Plant & Machinery	26,39,22,057	7,60,82,041	24,94,978	34,24,99,076	3,54,27,554	1,43,72,024	—	4,97,99,578	29,26,99,498	22,84,94,503
17	Heavy Earth Moving Machinery	1,53,56,486	9,12,563	—	1,62,69,049	44,93,441	18,38,620	—	63,32,061	99,36,988	1,08,63,045
18	Motor Buses & Lorries	6,65,520	—	—	6,65,520	2,77,984	75,270	—	3,53,254	3,12,266	3,87,536
19	Office Equipments	38,08,018	22,966	—	38,30,984	9,67,816	1,61,367	—	11,29,183	27,01,801	28,40,202
20	Laboratory Equipments	36,32,505	3,98,110	—	40,30,615	6,99,665	1,68,589	—	8,68,254	31,62,361	29,32,840
21	Temporary Structures	1,35,08,566	12,75,216	—	1,47,83,782	19,36,867	9,25,339	—	28,62,206	1,19,21,576	1,15,71,689
22	Furniture & Fixtures	1,42,50,757	1,43,750	—	1,43,94,507	39,54,049	8,75,783	—	48,29,832	95,64,675	1,02,96,708
23	Office Buildings	92,93,134	—	—	92,93,134	6,10,854	1,51,478	—	7,62,332	85,30,802	86,82,280
24	Motor Cars	1,20,37,276	62,73,613	18,31,867	1,64,79,022	20,29,268	14,12,808	6,49,647	27,92,429	1,36,86,593	1,00,08,008
25	Electrical Fittings	43,82,012	—	—	43,82,012	8,04,342	2,08,146	—	10,12,488	33,69,524	35,77,170
26	Shuttering & Scaffolding	59,66,54,286	—	—	59,66,54,286	25,38,39,918	9,97,14,819	—	35,35,54,637	24,30,99,650	34,28,14,468
	Total (B)	94,62,63,924	8,57,74,026	18,31,867	1,03,27,01,061	30,92,26,490	12,12,26,735	6,49,647	42,98,03,579	60,28,97,484	63,70,37,434
	Previous Year (B)	86,80,83,010	7,91,82,917	10,02,001	94,62,63,924	19,35,59,902	11,56,35,987	1,69,406	30,92,26,490	63,70,37,434	67,45,23,108
	Total (A+B)	2,04,73,72,056	8,65,49,723	1,21,16,237	2,12,43,00,520	31,58,07,786	12,19,02,311	32,95,443	43,44,14,655	1,68,98,85,868	1,73,15,64,270
	Previous Year (A+B)	2,21,63,76,374	8,21,23,533	25,11,27,849	2,04,73,72,056	30,85,80,063	11,65,77,059	10,93,49,344	31,58,07,786	1,73,15,64,270	1,78,00,77,842
	Capital Work in Progress	—	—	—	—	—	—	—	—	—	3,37,55,740

Note: During the year, the Company has reviewed its fixed assets for impairment loss as required by Accounting Standards - 28 - "Impairment of Assets". In the opinion of management no provision for impairment loss is considered necessary.

		(Amount in Rupees)	
		31-Dec-2012	31-Dec-2011
11. Non - Current Investments			
A	<u>Trade Investments - Quoted</u>		
	<u>Investment in equity shares</u>		
	1,704 (Previous Year: 1,704) 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
		—	—
	10 (Previous Year: 10) Equity Shares of Rs. 1000 each of Engineering Raw Materials Cons. Corp. Ltd.	10,000	10,000
	Less: Provision for diminution in value	10,000	10,000
		—	—
B	<u>Trade Investments - Unquoted</u>		
	<u>In Associates Company</u>		
	9,90,000 (Previous Year: 9,90,000) Equity share of Rs. 10 each of Raghuveer Urban Constuctions Company Private Ltd, fully paid.	99,00,000	99,00,000
C	<u>Non-trade Investments</u>		
	<u>“A” Government Securities - Quoted</u>		
	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
		4,521	4,521
	Less: Provision for diminution in value	4,521	4,521
		—	—
D	<u>Other Investments</u>		
	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
		—	—
	Total	99,00,000	99,00,000
	Aggregate book value - Quoted	—	—
	Unquoted	99,00,000	99,00,000
	Aggregate Market value - Quoted	—	—

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.

12. Loans and Advances (Unsecured considered good unless otherwise stated)	(Amount in Rupees)			
	Non current		Current	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
Capital advances	—	17,67,018	—	—
Security Deposits	—	—	1,81,82,095	1,81,09,993
Loans and advances to related parties	—	—	2,06,23,65,314	2,60,18,51,917
Advances against investment	39,43,58,963	52,62,12,270	—	—
Loans and advances recoverable in cash or kind	—	—	2,61,16,17,517	2,75,91,72,752
Others				
Loans to officers	—	—	15,80,000	21,60,000
Advance income tax (net of provision)	9,90,43,779	5,22,12,535	—	—
MAT credit entitlement	1,22,10,040	2,83,607	—	—
Receivable from government authorities	6,45,287	6,45,287	2,29,80,723	85,88,032
Prepaid Expenses	—	—	72,06,978	69,20,675
Other (doubtful)	—	—	2,25,000	2,25,000
	11,18,99,106	5,31,41,429	3,19,92,701	1,78,93,707
Less: Provision for doubtful loans and advances	6,45,287	6,45,287	2,25,000	2,25,000
	11,12,53,819	5,24,96,142	3,17,67,701	1,76,68,707
	50,56,12,782	58,04,75,430	4,72,39,32,627	5,39,68,03,369
Loans and advances to related parties includes:				
Raghuvver Urban Constructions Company Private Ltd	—	—	2,06,23,65,314	2,60,18,51,917
Total	—	—	2,06,23,65,314	2,60,18,51,917

13. Other Non - Current Assets	31-Dec-2012	31-Dec-2011
Fixed deposit with bank*	10,60,334	—
Total	10,60,334	—

Note:

*Fixed deposit of Rs. 10,60,334 (Previous Year: Rs. NIL) pledged with the bank for issuing bank guarantees.

14. Inventories	31-Dec-2012	31-Dec-2011
(At lower of cost and realisable value: as taken, valued and certified by management)		
Raw materials (includes goods-in-transit Rs. NIL (Previous Year: Rs.16,55,806))	27,86,52,752	7,72,23,470
Raw materials (scrap)	19,96,434	20,13,988
Construction work-in-progress	11,03,86,98,471	8,50,97,63,633
Stores and spares	71,39,668	90,66,732
Total	11,32,64,87,325	8,59,80,67,823

	(Amount in Rupees)	
	31-Dec-2012	31-Dec-2011
15. Trade Receivables		
(Unsecured considered good unless otherwise stated)		
<u>Debts outstanding for a period exceeding six months from the date they were due for payment</u>		
Unsecured, considered good	6,12,47,017	71,32,000
Doubtful	57,02,918	57,02,918
	<u>6,69,49,935</u>	<u>1,28,34,918</u>
Less: Provision for doubtful debts	57,02,918	57,02,918
	<u>6,12,47,017</u>	<u>71,32,000</u>
Others	16,00,37,211	12,29,39,888
Total	<u><u>22,12,84,228</u></u>	<u><u>13,00,71,888</u></u>
16. Cash and Bank balances		
Cash and cash equivalents		
(a) Cash on hand	1,06,99,700	1,07,56,583
(b) Balances with banks		
In current accounts	3,70,31,137	6,88,40,971
(c) Deposit with original maturity of less than three months.	1,05,07,346	11,16,59,469
	<u>5,82,38,183</u>	<u>19,12,57,023</u>
Other bank balances		
(i) Deposits with original maturity of more than three months but less than twelve months	50,72,283	65,31,76,932
(ii) Deposits with original maturity of more than twelve months	6,51,434	43,76,843
(iii) Balances held as margin money or security against borrowings, guarantees and other commitments held under lien for custom and excise demand.*	13,42,509	12,55,332
(iv) Deposits with Bank held under lien against letter of credit**	—	87,34,000
	<u>70,66,226</u>	<u>66,75,43,107</u>
Total	<u><u>6,53,04,409</u></u>	<u><u>85,88,00,130</u></u>
Note:		
*Deposits of Rs. 13,42,509 (Previous Year: Rs. NIL) have an original maturity of more than three months but less than twelve months and Rs. NIL (Previous Year: Rs. 12,55,332) have an original maturity of more than twelve months.		
**Deposits for Rs. NIL (Previous Year: Rs. 87,34,000). have an original maturity of more than three months but less than twelve months.		
17. Other current assets		
Unbilled revenue	74,26,54,748	50,56,70,864
Interest accrued on deposits	2,48,919	30,23,909
Total	<u><u>74,29,03,667</u></u>	<u><u>50,86,94,773</u></u>

	(Amount in Rupees)	
	31-Dec-2012	31-Dec-2011
18. Revenue from Operations		
Operating revenue		
<u>Sale of Products</u>		
Sales of flats - ongoing project	2,35,20,48,712	3,53,65,83,555
Traded goods - Grey cloth	—	24,81,49,453
<u>Sale of Services</u>		
Income from Business Centre	—	19,07,177
(A)	<u>2,35,20,48,712</u>	<u>3,78,66,40,185</u>
Other operating revenue		
Scrap sales	20,23,065	24,32,334
Less: Transferred to cost of construction (Refer Note - 21)	20,23,065	24,32,334
(B)	<u>—</u>	<u>—</u>
Total (A + B)	<u><u>2,35,20,48,712</u></u>	<u><u>3,78,66,40,185</u></u>
19. Other Income		
Interest income		
(a) from Bank		
- On fixed deposits	1,22,04,141	2,57,25,999
- On other balances	1,55,635	46,511
(b) Interest on I. T. Refund	—	3,23,265
(c) Other interest	1,53,627	1,35,204
Other non operating income		
Rent (net)	1,66,135	6,57,303
Insurance claim	11,200	4,250
Liabilities / provisions no longer required written back (net) (Refer Note - 36)	1,20,47,046	18,60,312
Prior period adjustments (net)	—	5,18,248
Miscellaneous income	12,75,587	3,000
	<u>2,60,13,371</u>	<u>2,92,74,092</u>
Less: Transferred to cost of construction (Refer Note - 21)	1,16,15,040	2,48,66,429
Total	<u><u>1,43,98,331</u></u>	<u><u>44,07,663</u></u>
20. Purchases of Traded Goods		
Traded goods - Grey Cloth	—	23,97,47,533
Total	<u><u>—</u></u>	<u><u>23,97,47,533</u></u>

	(Amount in Rupees)	
21. Cost of Constructions (Real Estate Development)	31-Dec-2012	31-Dec-2011
Opening balance	8,50,97,63,636	7,12,08,08,871
Add:		
Material Consumed		
Opening stock	7,92,37,458	5,05,52,786
Add : Purchase of materials	89,78,50,708	1,28,00,54,441
Less : Closing stock of Scrap Material	19,96,434	20,13,988
Less : Closing stock	<u>27,86,52,752</u>	<u>7,72,23,470</u>
	69,64,38,980	1,25,13,69,769
Stores and Spares Consumed		
Opening stock	90,66,732	2,53,31,708
Add : Purchase of stores, spares and tools	72,65,882	1,05,63,273
Less : Closing stock	<u>71,39,668</u>	<u>90,66,732</u>
	91,92,946	2,68,28,252
Contractual and other charges including material	2,13,80,73,100	2,11,29,36,208
Power and fuel expenses	3,12,76,009	2,94,82,857
Land Dev./cleaning charges	3,52,50,000	—
Water charges	1,22,96,706	1,52,68,220
Premium charges - BMC	20,58,68,209	10,29,34,105
Payment to and provision for employees	1,61,64,849	1,08,05,377
Administration and other expenses	10,99,13,549	8,85,03,020
Finance and Interest expenses	1,38,99,01,310	1,13,03,71,738
Depreciation	<u>12,12,26,735</u>	<u>11,58,35,987</u>
	4,05,99,70,467	3,60,61,37,512
	13,27,53,66,029	12,00,51,44,404
Less: Interest on FDR	1,15,89,573	2,47,48,762
Insurance claim received	11,200	4,250
Sundry balance written off (net)(Refer Note - 36)	14,267	1,13,417
Scrap sales	<u>20,23,065</u>	<u>24,32,334</u>
	1,36,38,105	2,72,98,763
	13,26,17,27,923	11,97,78,45,641
Less: Carried to Inventories (Refer Note - 14)	11,03,86,98,471	8,50,97,63,633
Transferred to Statement of Profit and Loss	<u>2,22,30,29,452</u>	<u>3,46,80,82,008</u>
Details of Material Consumed		
Raw Material		
Steel	46,34,85,334	98,26,91,792
Cement	10,23,88,168	23,78,27,785
Marble	4,89,56,173	—
Electrical Items	4,46,30,513	—
Others	3,69,78,792	3,08,50,192
Total	<u>69,64,38,980</u>	<u>1,25,13,69,769</u>
Stores and Spares		
Nuts / Bolts Item	21,05,540	—
Electric Generating D. G. Sets	—	2,04,94,758
Others	70,87,406	63,33,494
Total	<u>91,92,946</u>	<u>2,68,28,252</u>

	(Amount in Rupees)	
<u>Detail of Inventory</u>	31-Dec-2012	31-Dec-2011
<u>Raw Material</u>		
Electrical Items	19,99,05,987	—
Steel	5,13,09,462	4,81,85,865
Marble	1,12,86,769	1,39,78,374
Others	1,61,50,534	1,50,59,231
Total	27,86,52,752	7,72,23,470
<u>Stores and Spares</u>		
Transformer	60,68,020	60,68,020
Others	10,71,648	29,98,712
Total	71,39,668	90,66,732
22. Employee benefits expense	31-Dec-2012	31-Dec-2011
Salaries and wages	1,65,27,550	1,46,39,491
Contributions to provident and other funds	12,97,990	11,62,888
Gratuity	7,62,885	5,37,212
Staff welfare expenses	8,22,664	9,24,224
	1,94,11,089	1,72,63,815
Less: Transferred to cost of construction (Refer Note - 21)	1,61,64,849	1,08,05,377
Total	32,46,240	64,58,438
23. Finance costs	31-Dec-2012	31-Dec-2011
<u>Interest</u>		
- on Term loan	1,28,21,99,710	96,65,28,627
- on others	8,67,51,812	10,31,776
Loan and other processing charges	2,47,01,560	16,26,83,736
Others	4,39,022	3,53,285
	1,39,40,92,104	1,13,05,97,424
Less: Transferred to cost of construction (Refer Note - 21)	1,38,99,01,310	1,13,03,71,738
Total	41,90,795	2,25,686

	(Amount in Rupees)	
24. Other expenses	31-Dec-2012	31-Dec-2011
Power and fuel	3,15,369	8,01,282
Rent	80,136	81,109
Repairs and maintenance - Buildings	15,28,686	55,200
Repairs and maintenance - Machinery	13,37,994	2,15,024
Repairs and maintenance - Others	8,73,811	17,88,454
Insurance	97,98,446	96,37,842
Rates and taxes	71,03,503	91,54,843
Telephone and communication expenses	13,34,155	10,59,311
Travelling and conveyance	1,38,51,853	1,47,20,676
Printing and stationery	22,41,412	27,27,258
Sales commission	25,95,703	24,99,457
Business promotion	60,01,791	69,14,028
Donations and contributions	96,000	2,95,000
Legal and professional	7,16,70,768	7,83,14,772
Auditors Remuneration	21,72,498	22,29,550
Bad trade and other receivables, loans and advances written off	2,59,617	24,69,203
Foreign exchange gain / (loss)	1,91,460	10,44,492
Loss on fixed assets sold / scrapped / written off	82,87,460	1,02,55,008
Security expenses	69,18,616	44,29,934
Miscellaneous expenses	71,74,614	64,24,019
Office expenses	12,11,452	14,78,177
Motor car expenses	21,45,051	26,89,844
Directors sitting fees / Other fee	2,20,000	3,20,000
	<hr/>	<hr/>
	14,74,10,395	15,96,04,482
Less: Transferred to cost of construction (Refer Note - 21)	10,99,13,550	8,85,03,020
	<hr/>	<hr/>
Total	3,74,96,845	7,11,01,463
	<hr/> <hr/>	<hr/> <hr/>
Payments to Auditors	31-Dec-2012	31-Dec-2011
Payments to the auditors comprises		
As auditors - statutory audit	19,75,213	18,24,200
For other services	1,80,455	4,05,350
Reimbursement of expenses	16,830	—
	<hr/>	<hr/>
	21,72,498	22,29,550
Less: Transferred to cost of construction (Refer Note - 21)	66,550	3,06,080
	<hr/>	<hr/>
Total	21,05,948	19,23,470
	<hr/> <hr/>	<hr/> <hr/>

25. Contingent Liabilities and Commitments

A) Contingent Liabilities

(Amount in Rupees)

Sr. No.	Particulars	31-Dec-2012	31-Dec-2011
a)	Claims against the Company not acknowledged as debts	6,02,98,513	4,81,10,732
b)	Labour Matters:		
	i) Pending in court in respect of claims for Retrenchment Compensation etc.	15,98,886	14,69,751
	ii) Pending Court cases - 7 (Previous Year: 6) in respect of claims for Back Wages etc. filed by ex-employees of the Company for which the amount of Contingent Liability is unascertainable.		
c)	Income Tax Matters:		
	i) Disputed demand of Income Tax for assessment year 2003-04, where the department is in appeal.	23,24,613	23,24,613
	ii) Disputed demand of Income Tax for assessment year 2003-04, where the Company has filed application for rectification.	1,08,86,963	1,08,86,963
	iii) Disputed demand of Income Tax for assessment year 2004-05, where the department is in appeal.	1,22,09,858	1,00,62,825
	iv) Disputed demand of Income Tax for assessment year 2004-05, where the Company is in appeal.	1,29,46,164	NIL
	v) Disputed demand of Income Tax for assessment year 2005-06, where the department is in appeal.	8,74,93,855	8,74,93,855
	vi) Disputed demand of Income Tax for assessment year 2007-08, where the Company is in appeal	43,58,910	43,58,910
	vii) Disputed demand of Income Tax for assessment year 2009-10, where the Company is in appeal.	90,49,260	90,49,260
	viii) Income tax demand for short deduction of tax at source and interest thereon for various assessment years, where the Company is in appeal.	2,98,52,478	2,98,52,478
d)	i) Property Tax disputed with BMC where the Company is in appeal.	2,09,64,798	1,61,23,536
	ii) Property Tax disputed with BMC.	4,43,81,754	3,49,32,964
	iii) Property Tax disputed with BMC where the Company has filed Complaint.	26,34,934	NIL
e)	Excise Duty demand [Bank guarantee provided for the same].	3,39,250	3,39,250
f)	Customs Duty demand [Bank guarantee provided for the same].	6,98,250	6,98,250
g)	Bank Guarantee.	10,00,000	NIL
h)	Dividend in respect of 1,36,877 11% Redeemable Cumulative Preference Shares of Face Value of Rs. 100 each.	1,22,30,116	1,22,30,116
i)	Interest liability on service tax amounting to Rs. 1,34,29,366 has not been provided for, as the matter is pending before the Hon. Supreme Court on writ petition filed by the Maharashtra Chamber Housing Industry (MCHI) to which the Company is a member, challenging levy of service tax on real estate business.		
j)	Pending court cases- 4 (Previous Year: 4) in respect of other matters against the Company for which the amount of Contingent Liability is unascertainable.		

B) Capital and other Commitments

Particulars	31-Dec-2012	31-Dec-2011
Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	2,32,03,406	11,34,481
Other Commitments	5,17,05,88,216	3,62,17,52,191

26. Arbitration proceedings have been underway since 2005 with Kalpataru Properties Pvt Ltd. (KPPL) in respect of development rights of Plot 5A admeasuring 20,955.4 sq.mtrs of the Company's Worli Estate, against which it has received Rs. 30,00,00,000. The Bombay High Court had passed a status quo order on about 23,500 sq. mtrs. of the said estate. Subsequently, KPPL had filed a claim of compensation for Rs. 15,28,93,00,000 along with interest as an alternative to their original claim for specific performance. The Company has received legal advice that the said claim for compensation is not tenable, and the chances of it being held against the Company are highly remote. As regards the Company's own counter-claim of Rs. 26,77,32,00,000 against KPPL, the Arbitral Tribunal has held that claim of Rs. 7,60,36,00,000 is under their jurisdiction under the present Arbitration proceeding and for the balance amount of Rs. 19,16,96,00,000, alternative remedies will have to be sought. The Company is in discussion with its legal advisors on the most optimum course to follow for the said balance claim.
27. 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.
28. The Company has achieved more than 30% of the total estimated project cost and accordingly revenue is recognized on proportionate basis as per its accounting policy in respect of real estate sales.
- 29 a) One of the subsidiary, SRM Sites Private Limited (SRM), engaged in construction of projects and allied activities, has not booked revenue amounting to Rs. 12,20,72,776 on a project awarded by the Company on which cost incurred for the year ended 31st December, 2012 is Rs. 2,44,14,55,528 net of interest earned Rs. 1,23,87,581 since the work completed on the project under progress as on the balance sheet date is below the prescribed level of completion (30%) of the project as compared to the total cost of the project.
- b) One of the subsidiary, Raghuvveer Suburban Infrastructure Private Limited, engaged in construction of projects and allied activities, has not booked revenue on a project awarded by the Company on which cost incurred for the year ended 31st December 2012 is Rs. 21,97,54,531 net of interest earned Rs. 4,79,440 since the work completed on the project under progress as on the balance sheet date is below the prescribed level of completion (30%) of the project as compared to the total cost of the project.
30. No significant events which could affect the financial position as on 31st December, 2012, to a material extent have been occurred, after the balance sheet date till the signing of report.
31. Hitherto, the Company was recognizing revenue from real estate activity, only in respect of agreement registered for the sale of flat. However, during the year, the Company has also recognized revenue in respect of unregistered agreements / letter of allotment for the sale of flat, where substantial amount has been received. As a result of this change "Revenue" and "Profit before tax" for the current year are higher by Rs. 30,57,12,996 and Rs. 11,93,58,525 respectively.

32. Segment Reporting :

During the year, the Company has identified one reportable segment i.e. "Real Estate" (Previous Year: Real Estate and Textile) as per Accounting Standard - 17 notified by Companies (Accounting Standards) Rules, 2006, detailed as under:

Accounting Standard 17 'Segment Reporting'

(a) Business Segments

(Amount in Rupees)

PARTICULARS	TEXTILE		REAL ESTATE		TOTAL	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
REVENUE :						
External Revenue	—	24,82,47,368	2,35,20,48,712	3,53,90,50,120	2,35,20,48,712	3,78,72,97,488
Inter-segment Revenue	—	—	—	—	—	—
Total Revenue	—	24,82,47,368	2,35,20,48,712	3,53,90,50,120	2,35,20,48,712	3,78,72,97,488
RESULT :						
Segment Result	—	(29,62,908)	11,85,00,583	6,69,39,363	11,85,00,583	6,39,76,455
Less : Unallocable expenditure net of unallocable income					(1,74,25,484)	(6,04,94,827)
Less : Interest expenses					(41,90,795)	(2,25,686)
Add : Interest income					9,23,830	14,35,706
Profit before Prior Period adjustment					9,78,08,135	46,91,648
Add / (Less) : Prior Period adjustment					—	—
Profit before Taxation & exceptional item					9,78,08,135	46,91,648
Less: Tax Provision						
Income Tax					2,22,19,178	18,00,000
Income / Wealth Tax for earlier years					76,42,619	3,884
MAT Credit Entitlement					(1,19,26,433)	—
Deferred Tax					—	—
Profit after Taxation					7,98,72,771	28,87,764
Less : Minority interest's share in loss of subsidiary					(5,64,915)	(1,54,381)
Profit / (Loss) for the year					8,04,37,686	30,42,145

Note :-

The segment result for Real Estate segment has been arrived at after considering the interest expenses of Rs. 60,40,67,737 (Previous Year: Rs. 94,30,35,809) and Interest Income of Rs. 78,58,275 (Previous Year: Rs. 1,70,79,465).

Shree Ram Urban Infrastructure Limited

2012

OTHER INFORMATION

(Amount in Rupees)

PARTICULARS	TEXTILE		REAL ESTATE		TOTAL	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
Segment Assets	4,42,22,887	5,06,25,595	18,70,22,18,908	17,18,18,68,354	18,74,64,41,795	17,23,24,93,949
Unallocable Assets					1,31,56,42,722	61,56,85,664
Total Assets					20,06,20,84,514	17,84,81,79,613
Segment Liabilities		12,90,799	6,49,47,58,429	5,91,03,95,168	6,49,47,58,429	5,91,16,85,967
Unallocable Liabilities					18,20,00,237	16,19,63,974
Total Liabilities					6,67,67,58,666	6,07,36,49,941
Capital Expenditure						
Segment Capital Expenditure			5,27,46,246	11,39,85,991	5,27,46,246	11,39,85,991
Unallocable Capital Expenditure					7,75,697	29,40,616
Total Capital Expenditure					5,35,21,943	11,69,26,607
Depreciation / Amortisation / Impairment						
Segment Depreciation / Amortisation / Impairment			12,14,85,785*	11,61,96,048*	12,14,85,785	11,61,96,048
Unallocable Depreciation / Amortisation / Impairment					4,16,526	3,81,011
Total Depreciation / Amortisation / Impairment					12,19,02,311	11,65,77,059

* Includes depreciation of Rs. 12,12,26,735 (Previous Year: Rs. 11,58,35,987) relating to Real Estate division which has been debited to Cost of Constructions (Real Estate Development) (Refer Note - 21).

Note : Real Estate segment includes income from Business Centre.

(b) Secondary Segment Reporting (Geographical Segments) :

Not Applicable

33. Employee Benefits

Disclosure under Accounting Standard 15 "Employee Benefits" (Revised 2005) notified by Companies (Accounting Standards) Rules, 2006.

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. 12,97,990 (Previous Year: Rs. 11,62,888) 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-Dec-2012	Gratuity as on 31-Dec-2011	Leave Encashment as on 31-Dec-2012	Leave Encashment as on 31-Dec-2011
Liability at the beginning of the year	19,89,071	15,93,848	6,91,415	9,46,189
Current service cost	2,41,806	4,45,865	1,58,767	1,82,948
Past service cost	—	—	—	—
Interest cost	1,74,044	1,31,492	60,499	78,061
Benefits paid	—	(1,41,990)	(3,68,888)	(10,78,355)
Actuarial Gain / (Loss) on obligation	3,47,035	(40,144)	4,50,913	5,62,572
Liability at the end of the year	27,51,956	19,89,071	9,92,706	6,91,415

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-Dec-2012	Gratuity as on 31-Dec-2011	Leave Encashment as on 31-Dec-2012	Leave Encashment as on 31-Dec-2011
Liability at the end of the year	27,51,956	19,89,071	9,92,706	6,91,415
Amount recognized in balance sheet	27,51,956	19,89,071	9,92,706	6,91,415

IV) Expenses recognized in Statement of Profit and Loss

Particulars	Gratuity as on 31-Dec-2012	Gratuity as on 31-Dec-2011	Leave Encashment as on 31-Dec-2012	Leave Encashment as on 31-Dec-2011
Current service cost	2,41,806	4,45,865	1,58,767	1,82,948
Past Service Cost	—	—	—	—
Interest Cost	1,74,044	1,31,492	60,499	78,061
Adjustments for increase in opening provision	—	—	—	—
Expenses transfer to reserves	—	—	—	—
Actuarial (Gain) / Loss	3,47,035	(40,144)	4,50,913	5,62,572
Total Expenses	7,62,885	5,37,213	6,70,179	8,23,581
Expenses charged to Statement of Profit & Loss	92,014	3,33,815	84,333	4,63,768
Expenses charged to Construction Costs	6,70,871	2,03,398	5,85,846	3,59,813
Total Expenses	7,62,885	5,37,213	6,70,179	8,23,581

V) Balance Sheet Reconciliation

Particulars	Gratuity as on 31-Dec-2012	Gratuity as on 31-Dec-2011	Leave Encashment as on 31-Dec-2012	Leave Encashment as on 31-Dec-2011
Opening net liability	19,89,071	15,93,848	6,91,415	9,46,189
Expenses as above	7,62,885	5,37,213	6,70,179	8,23,581
Adjustment for increase in opening provision for retirement benefits	—	—	—	—
Benefits paid	—	(1,41,990)	(3,68,888)	(10,78,355)
Amount recognized in the balance sheet	27,51,956	19,89,071	9,92,706	6,91,415

VI) Principal Actuarial Assumption

Particulars	Gratuity as on 31-Dec-2012	Gratuity as on 31-Dec-2011	Leave Encashment as on 31-Dec-2012	Leave Encashment as on 31-Dec-2011
Discount Rate	8.25 %	8.75 %	8.25 %	8.75 %
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.

34. Related Party Disclosures:

In compliance with Accounting Standard 18 – ‘Related Party Disclosures’ notified by the Companies (Accounting Standards) Rules, 2006, 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
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) Raghuveer Urban Constructions Company 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 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, 2012.

(Amount In Rupees)

Nature of transactions	31-Dec-2012	31-Dec-2011
<u>Contract for material and other charges</u>		
Raghuv eer Urban Constructions Company Private Limited	2,11,97,92,734	1,98,97,30,938
Total	2,11,97,92,734	1,98,97,30,938
<u>Purchase of materials</u>		
Raghuv eer Urban Constructions Company Private Limited	7,57,73,015	30,06,26,551
Total	7,57,73,015	30,06,26,551
<u>Land Development / Cleaning Charges</u>		
Raghuv eer Urban Constructions Company Private Limited	3,52,50,000	—
Total	3,52,50,000	—
<u>Revenue recognised on sale of flat on percentage completion basis</u>		
Hanumesh Realtors Private Limited	74,14,468	3,59,19,132
Mandakini Hospitality Private Limited	74,14,468	3,59,19,132
Yashaswini Leisure Private Limited	74,14,468	3,59,19,132
Akhilesh Developers Private Limited	74,14,468	3,59,19,132
Aura Realtors Private Limited	3,34,71,876	16,21,53,328
Total	6,31,29,748	30,58,29,856
<u>Consultancy charges paid / (reversed)</u>		
Goldmount Advisors	24,00,000	18,05,376
Vasundhara Hospitality Private Limited	1,22,222	21,91,353
Total	25,22,222	39,96,729
<u>Rent received</u>		
S Kumars Online Limited	—	3,00,000
Total	—	3,00,000
<u>Loans taken</u>		
Vidhi Holdings Private Limited	3,00,00,000	—
Total	3,00,00,000	—
<u>Repayment of Loans taken</u>		
Vidhi Holdings Private Limited	1,00,00,000	—
Total	1,00,00,000	—
<u>Allotment of Equity Share Warrants</u>		
(a) Amount received*		
Hanumesh Realtors Private Limited	—	57,75,00,000
Mandakini Hospitality Private Limited	—	53,38,91,190
Yashaswini Leisure Private Limited	—	57,75,00,000
Total	—	1,68,88,91,190

*(Previous year, the company has allotted 1,60,84,678 equity shares of Rs. 10 each at a premium of Rs. 130 per share, on conversion of equivalent number of equity share warrants)		
<u>Payments towards 11% Redeemable Cumulative Preference Shares</u>		
Vidhi Holdings Private Limited	—	34,36,400
Mr. Vikas S. Kasliwal	—	18,200
Akhilesh Developers Private Limited	—	93,87,000
Total	—	1,28,41,600
<u>Payment towards 0% Redeemable Cumulative Preference Shares</u>		
Vidhi Holdings Private Limited	—	1,10,66,900
Mr. Vikas S. Kasliwal	—	11,000
Total	—	1,10,77,900
<u>Expenses incurred for making documentary film "Palais Royal"</u>		
Landmarc Leisure Corporation Limited	25,30,727	—
Total	25,30,727	—
<u>Reimbursement of expenses</u>		
Raghuveer Urban Constructions Company Private Limited	1,89,08,941	—
Landmarc Leisure Corporation Limited	24,86,950	—
Total	2,13,95,891	—
<u>Repayment of Deposits</u>		
S. Kumars Online Limited	73,00,000	—
Total	73,00,000	—
<u>Advance given / (received back) for materials / contract charges (net)</u>		
Raghuveer Urban Constructions Company Private Limited	(53,94,86,603)	1,19,73,70,412
Total	(53,94,86,603)	1,19,73,70,412
<u>Key Management Personnel</u>		
<u>Managerial Remuneration</u>		
- Mr. Vikas S. Kasliwal - Vice Chairman & CEO	26,54,383	23,29,141
- Mr. S. K. Luharuka - Whole Time Director	22,06,185	22,02,781
Total	48,60,568	45,31,922
<u>Expenses incurred on Company's behalf</u>		
Raghuveer Urban Constructions Company Private Limited	83,42,619	—
Total	83,42,619	—
<u>Outstanding balances as on 31st December, 2012:</u>		
<u>Trade Receivables</u>		
S Kumars Online Limited	22,500	22,500
Aura Realtors Private Limited	—	70,67,745
Total	22,500	70,90,245

Investments held In Equity Shares of :		
Raghuveer Urban Constructions Company Private Limited	99,00,000	99,00,000
Total	99,00,000	99,00,000
Loans taken		
Akhilesh Developers Private Limited	2,33,09,000	2,33,09,000
Hanumesh Realtors Private Limited	1,00,90,000	1,00,90,000
Mandakini Hospitality Private Limited	1,00,00,000	1,00,00,000
Yashaswini Leisure Private Limited	1,00,00,000	1,00,00,000
Vidhi Holdings Private Limited	2,00,00,000	—
Total	7,33,99,000	5,33,99,000
Advances received		
Akhilesh Developers Private Limited	3,66,66,400	4,40,80,868
Hanumesh Realtors Private Limited	3,66,66,400	4,40,80,868
Mandakini Hospitality Private Limited	3,66,66,400	4,40,80,868
Yashaswini Leisure Private Limited	3,66,66,400	4,40,80,868
Aura Realtors Private Limited	16,55,26,796	19,89,98,672
Total	31,21,92,396	37,53,22,144
Advances given for materials / contract charges		
Raghuveer Urban Constructions Company Private Limited	2,06,23,65,314	2,60,18,51,917
Total	2,06,23,65,314	2,60,18,51,917
Deposits Received		
Landmarc Leisure Corporation Limited	13,71,26,297	13,71,26,297
S Kumars Online Limited	—	73,00,000
Total	13,71,26,297	14,44,26,297
Trade Payables		
Vasundara Hospitality Private Limited	—	1,64,000
Goldmount Advisors	9,19,838	2,02,042
Landmarc Leisure Corporation Limited	43,777	—
Raghuveer Urban Constructions Company Private Limited	83,42,619	—
Total	93,06,234	3,66,042

35. Computation of Earnings Per Share (EPS)

Particulars	31-Dec-2012	31-Dec-2011
Profit / (Loss) after Taxation (Rs.)	8,04,37,686	30,42,145
Weighted Average number of equity shares	4,11,34,540	3,03,05,164
Face value per equity shares (Rs.)	10	10
Basic Earnings per share (EPS) (Rs.)	1.96	0.10
Diluted Earnings per share (EPS) (Rs.)	1.96	0.10

The Company does not have any potential dilutive equity shares. Consequently, the basic and diluted earnings per share remains the same.

36. 'Sundry credit balances written back (Net)' amounting to Rs. 1,20,47,046 are net of 'Sundry debit balances written off' amounting to Rs. 14,267 (Previous Year: 'Sundry Credit balances written back (Net)' amounting to Rs. 18,60,312 are net of 'Sundry debit balances written off' amounting to Rs. 1,13,417).

37. Movement in Minority Interest during the year:

Particulars	31-Dec-2012	31-Dec-2011
Minority Interest balance at the beginning	13,70,79,600	5,68,38,718
Add: Minority share in the security premium received during the year	1,82,24,978	8,06,91,955
Less: Minority share in 'share issue expenses'	(54,897)	(2,96,692)
Less: Minority share in profit / (loss) of a subsidiary for the year	(5,64,915)	(1,54,381)
Minority Interest balance as at the end	15,46,84,766	13,70,79,600

38. Movement in Goodwill on Consolidation during the year :

Particulars	31-Dec-2012	31-Dec-2011
Goodwill on Consolidation at the beginning	46,189	46,189
Add : Goodwill arising on purchase of Compulsorily Convertible Preference Shares of SRM Sites Private Limited	77,56,67,085	—
Goodwill on Consolidation at the end	77,57,13,274	46,189

39. During the previous year, the Company has received notices arising out of inspection u/s. 209A of the Companies Act, 1956 carried out by the Deputy Registrar of Companies 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, Company without accepting any of the irregularities / contraventions, has filed application for compounding of offences under section 621A of the Companies Act, 1956. The said applications are pending for hearing. In opinion of the Company, liability in this regard is estimated at Rs. 22,60,000 which was provided in the books of accounts in the previous year.

40. Public Interest Litigation 43 of 2012 ("PIL") in the high court Filed by Janhit Manch against Shree Ram Urban Infrastructure Limited (SRUIL), Mumbai Municipal Corporation and others. The PIL is filed by Janhit Manch the Non

Government Organisation (NGO), against Municipal Corporation of Greater Mumbai (MCGM) and Shree Ram Urban Infrastructure Limited (SRUIL) alleging that various building permissions granted by MCGM to SRUIL for the said project including sanction of Public Parking Lot are not in accordance with Development Control Regulations. The order has been reserved since January 2013. Based on legal advice received, the management is hopeful that the Public Interest Litigation would be dismissed.

41. The Company had received Letter of Intent / Intimation of Disapproval / Commencement Certificate from the Govt. of Maharashtra - Municipal * Corporation of Greater Mumbai (MCGM) for construction of Public Parking Lot under OCR 33(24) and had commenced construction accordingly. On 29th November, 2011, the MCGM issued a show-case notice to the Company regarding the Public Parking Lot asking why it should not be cancelled / modified in keeping with the revised policies of the state government / MCGM. Subsequently, the MCGM issued stop work notice to the Company which was stayed by the Hon'ble City Civil Court. The matter is pending before the Hon'ble Court. In the meanwhile, as per the Hon'ble Court's directions, the construction of the Public Parking Lot completed and the Company has already informed MCGM to take over the possession of Public Parking Lot. The Company has been advised that the MCGM actions are not tenable under law.
42. Some of the balances of deposits, loans and advances, trade receivables, trade payables and other long / short term liabilities are subject to confirmation from the respective parties and consequential reconciliation / adjustments arising therefrom, if any. The management however does not expect any material variation.
43. Till the year ended December 31, 2011, the Company was using pre-revised Schedule VI of the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended December 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year's figures to conform to current year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed by the Company for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date

For Khandelwal Jain & Co.

Chartered Accountants
Firm Regn. No. 105049W

Narendra Jain

(Partner)
Membership No. 048725

Place : Mumbai
Dated : 27th February, 2013

As per our report of even date

For Habib & Co.

Chartered Accountants
Firm Regn. No. 103479W

D. P. Shroff

(Partner)
Membership No. 045417

Place : Mumbai
Dated : 27th February, 2013

For and on behalf of the Board

S. S. Kasliwal
(Chairman)

S. K. Luharuka
(Whole Time Director)

Place : Mumbai
Dated : 27th February, 2013

Vikas S. Kasliwal
(Vice-Chairman & CEO)

Manju B. Batham
(Sr. GM & Company Secretary)

SHREE RAM URBAN INFRASTRUCTURE 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 76th Annual General Meeting of the Company
to be held on Saturday, 20th April, 2013 and at any adjournment thereof.
As witness my/our hand(s) this _____ day of _____ 2013.

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

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

ATTENDANCE SLIP

Please record my presence at the 76th Annual General Meeting of the Company held at Sunville 9, Annie Besant Road, Worli, Mumbai 400 018 on Saturday, 20th April, 2013 at 11.00 a.m.

Name of the Shareholder (in Block Letter) _____

Signature of the Shareholder or Proxy holder _____

Folio No. _____

Client ID No. _____

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