



MALLS | GROUP HOUSING | TOWNSHIPS | IT PARKS | HOTELS | CORPORATE TOWER



"At SRS Real Infrastructure Limited, we take upon ourselves the moral responsibility of making dreams come true.

We realize that our solutions play an extremely important role in the lives of our customers, and this makes us passionate to deliver the best, every time. Our strong alignment with the interests of our customers, coupled with our value-based style of functioning is earning us the precious trust of the people, and this to our mind, is our biggest asset."

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Dr. Anil Jindal	-	Chairman & Managing Director
Sh. Jitender Kumar Garg	-	Whole-Time Director & CFO
Sh. Bishan Bansal	-	Whole-Time Director
Sh. Rajesh Singla	-	Non-Executive Director
Sh. Nanak Chand Tayal	-	Non-Executive Director
Sh. Kailash Kumar	-	Independent Director
Sh. Praveen Sharma	-	Independent Director
Sh. Mahender Kumar Goyal	-	Independent Director
Sh. Shiv Mohan Gupta	-	Independent Director
Sh. Praveen Gupta	-	Independent Director

### COMPANY SECRETARY

Ms. Shweta Marwah

### STATUTORY AUDITORS

M/s. Naresh Jai & Associates  
Chartered Accountants

### COST AUDITORS

M/s Ashok Kumar & Associates

### INTERNAL AUDITORS

M/s Sachin S.C Singhal & Associates

### BANKERS

State Bank of India  
Union Bank of India  
State Bank of Patiala  
Central Bank of India  
Syndicate Bank  
Oriental Bank of Commerce  
Indian Overseas Bank

### REGD. OFFICE

SRS Multiplex, Top Floor,  
City Centre, Sector-12,  
Faridabad,  
Haryana-121007  
T 0129-4282801-08  
F 0129-4282809-10

### REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Ltd.  
Behind Local Shopping Centre,  
Near Dada Harsukh Dass Mandir, New Delhi – 110062  
T 011-29961281 F 011-29961284



SRS NEXT IT PARK

SRS RESIDENCY

SRS NEST 5-STAR HOTEL

SRS TOWER

Some of the Company's projects



## CHAIRMAN'S MESSAGE

Dear Shareowners,

I am very happy to welcome you to the Company's 22<sup>nd</sup> Annual General Meeting, to present the results of another fruitful year that has brought in higher growth, better revenues and good profitability for your Company. It brings in a deep sense of satisfaction to note that each glorious year not only enhances our stature, but also strengthens our foundation for continued success.

You will be happy to know that your Company closed FY 11-12 with a revenue of Rs 724.43 crores, garnering a growth of 33.11%. The net profits grew by 1.72% to touch Rs 8.69 crores with the annualized EPS standing at Re 0.43. With this, your Company's Board of Directors feels pleased in recommending a dividend of Re.0.10 per equity share.

The year gone by was quite eventful for us in terms of business operations, and the Company made significant progress in its construction and development activities. Let me share the highlights with you.

Possession was handed over in 5 towers of SRS Residency, our flagship residential project in Greater Faridabad's Sector 88, and as on date 112 families have already moved and are enjoying a higher level of living. We are in the process of applying for the completion certificate for the balance 8 towers, and shall then offer them for possession as well. We have also started work on a premium tower and a set of low-rise apartments. Good progress has also been made on the other two projects i.e. 'SRS Pearl Floors' and 'SRS Royal Hills' at Sector-87, Faridabad. The first lot of houses in Pearl Floors is nearing completion and the Company proposes to apply for occupation certificate shortly. Construction of Pearl Heights in this project too has been started. Significant progress has been made in all our other projects in Palwal, Rewari, Kurukshetra and Karjat.

On the commercial front, the SRS Tower is almost finished - in fact, the completion certificate is in place already, and while many offices are undergoing fit-outs, some have become operational as well. Construction of the Five Star Hotel on a plot size of 14.82 acres has also picked up greater speed, while the planning for a new, top-class IT Tower in Ballabgarh is at a very advanced stage. The trading and RMC operations of the company are doing

Thanks to its strong team and matured knowledge across the entire spectrum of the industry, the Company is on a very strong footing. Its wide bouquet of offerings ranging from apartments to farmhouses to corporate towers to hotels and more has built a towering stature for your Company. An increased land bank of over 500 acres bought at very reasonable prices gives the company a very strong backbone, and positions it well to launch a series of attractive and profitable projects in the future.

The Company's Board intends to stay with its core focus on tier II and III cities, which offer a healthy demand for affordable and mid-range housing, and is thus well insulated from the somewhat weakened demand as being seen in the larger cities with big-ticket tags. At the same time, since most of the Company's projects are in the developmental-intensive NCR region, the opportunities to grow are boundless. In terms of business strategy, the prime focus will remain strongly on the residential market as it holds greater promise in the current times as the commercial and retail segment is witnessing issues on the demand side.

What makes things really commendable is the fact that these achievements come in the face of several challenges such as higher cost of funds, increased inflation, weakened economic scenario, rising labour and commodity prices and increased cost of construction among others. The fact that your Company has risen above these speaks volumes about its business planning and execution expertise, and this makes me confident to say that we shall be reporting even better results next year.

As I end, I wish to place my gratitude to you for your able support and belief, which enabled the Company to work smoothly and in a focused manner. My warm appreciation also goes out to the regulatory bodies, bankers, auditors, architects, consultants, brokers, contractors and all other agencies who partnered with us in our successful operations. I also extend my sincere vote of thanks to our very able team and management, as well as our wonderful customers who chose us to fulfill their dreams. I look forward to your continued support, and along with the Board, resolve to chart out a glorious roadmap for all of us.

Warm regards,

**Dr Anil Jindal**

Chairman & Managing Director

## NOTICE

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the members of SRS Real Infrastructure Limited will be held as scheduled below:-

Day/ Date : Saturday/29<sup>th</sup> September, 2012  
Time : 1.00 P.M.  
Venue : "SRS Banquet",  
Near SRS Multiplex,  
City Centre, Sector-12,  
Faridabad (NCR Delhi)-121007

to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012 and the Report of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Sh. Mahender Kumar Goyal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sh. Shiv Mohan Gupta, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration by passing the following resolution as an Ordinary Resolution with or without modifications: -

"RESOLVED THAT subject to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Walker, Chandok & Co.; Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting of the Company, in place of the retiring Statutory Auditors M/s. Naresh Jai & Associates, Chartered Accountants, to examine and audit the accounts of the Company for the financial year 2012-13 at such remuneration which would be mutually agreed between the Board of Directors of the Company and the Auditors and reimbursement of all out of pocket expenses incurred by them in connection with statutory audit and/or continuous audit and such other remuneration, as may be decided to be paid, for performing duties other than those referred herein above."

### SPECIAL BUSINESS

6. RE-APPOINTMENT OF SH. JITENDER KUMAR GARG AS WHOLE-TIME DIRECTOR & CFO

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "Act" including any modification(s) or re-enactment(s) thereof for the time being in force) Sh. Jitender Kumar Garg be and is hereby appointed as Whole-Time Director & CFO of the Company for a period of Two (2) years with effect from 10<sup>th</sup> March, 2012 at the remuneration of Rs.1,00,000/- p. m. as set out in the explanatory statement to this notice.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Sh. Jitender Kumar Garg will be paid the salary and perquisites as minimum remuneration not exceeding the limits specified under Section II of Part II of Schedule XIII of the Act by making such compliances as provided in the Schedule.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments and as, in its absolute discretion, may be considered necessary, expedient, desirable including power to sub delegate, in order to give effect to the foregoing resolution and to alter or vary the terms and conditions of the said appointment including the remuneration which shall not exceed Rs.2,00,000/- p. m."

7. RE-APPOINTMENT OF SH. BISHAN BANSAL AS WHOLE TIME DIRECTOR

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

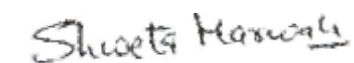
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and as recommended by the Remuneration Committee in its meeting held on 30<sup>th</sup> August, 2012, the consent of the members be and is hereby accorded for reappointment of Sh. Bishan Bansal as Whole-Time Director of the Company for a further period of (3) Three Years with effect from the date of AGM i.e. 29<sup>th</sup> September, 2012 at the same remuneration of Rs.60,000/- p. m. as set out in the explanatory statement to this notice.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Sh. Bishan Bansal will be paid the salary and perquisites as minimum remuneration not exceeding the limits specified under Section II of Part II of Schedule XIII of the Act by making such compliances as provided in the Schedule.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments and as, in its absolute discretion, may be considered necessary, expedient, desirable including power to sub delegate, in order to give effect to the foregoing resolution and to alter or vary the terms and conditions of the said appointment including the remuneration which shall not exceed Rs.2,00,000/- p. m."

Place: Faridabad  
Date: 30<sup>th</sup> August, 2012

By order of the Board  
For SRS Real Infrastructure Ltd.



(Shweta Marwah)  
Company Secretary

## NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. A Proxy to be effective must reach at the Registered Office not later than 48 hours before the scheduled time of the Meeting.
2. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The relevant Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6 - 7 as set out above is appended herein below.
4. Information under Clause 49 of the Listing Agreement regarding appointment/reappointment of Directors in Item Nos. 3, 4, 6 & 7 of the Notice is also annexed hereto separately and forms part of the Notice.
5. M/s. Naresh Jai & Associates, Chartered Accountants have expressed their reluctance to continue as Auditor of the Company and M/s. Walker, Chandiook & Co.; Chartered Accountants have expressed their willingness to be appointed as Statutory Auditors of the Company for the financial year 2012-2013. Special notice has been received from a member proposing appointment of M/s. Walker, Chandiook & Co.; Chartered Accountants as Statutory Auditor for the financial year 2012-2013.
6. Members holding shares in physical mode, in identical order of names in more than one folios are requested to write to Company's RTA's at the address mentioned below at No.7 enclosing their share certificates to consolidate their holdings in one folio.
7. Members are requested to send their requests for transfer/transmission/consolidation and demat of shares, change of address or any other matter to our Registrar & Transfer Agents at the following address: -  
  
BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.  
BEETAL HOUSE, 3rd Floor,  
99, Madangir, Behind Local Shopping Centre,  
New Delhi – 110062
8. (a) The Register of Members and Share Transfer Books of the Company shall remain closed from 25<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012 (both days inclusive) for the purpose of annual general meeting.  
  
b) The Dividend, if declared, will be paid to those members entitled thereto and whose names shall appear in the Register of Members of the Company or to their mandates, after giving effect to all valid Share Transfers in Physical form lodged with the Company and its Registrar on or before 24<sup>th</sup> September, 2012 subject to the provisions of Section 206A of the Companies Act, 1956 or any amendment or re-enactment thereof. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership as on closing of business hours on 24<sup>th</sup> September, 2012 as per the details to be furnished by National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

9. The following amounts of dividend that have not been encashed or claimed are transferred to Unpaid Dividend Account totaling to Rs.1, 58,240/65 (Rupees One Lac Fifty Eight Thousand Two Hundred Forty and Sixty Five Paise Only) as on date.

Final dividend declared on 30 <sup>th</sup> September, 2008	-	Rs.27, 360.00
Final dividend declared on 8 <sup>th</sup> August, 2009	-	Rs.26, 100.00
Interim dividend declared on 30 <sup>th</sup> October, 2009	-	Rs.5, 102.00
Final dividend declared on 29 <sup>th</sup> September, 2010	-	Rs.10, 281.95
Final dividend declared on 30 <sup>th</sup> September, 2011	-	Rs.89, 396.70

10. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred, as per Section 205A of the Companies Act, 1956 to the Investor Education and Protection Fund. Members are encouraged to utilize the Electronic Clearance System (ECS) for receiving dividends.
11. Members holding shares in physical form are requested to note that in order to avoid any loss/interruption in postal transit and also to get prompt credit of dividend through National Electronic Clearing Services (NECS)/Electronic Clearance Service (ECS), they should submit their NECS/ECS details to the Company's Registrar and Share Transfer Agent and those holding shares in electronic form to their depository participants. The requisite NECS/ECS application form is attached with the Annual Report.
12. The members of the Company holding their shares in physical form or in dematerialized form, who have not registered their Email ID's with the Company as per "GO GREEN" initiative taken by the Company to send documents like Notice, Annual Reports and alike correspondence to the members of the Company through electronic mode, are requested to send their Email ID's to the Company's ID: shwetamarwah@srsparivar.com.
13. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their Folio No. in the attendance slip for attending the meeting.
14. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. Members desiring any information/clarification on the accounts are requested to write to the Company atleast 10 days in advance, so as to enable the management to keep the information ready at the Annual General Meeting.
16. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
17. As a measure of economy, copies of the Annual Report will not be distributed at the meeting. Members are requested to bring their copies along with them to the Meeting.
18. Pursuant to the provisions of Section 109A of the Companies Act, 1956, Shareholders are requested to file Nomination forms in respect of their shareholdings. Any shareholder wishing to avail this facility may submit the prescribed Statutory Form 2B to the RTA's at the above mentioned address.
19. Should any assistance be desired/clarification be sought, you may write to the Company Secretary at SRS Multiplex, Top Floor, City Centre, Sector-12, Faridabad, (NCR Delhi) -121007

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

### Item No.6

Sh. Jitender Garg Kumar was re-appointed as Whole-Time Director & CFO of the Company for a period of Two (2) years with effect from 10<sup>th</sup> March, 2012 at the remuneration of Rs.1,00,000/- p. m as set out below

	(Amount in `)
Basic Salary	40037
HRA	25024
Conveyance	6006
Medical	10009
Education	5005
CCA	8638
Gross Salary	94719
PF Deduction	4804
Net Salary	89915
Employers' PF Contribution	5281
CTC p.m.	100000

### PERQUISITES

In addition to the salary, the incumbent shall also be entitled to following perquisites: -

- Telephone**  
The incumbent will be paid actual telephone charges.
- News papers and Magazines**  
The incumbent will be given actual expenses towards newspaper and magazines.
- Statutory Benefits**  
All the Statutory benefits applicable to the company from time to time shall be payable as per applicable provisions
- Gratuity**  
Gratuity payable shall not exceed half month's salary for each completed year of service.

Shareholders' approval is sought for confirmation and ratification of the resolution passed by the Board of Directors.

The proposed resolution is to be passed as an ordinary resolution.

Except Sh. Jitender Kumar Garg, none of the Directors is concerned or interested in the proposed resolution.

The explanatory statement read with the proposed resolution may be treated as an abstract of terms and memorandum of interest of Directors u/s 302 (7) of the Companies Act, 1956

### Item No.7

Sh. Bishan Bansal was appointed as Whole-Time Director of the Company w. e. f. 1<sup>st</sup> November, 2009 for a period of three years i.e. upto 31<sup>st</sup> October, 2012. Sh. Bishan Bansal is a qualified & knowledgeable person having wide business experience. Hence, the Board of Directors of your Company has decided to reappoint him as a Whole-Time Director of the Company for further period of 3 (Three) years with effect from 29<sup>th</sup> September, 2012 at a same remuneration of Rs.60,000/- p. m. as set out below

	(Amount in `)
Basic Salary	23080
HRA	11540
Conveyance	4616
Medical	4616
Education	2308
CCA	2300
Punctuality Allowance	700
Furnishing Allowance	2308
Tiffin Allowance	2600
UMA	2800
Employers' PF Contribution	3141
CTC p.m.	60009

### PERQUISITES

In addition to the salary, the incumbent shall also be entitled to following perquisites: -

- Telephone**  
The incumbent will be paid actual telephone charges.
- News papers and Magazines**  
The incumbent will be given actual expenses towards newspaper and magazines.
- Statutory Benefits**  
All the Statutory benefits applicable to the company from time to time shall be payable as per applicable provisions
- Gratuity**  
Gratuity payable shall not exceed half month's salary for each completed year of service.

None of the Directors of the Company is interested either directly or indirectly, in the said proposal, except Sh. Bishan Bansal.

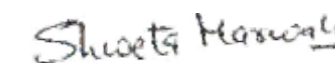
Your Board, therefore, recommends your approval for the passing of the aforesaid resolution in the interest of the efficient management of the Company.

The Proposed Resolution is to be passed as Ordinary Resolution.

The explanatory statement read with the proposed resolution may be treated as an abstract of terms and memorandum of interest of Directors u/s 302 (7) of the Companies Act, 1956

Place: Faridabad  
Date: 30<sup>th</sup> August, 2012

By order of the Board  
For SRS Real Infrastructure Ltd.



(Shweta Marwah)  
Company Secretary

PURSUANT TO CLAUSE 49(IV) (G) (i) OF THE LISTING AGREEMENT FOLLOWING INFORMATION IS FURNISHED REGARDING APPOINTMENT/REAPPOINTMENT OF DIRECTORS

Name of Director	Date of Birth	Qualification	Experience	Directorship in other Indian Public Ltd. Companies	Chairmanship/ Membership of Committees of the Board of Public Ltd. Companies
Sh. Mahender Kumar Goyal	20-08-1963	Middle Examination	9 years	Nil	Nil
Sh. Shiv Mohan Gupta	02-07-1961	B. Com. (Hons.)	7 years	SRS Limited	Chairman of Audit Committee of SRS Limited
Sh. Bishan Bansal	30-10-1971	Senior Secondary	10 years	SRS Real Estate Ltd. SRS Retreat Services Ltd. SRS Computech Ltd. SRS Portfolio Ltd. BTL Investments & Securities Ltd.	Nil
Sh. Jitender Kumar Garg	22-01-1964	M.Com, M.Phil, L.Lb	15 Years	SRS Real Estate Ltd. SRS Limited SRS Professional Services Ltd.	Member of Audit Committee of SRS Real Estate Ltd. & SRS Limited

Place: Faridabad  
Date: 30<sup>th</sup> August, 2012

By order of the Board  
For SRS Real Infrastructure Ltd.

*Shweta Marwah*

(Shweta Marwah)  
Company Secretary

## DIRECTORS' REPORT

### INTRODUCTION

Your Directors are pleased to present the Twenty Second Annual Report of your Company along with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

During the year under review, your Company registered a Net Profit after tax of Rs.869.12 Lac. The Summary of the operating results is as under: -

Particulars	(` IN LAC)	
	31.03.2012	31.03.2011
Gross Sales	72443.59	54423.52
Other Income	297.45	132.40
Total Income	72741.04	54555.92
Profit/(Loss) before Financial Expenses, Depreciation and Tax	2468.01	2122.65
Interest and Financial Expenses	1070.64	782.17
Profit before Depreciation & Tax	1397.37	1340.48
Depreciation	84.36	48.98
Profit/(Loss) before Tax	1313.01	1291.50
Provision for Tax		
- Current	408.11	414.68
- Deferred Tax	18.03	22.32
- Tax on prior period incomes	17.75	-
Profit after Tax	869.12	854.50
Balance b/f from previous year	981.38	404.01
Appropriations:-		
Proposed Dividend	201.02	201.02
Dividend Distribution Tax	32.61	33.38
Amount transferred to General Reserves	21.73	42.72
Amount carried to Balance Sheet	1595.14	981.38
Face Value of Equity Share (Re.)	1.00	1.00
Earnings Per Share		
Basic & Diluted	0.43	0.43

### OPERATIONAL PERFORMANCE

During the year under review, your Company has shown growth of 33.33% by achieving the Gross Sales and other Income at Rs. 72741.04 Lacs as against Rs. 54555.92 Lacs in the previous year. The Net Profit after Tax (PAT) stood at Rs. 869.12 Lacs as against Rs. 854.50 Lacs in the previous year.



## DIVIDEND

Your Directors are pleased to recommend the Dividend of Re.0.10 per Equity share of Re.1/- each for the year ended 31<sup>st</sup> March, 2012.

## BOARD OF DIRECTORS

In accordance with the Articles of Association of the Company and in view of the provisions of Section 256 of the Companies Act, 1956, Sh. Mahender Kumar Goyal and Sh. Shiv Mohan Gupta retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Sh. Jitender Kumar Garg has completed his term as Whole-Time Director & CFO on 10<sup>th</sup> March, 2012. The Board placed on record its deep appreciation for his outstanding leadership and for the growth of the company, reappointed him as Whole-Time Director & CFO of the Company for a further period of 2 (two) years with effect from 10<sup>th</sup> March, 2012 subject to the approval of the members at the ensuing Annual General Meeting.

The tenure of Sh. Bishan Bansal as Whole-Time Director is upto 31<sup>st</sup> October, 2012. The Remuneration Committee and the Board of Directors in their respective meetings held on 30<sup>th</sup> August, 2012 considered and approved the reappointment of Sh. Bishan Bansal for a further period of 3 (three) years with effect from 29<sup>th</sup> September, 2012 subject to the approval of members at the ensuing Annual General Meeting.

A brief profile of Directors, containing details of Directors proposed to be appointed/ reappointed as stipulated under Clause 49 of the Listing Agreement is appended to the Notice of the ensuing Annual General Meeting.

## DE-LISTING OF SECURITIES

The Company has been voluntary delisted from Ahmedabad Stock Exchange Ltd. (ASE) under SEBI (Delisting of Equity Shares) Regulations, 2009 w.e.f. 24.11.2011. Further, application for de-listing has also been filed with Jaipur Stock Exchange Ltd. (JSE) and the same is under process.

## SUBSIDIARY COMPANIES

Your Company has the following Companies as its Subsidiaries:-

- (i) SRS Real Estate Ltd.
- (ii) SRS Retreat Services Ltd.
- (iii) SRS I-Tech Pvt. Ltd.

A statement pursuant to the provisions of Section 212(1) (e) is annexed herewith forming part of this Report as "Annexure – I".

With reference to General Circular No: 2/2011 dated 08.02.2011 of Ministry of Corporate Affairs, Board of Directors in its meeting held on 17<sup>th</sup> April, 2012 has given their consent for not annexing the accounts of Subsidiary Companies except for SRS Real Estate Ltd. The annual accounts of SRS Real Estate Ltd. and Consolidated Accounts are attached to the accounts of your Company. The copy of annual reports of Subsidiary Companies will be made available to the Holding and Subsidiary Company's Shareholder on request and will also be kept for inspection by any Shareholder at the Registered Office of your Company and that of the Subsidiary Companies.

Further, the under mentioned subsidiaries have been merged with SRS Retreat Services Ltd. vide Hon'ble High Court order dated 08.11.2011.

- (i) Bhavani Realbuild Pvt. Ltd.
- (ii) Bright Infrabuild Pvt. Ltd.
- (iii) Dawn Developers Pvt. Ltd.

- (iv) Dimension Infrastructure Pvt. Ltd.
- (v) Glory Buildcon Pvt. Ltd.
- (vi) Haryana Infracon Pvt. Ltd.
- (vii) Mehar Builders Pvt. Ltd.
- (viii) Modern Ashiana Builders Pvt. Ltd.
- (ix) Mounthill Builders Pvt. Ltd.
- (x) Rebnoor Infrabuild Pvt. Ltd.
- (xi) Skyhigh Colonizers Pvt. Ltd.
- (xii) SPS Buildcon Ltd.
- (xiii) SRS Manufacturers Pvt. Ltd.

## AUDITORS

### Statutory Auditors

M/s. Naresh Jai & Associates, Chartered Accountants have expressed their reluctance to continue as Auditor of the Company and M/s. Walker, Chandio & Co.; Chartered Accountants have expressed their willingness to be appointed as Statutory Auditors of the Company for the financial year 2012-2013

The Company has received a letter from them to the effect that their appointment, if made, would be within the limits prescribed u/s 224(1-B) of the Companies Act, 1956 and they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

### Cost Auditors

The Board of Directors of the Company has appointed M/s. Ashok Kumar & Associates, Cost Accountants for conducting the Cost Audit w. e. f. 1<sup>st</sup> April, 2012.

## AUDITORS' REPORT

The observations of the Auditors and notes on the statement of accounts are self-explanatory.

## CORPORATE GOVERNANCE REPORT

A Report on Corporate Governance is set out separately forming part of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company and its business is given separately in the Management's Discussion and Analysis Report forming part of this Annual Report.

## FIXED DEPOSITS

Your Company has not accepted any deposits from the Public and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet for the year ended 31<sup>st</sup> March, 2012.

However, your Company has successfully launched its Fixed Deposit Scheme on 20<sup>th</sup> April, 2012. And has collected Rs 7,04,94,000 as deposit as on 30<sup>th</sup> August, 2012

## PERSONNEL

There are no employees during the period drawing remuneration specified under Section 217 (2-A) of the Companies Act, 1956. As such, no particulars are required to be furnished.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as follows: -

### i) Conservation of energy

The main aim of the policies and technologies being adopted by the Company, in execution of its projects are to keep the embodied energy of the building as low as possible by adopting following techniques:

1. Selecting materials which have low embodied energy and which are more energy efficient.
2. Designing of services which will consume least energy during the operation of the building.
3. Using construction techniques which use less energy during the process of execution.

Besides ensuring low embodied energy through appropriate interventions it is also being ensured that the energy requirements during operation phase are also low.

Details of steps being adopted for Conservation of energy are enumerated below:

#### a) Selection of materials:

Use of following materials is being encouraged on the projects.

- Poly Propylene Pipes/PVC pipes are being used for water supply and drainage works in place of traditional Galvanized Iron or Sand Cast Iron pipes.
- Unitized Sub-Stations (USS) are proposed to be used in place of conventional transformers and capacitor banks. The USS is, compact, fully safe and requires less space to get accommodated. It has inbuilt capacitor bank to maintain the power factor above 0.9.
- Using sandwich type rising mains, in place of conventional cable system for power distribution. These rising mains are maintenance free, have very less voltage drop, are easy to install & have more life. They are also very safe as they have no chimney effect; hence provide a better resistance to the spread of fire.
- Using Compact florescent lamp fittings & LED's for the lighting in common/passage areas, offices etc. has helped reduce electricity requirement.
- All elevators have Variable Frequency Drives. These consume about 30% lower energy during operation as compared to single frequency drive machines. The elevators are also designed to act in tandem thus respond faster to the calls.
- Use of dual energy meters log the energy consumption from mains and/or DG sets and also capture data through electronic interface and generate bills automatically. These also send alerts in advance indicating the balance left and requesting for recouping the payments. This reduces man hours spent in collecting this information.
- Rotary Air Cooled Screw Chillers having VFD for Air-conditioning plant have been provided. These chillers adjust the energy requirements when cooling loads vary.
- For all central units which do not have direct access to the outer shell water cooled system of air-conditioning has been provided. This helps in keeping energy requirements to the bare minimum.
- Using broken brick bat coba type water proofing for terrace. This helps in using all broken brick bats and also provides good thermal insulation.
- Using package type of sewage treatment plant. These plants are very easy to install and operate. The waste water generated is odorless and can be recycled for flushing system or Horticulture purposes. The solid waste generated can be used as manure.
- Special high performance glass is being used in the front façade and the windows. This glass has high light transmission but low heat conductivity. This has helped in reducing the overall heat gain of the building thus reducing the requirement of chillers etc.

### b) Design elements being adopted or making buildings energy efficient

- The orientation of the building and the glazing is designed to more light penetration and yet prevent ingress of direct heat from sun light.
- Large windows and atrium are provided to allow natural light to penetrate to greater depths in the building thus reducing dependence on artificial lighting.
- Staircases and lifts are so located to allow easy vertical access. Reduction in travel distance and time reduces energy consumption during operational stage of the building.
- Provision for segregated air-conditioning system for common areas and office spaces has been done to reduce energy consumption and also allow targeted cooling of specific areas.
- The entire slab is designed as 'flat slab' to permit easier carrying of services and also permit easy casting and less wastage.
- A terrace garden is proposed to be created to provide for a pleasant view and permit the occupants to enjoy open space without having to leave the building.

### ii) Technology absorption

Following modern construction/operation technologies being adopted

- By using ready mixed concrete produced in off site location in the building has helped in reducing noise and dust pollution at site and also reduced wastage of materials. Use of machine made RMC has also permitted use of fly-ash thus saving cement consumption
- The common area lighting is controlled from MCBs to ensure easy control.
- The external lighting system is proposed to be controlled by the timer switches. The time for the ON/OFF of Lights is set to match the setting/rising of Sun.
- Provision for rainwater harvesting is being made to make it a zero discharge building.
- Intelligent building management system is proposed to be installed which will monitor all operative parameters in real time and permit optimization of energy consumption.
- Building is equipped with a state of the art fire detection system which will help pin point the source of fire. It will also have a talk back system and a public address system to ensure easy communication in case of any mishap. This system will be supplemented with an automatic fire suppression system.
- Fiber optic cable is being used in the building to help carry large volume of data.
- A field laboratory has been set up at RMC plant to ensure that the quality of materials being used is conforming to the mandatory requirements and the concrete produced meets design standards.

### iii) Foreign Exchange earning & outgo : Nil

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA), the Directors of the Company confirm the following: -

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
2. that Directors had 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;
3. that the directors had 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;
4. that the Directors had prepared the annual accounts on a going concern basis.

## ACKNOWLEDGEMENT

Your Directors wish to express their gratitude to the Company's Bankers, Stock Exchanges, SEBI, other Regulatory Authorities & business associates and place on record the deep appreciation to our extremely committed team who is bringing alive the company's vision in a remarkable manner. The Directors are deeply thankful to all those associated with the Company for the efforts and cooperation extended.

Place: Faridabad  
Date: 30<sup>th</sup> August, 2012

On behalf of the Board  
For SRS Real Infrastructure Ltd.



(Dr. Anil Jindal) (Jitender Kumar Garg)  
Chairman & Managing Director Whole-Time Director  
& CFO  
DIN – 00005585 DIN- 00088125

ANNEXURE - I

## STATEMENT PURSUANT TO SECTION 212 (3) OF THE COMPANIES ACT, 1956, RELATED TO SUBSIDIARY COMPANIES

Sl No	PARTICULARS	SRS Retreat Services Ltd.	SRS Real Estate Ltd.	SRS I-Tech Pvt. Ltd.
1	Date from which it become Subsidiary	28.12.2007	21.01.2008	04.04.2008
2	Financial Year of the Subsidiary ended on	31.03.2012	31.03.2012	31.03.2012
3	Holding Company's Interest	19,009,780	157,633,120	44,222,250
4	Extent of Holding (%)	100%	100%	100%
5	Net aggregate amount of profits/losses of the Subsidiary for the above financial year of the subsidiary so far as they concern Members of company:			
	a) dealt with in the account of the company for the year ended 31 <sup>st</sup> March, 2012	Nil	Nil	Nil
	b) not dealt with in the accounts of the company for the year ended 31 <sup>st</sup> March, 2012	7,274	12,528,355	15,380
6	Net aggregate amount of profits/losses for previous financial years of the Subsidiary Since it become Subsidiary so far as they concern Members of company:			
	a) dealt with in the account of the company for the year ended 31 <sup>st</sup> March, 2011	Nil	Nil	N.A.
	b) not dealt with in the accounts of the company for the year ended 31 <sup>st</sup> March, 2011	144,772	63,471,984	-11,045,348

## DETAILS OF SUBSIDIARY COMPANIES (2011-12)

	SRS Retreat Services Ltd.	SRS Real Estate Ltd.	SRS I-Tech Pvt. Ltd.
(a) Capital	19,009,780	157,633,120	44,222,250
(b) Reserves and Surplus (adjusted for debits balance in Profit & Loss Account where applicable)	199,677,718	897,824,219	102,859,032
(c) Total Assets (Fixed Assets+ Investments + Current Assets)	246,424,544	5,135,266,075	155,430,132
(d) Total Liabilities (Loans+ Current Liabilities)	27,737,046	4,079,808,736	8,348,850
(e) Details of Investments (except in case of investment in subsidiaries)	Nil	1,965,000	-
(f) Turnover (including Other Income)	104,782,804	1,932,887,762	311,198
(g) Profit (Loss) before Taxation	18,596	19,226,523	22,541
(h) Provision for Taxation	11,322	6,698,168	7,161
(i) Profit (Loss) after Taxation	7,274	12,528,355	15,380
(j) Proposed Dividend	Nil	Nil	Nil

### Notes:

The Director's Report, Balance Sheet, Profit & Loss Account and Auditor's Report of the subsidiaries are not attached to the Company's Accounts except of SRS Real Estate Ltd. However, the annual accounts of the subsidiary companies and the related detailed information will be made available to the members of the holding and subsidiary companies seeking such information at any point of time. The Annual Accounts of the Subsidiary Companies will also be kept open for inspection by any Shareholder/Member in its Registered Office and that of the subsidiary companies concerned.

## CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

### CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy is to conduct business at highest ethical standards and is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it, not only in form but also in spirit, thereby paving the way for its long term success. It strives to find innovative and productive ways to bring optimum return for all its stakeholders i.e. Investors/Shareholders, Customers, Associates and Society.

Corporate Governance is a tool that ensures adoption of innovative approaches and practices that are essential to achieve long term Corporate Goals; for building trust and long term relationship with shareholders, employees, customers, suppliers and associates and to enhance Stakeholders value.

The Company respects and strives hard to meet the objectives of good corporate governance and for the same; it has established systems and procedures to guarantee that its Board of Directors is well-informed & well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction required to take the Company forward.

### BOARD OF DIRECTORS

#### Composition

Presently, the Board consists of 10 Directors. Apart from the Chairman, who is an executive Director, the Board comprises of Two Whole-Time Directors, Two Non- Executive Directors and Five Independent Directors. The composition of the Board meets the requirement of Clause 49 of the Listing Agreement, which stipulates that 50 percent of the Board should comprise of Independent Directors if the Chairman is executive.

The Board has been constituted in such a way that it has understanding and competence to deal with current business issues and also ensuring Directors commitment to participate in the affairs of the business of the Company. The Company's policy did not prescribe any term limit for Directors as this has the disadvantage of losing valuable contribution of Directors who over the years had developed insight into the Company and its affairs.

#### Meetings and deliberations

During the year 2011-12, Twenty Three (23) Board Meetings were held on 18<sup>th</sup> April, 2011; 2<sup>nd</sup> May, 2011; 13<sup>th</sup> May, 2011; 16<sup>th</sup> June, 2011; 5<sup>th</sup> July, 2011; 21<sup>st</sup> July, 2011; 25<sup>th</sup> July, 2011; 8<sup>th</sup> August, 2011; 12<sup>th</sup> August, 2011; 2<sup>nd</sup> September, 2011; 12<sup>th</sup> September, 2011; 4<sup>th</sup> October, 2011; 14<sup>th</sup> November, 2011; 30<sup>th</sup> November, 2011; 9<sup>th</sup> January, 2012; 11<sup>th</sup> January, 2012; 20<sup>th</sup> January, 2012; 30<sup>th</sup> January, 2012; 14<sup>th</sup> February, 2012; 7<sup>th</sup> March, 2012; 10<sup>th</sup> March, 2012; 23<sup>rd</sup> March, 2012 and 29<sup>th</sup> March, 2012.

The gap between any two meetings did not exceed four months.

The composition of Directors, their attendance at the Board Meetings during the year and at the last AGM, particulars of their other Company Directorships and Committee Chairmanship/Membership are given below: -

Name of Director	Category	No. of Board Meetings Attended during the year	Attendance at last AGM held on 30th September, 2011	Directorships in other Companies #	Memberships of committees of other Companies ##	Chairmanship of committees of other Companies ##
Dr. Anil Jindal (Chairman & Managing Director)	Executive	22	Yes	6	1	-
Sh. Jitender Kumar Garg (Whole-Time Director & CFO)	Executive	23	Yes	3	2	1
Sh. Bishan Bansal (Whole-Time Director)	Executive	23	Yes	6	-	-
Sh. Rajesh Singla	Non-Executive	23	Yes	5	-	-
Sh. Nanak Chand Tayal	Non-Executive	23	Yes	3	-	-
Sh. Kailash Kumar	Independent	12	Yes	1	1	-
Sh. Praveen Sharma	Independent	16	Yes	2	-	1
Sh. Mahender Kumar Goyal	Independent	17	Yes	-	-	-
Sh. Shiv Mohan Gupta	Independent	12	Yes	1	-	1
Sh. Praveen Gupta	Independent	15	Yes	1	-	-

# Excluding Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorships.

## Includes only Audit Committee and Shareholders' / Investors' Grievance Committee.

None of the Directors is a member of the Board of more than (15) Fifteen Companies in terms of Section 275 of the Companies Act, 1956, and a member of more than (10) Ten Board-level Committees or a Chairman of more than (5) Five such committees, as required under Clause 49 of the Listing Agreement.

In terms of good Corporate Governance, all statutory and other significant & material information is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as a trustee of Shareholders.

The minutes of the Subsidiary Companies are placed before the Board of Directors of the Company on quarterly basis and performance of the same is reviewed by the Board.

## Directors' Remuneration

The remuneration paid to the Executive Directors after recommendation & approval by the Remuneration Committee is approved by the Board of Directors, subject to the subsequent approvals by the shareholders at the general meeting and such other authorities, as the case may be.

The remuneration structure comprises of Basic Salary, House Rent Allowance, Conveyance Allowance and other allowances & perquisites including Contribution to Provident Fund and other Statutory Benefits. Non-Executive Directors are not paid any fee for attending the meetings of the Board or Committee thereof.

The details of remuneration paid/provided to the Executive Directors during the financial year 2011-12 are as under: -

Sh. Bishan Bansal	Whole-Time Director	Rs.6, 82,416/-
Sh. Jitender Kumar Garg	Whole-Time Director	Rs.8, 71,671/-

No compensation/remuneration is payable to the directors on severance of their directorship with the Company.

During the financial year, there was no pecuniary relationship or transaction between the Company and its Non-Executive Directors.

## Number of Shares held by Non-Executive Directors as on 31<sup>st</sup> March, 2012

Sh. Nanak Chand Tayal	881000
Sh. Rajesh Singla	838000
Sh. Kailash Kumar	Nil
Sh. Praveen Sharma	Nil
Sh. Praveen Gupta	20
Sh. Shiv Mohan Gupta	20,000 (in his own name)
	20,000 (As Karta of Shiv Mohan Gupta & Sons (HUF))
Sh. Mahender Kumar Goyal	Nil

## COMMITTEES OF DIRECTORS

### Audit Committee

Presently, the Audit Committee comprises of the following Directors:-

Sh. Praveen Sharma	-	Chairman
Sh. Kailash Kumar	-	Member
Sh. Shiv Mohan Gupta	-	Member

Ms. Shweta Marwah, Company Secretary acts as the Secretary of the Committee.

### Meetings and Attendance

During the year 2011-12, Six (6) Meetings of the Audit Committee were held on 13<sup>th</sup> May, 2011, 12<sup>th</sup> August, 2011, 2<sup>nd</sup> September, 2011; 14<sup>th</sup> November, 2011; 14<sup>th</sup> February, 2012 and 10<sup>th</sup> March, 2012.

Member	Category	Meetings Attended
Sh. Praveen Sharma (Chairman)	Independent	6
Sh. Kailash Kumar	Independent	6
Sh. Shiv Mohan Gupta	Independent	6

In addition to the members of the Audit Committee, these meetings were attended by CFO & Statutory Auditors of the Company and those executives of the Company who were considered necessary for providing inputs to the Committee as invitees.

Terms of reference of the Audit Committee meet the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement. In the Board meeting held on 13<sup>th</sup> May, 2011, the role of the Audit Committee is enhanced, that includes the following: -

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment, re-appointment, replacement and removal of the statutory auditor, fixation of audit fees.
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d. Reviewing with the management the annual financial statements before submission to the Board for approval, focusing primarily on the following:
  - 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
  - Any changes in the accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by the management
  - Qualifications in the draft audit report
  - Significant adjustments made in the financial statements arising out of audit findings
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with listing and other legal requirements relating to financial statements
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- e. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or right issue (if applicable) and making appropriate recommendations to the Board to take up steps in this matter.
- g. Reviewing with the management, performance of statutory and internal auditors, and adequacy of internal control systems
- h. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audits.

- i. Discussion with the internal auditors on any significant findings and follow-up thereon.
- j. Reviewing the findings of any internal investigations by the internal auditors into 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.
- k. Discussion with the statutory auditors before the audit commences, nature and scope of audit as well as post audit discussions to ascertain any area of concern.
- l. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- m. To review the functioning of the Whistle Blower mechanism, as and when the same will be adopted.
- n. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
- o. Reviewing the Company's financial and risk management policies.
- p. Such other functions as may be considered appropriate by it or referred to it by the Board from time to time.

The Audit Committee, besides overseeing the Company's financial reporting process and reviewing the monthly, quarterly & annual financial statements before submission to the Board, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit can be improved.

The minutes of the meetings of the Audit Committee are confirmed in the next meeting of the Audit Committee and are also placed before the Board for noting.

#### Investor's Grievance & Share Transfer Committee

Presently, the Investors' Grievance & Share Transfer Committee comprises of following Directors:-

Sh. Rajesh Singla	-	Chairman
Sh. Nanak Chand Tayal	-	Member
Sh. Jitender Kumar Garg	-	Member

Ms. Shweta Marwah, Company Secretary acts as Secretary to the Committee & has been designated as Compliance Officer.

Investors' Grievance & Share Transfer Committee specifically looks into redressing of shareholders' and investors' complaints/grievances and all the work pertaining to share transfers, non receipt of annual reports, dividend payments, issue of duplicate certificates, dematerialization of shares, transmission(with or without legal representation) of shares. The Committee oversees and review performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

During the year Nine (9) meetings of the Committee were held on 10<sup>th</sup> June, 2011; 4<sup>th</sup> August, 2011; 10<sup>th</sup> August, 2011; 20<sup>th</sup> August, 2011; 2<sup>nd</sup> September, 2011; 10<sup>th</sup> September, 2011; 31<sup>st</sup> October, 2011; 31<sup>st</sup> December, 2012 and 31<sup>st</sup> March, 2012

The attendance of the Investors' Grievance and Share Transfer Committee is given below: -

Name of Director	Designation	Meetings Attended
Sh. Rajesh Singla	Chairman	9
Sh. Nanak Chand Tayal	Member	9
Sh. Jitender Kumar Garg	Member	9

During the year 2011-12, no complaint was received from shareholders/investors and no complaint was pending at the beginning or end of the year.

#### Remuneration Committee

The Remuneration Committee as on 31<sup>st</sup> March, 2012 comprises of: -

Sh. Mahender Kumar Goyal	-	Chairman
Sh. Praveen Gupta	-	Member
Sh. Praveen Sharma	-	Member

to review and approve the compensation package for senior management personnel including the Managing Director, Whole-Time Director, CEO & CFO of the Company.

Ms. Shweta Marwah, Company Secretary acts as Secretary of the Committee.

During the year Two (2) Remuneration Committee meetings were held on 14<sup>th</sup> November, 2011 & 10<sup>th</sup> March, 2012 and were attended by all the members.

#### GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under

Year	Venue	Day/Date	Time
2010-11	"SRS Banquet" Near SRS Multiplex, City Centre, Sector-12, Faridabad-121007	Friday/30.09.2011	1.00 P.M.
2009-10	"SRS Banquet" Near SRS Multiplex, City Centre, Sector-12, Faridabad-121007	Wednesday/29.09.2010	1.00 P.M.
2008-09	Deputy Speaker Hall "Bharatiyam" Constitution Club, Vithalbhai Patel House, Rafi Marg, Behind RBI New Delhi – 110001	Saturday/08.08.2009	11.30 A.M.

All resolutions moved at the Last Annual General Meeting were passed unanimously by show of hands. There were no special resolutions passed by the Company necessitating postal ballot at any of the above meetings. The following are the Special Resolutions passed at the previous Annual General Meetings held in past 3 years.

AGM held on	Whether Special Resolution passed	Summary of Special Resolution
21 <sup>st</sup> Annual General Meeting held on 30.09.2011	Yes	De-listing of Securities from Ahmedabad Stock Exchange (ASE) & Jaipur Stock Exchange (JSE)
20 <sup>th</sup> Annual General Meeting held on 29.09.2010	No	-
19 <sup>th</sup> Annual General Meeting held on 08.08.2009	Yes	Commencement of business mentioned in Other Objects of Memorandum of Association  Reversal of resolution passed pertaining to listing of securities at BSE & NSE  Reversal of resolution passed pertaining to de-listing of securities from JSE & ASE

The following Extraordinary General Meetings were held during the last three years: -

Year	Venue	Day/Date	Time
2011-12	Nil	Nil	Nil
2010-11	Nil	Nil	Nil
2009-10	202, 27 New Delhi House Barakhamba Road, Connaught Place, New Delhi-110001	Monday/14.09.2009	10.30 A.M
2009-10	202, 27 New Delhi House, Barakhamba Road, Connaught Place, New Delhi-110001	Monday/30.11.2009	11.30 A.M
2009-10	202, 27 New Delhi House Barakhamba Road, Connaught Place, New Delhi	Saturday/13.02.2010	11.30 A.M

During the year no special resolution was passed through Postal Ballot.

## CODE OF CONDUCT

### Code of Business Conduct & Ethics

As the Code of Conduct is an important element of Clause 49, your Company has adopted a Code of Conduct for Board of Directors and Senior Management Personnel of the Company. The Company has obtained declarations from all its Directors and Senior Management Personnel affirming their compliance with the applicable code of conduct for the financial year ended 31<sup>st</sup> March, 2012. The declaration to this effect signed by the Chairman & Managing Director and CEO/CFO of the Company forms part of this report as Annexure - A.

The Code of Conduct of the Company has been hosted on the Group's website at [www.srsparivar.com](http://www.srsparivar.com)

### Code of Conduct for Prevention of Insider Trading & Corporate Disclosure Practice

Your Company has adopted the Code of Conduct for Prevention of Insider Trading & Corporate Disclosure Practices. This Code prohibits the purchase/sale of shares of the Company by employees in possession of unpublished price sensitive information pertaining to the Company.

This Code is applicable to all the Directors, Senior Management Personnel, Business Heads and such other employees of the Company who are expected to have access to unpublished price sensitive information.

## DISCLOSURES

SRS Real Infrastructure Ltd. has complied with all the requirements of regulatory authorities. No penalties were imposed on the company by Stock Exchanges or SEBI or any other statutory authority in any manner related to capital market during the past three years.

## MATERIAL DISCLOSURES

### Related Party Transactions

Related parties and transactions with them as required under Accounting Standard- 18 are given under Note No.40 of notes to the financial statements for the year ended 31<sup>st</sup> March, 2012. None of the transactions with any of the related parties were in conflict with the interest of the Company.

The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.

### Legal Compliances

The Company has complied with all applicable rules & regulations prescribed by Stock Exchanges, SEBI and/or any other statutory authority during the preceding three (3) years on all the matters related to capital market.

### Conflict of interest

Based on the Disclosures received by the Board from the Company's Senior Management Personnel, none of the Senior Management Personnel had any material, financial or commercial transactions where in they had personal interest that could have a conflict with the interest of the Company at large.

### CEO and CFO Certification

A certificate, in accordance with the requirements of Clause 49(V) of the Listing Agreement, duly signed by the Chairman & Managing Director (CEO) and Whole-Time Director(CFO) in respect of the year under review was placed before the Board and taken on record by it.

### Compliances

The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) and, to the best of its knowledge; there are no deviations in the accounting treatments which require specific disclosure. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement as applicable. The non-mandatory requirements are not being complied with for the time being.

## SECRETARIAL AUDIT

A qualified Practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL); Central Depository Services (India) Limited (CDSL) and the total Issued & Listed Capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## MEANS OF COMMUNICATION

The quarterly/half yearly and annual financial results of the company are generally published in "The Pioneer" in English and "Haribhoomi" in Hindi for the information of all the Shareholders. Moreover, the quarterly/half yearly and annual results are also displayed at the Group's website [www.srsparivar.com](http://www.srsparivar.com)

All material information about the Company is promptly sent to the stock exchanges and regular notices/updates are given / provided to the media and shareholders about its financial as well as other developments.

## GENERAL SHAREHOLDER INFORMATION

### 22<sup>nd</sup> Annual General Meeting

- Day & Date	Saturday, 29 <sup>th</sup> September, 2012
- Time	1.00 P.M.
- Venue	SRS Banquet, Near SRS Multiplex, City Centre, Sector-12, Faridabad

### Key financial reporting details for the financial year (F.Y) 2011-12

Un-Audited results for the First quarter ended 30 <sup>th</sup> June, 2011	:	12 <sup>th</sup> August, 2011
Audited Results for the Financial Year 2010-11	:	2 <sup>nd</sup> September, 2011
Unaudited results for the Second quarter/Half year Ended 30 <sup>th</sup> September, 2011	:	14 <sup>th</sup> November, 2011
Unaudited results for the Third quarter Ended 31 <sup>st</sup> December, 2011	:	14 <sup>th</sup> February, 2012



Unaudited results for the Fourth quarter : 14<sup>th</sup> May, 2012  
 Ended 31<sup>st</sup> March, 2012

Book Closure : 25<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012  
 (Both days inclusive)

### Listing

At present, the equity shares of the company are listed at:-

Bombay Stock Exchange Ltd.  
 Phiroze Jeejeebhoy Towers  
 Dalal Street, Mumbai-400001  
 Ph. No. -022-22721233-34  
 Fax No. - 022-22722082-3132  
 Website. - www.bseindia.com

Delhi Stock Exchange Ltd.  
 DSE House, 3/1 Asaf Ali Road,  
 New Delhi – 110002  
 Ph. No.-011-23292417-418  
 Fax No.-011-23292181  
 Website. - www.dseindia.org.in

Jaipur Stock Exchange Limited  
 Stock Exchange Building,  
 JLN Marg, Malviya Nagar,  
 Jaipur – 302017  
 Ph. No.-0141-2729094  
 Fax No.-0141-2729082  
 Website - www.jsel.in

The Company has been voluntary delisted from Ahmedabad Stock Exchange Ltd. (ASE) under SEBI (Delisting of Equity Shares) Regulations, 2009 w.e.f. 24.11.2011.

Application for de-listing has also been filed with Jaipur Stock Exchange Ltd. (JSE) and the same is under process.

COMPANY'S STOCK EXCHANGE CODES	
Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Ltd.	533305

### Stock Market Data

Monthly High and Low of our share price at BSE Sensex for 2011-12 is given below:-

Particular	High	Low	Volume
April, 2011	44.75	39.40	5615524
May, 2011	43.00	35.05	4989044
June, 2011	41.80	36.90	9386200
July, 2011	41.40	37.35	10319605

August, 2011	42.80	38.25	16196702
September, 2011	46.40	35.75	9732572
October, 2011	45.20	36.70	1718419
November, 2011	39.50	36.00	2884857
December, 2011	36.95	33.20	7947186
January, 2012	34.90	33.80	5412154
February, 2012	36.55	32.85	1831590
March, 2012	36.20	33.75	4782317

ISIN for NSDL & CDSL

INE953101023

Registrar and Transfer Agents

BEETAL FINANCIAL &  
 COMPUTER SERVICES (P) LTD.  
 BEETAL HOUSE, 3rd Floor,  
 99, Madangir, Behind Local Shopping Centre,  
 New Delhi – 110062  
 Ph. # 011-29961281 (6 lines)  
 Fax # 011-29961284

To expedite the share transfer, Shareholders/Investors' Grievance Committee is constituted to authorize all the transfers; transmission etc. and all shares transfer/transmission/transposition/ dematerialization is handled by our RTA's.

### Dematerialization of Shares

As on 31<sup>st</sup> March, 2012 19,99,17,406 shares equivalent to 99.45%

### Distribution of shareholding

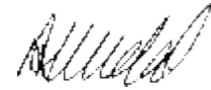
Shareholding of Nominal Value (Rs.)	No. of Shareholders	%	No. of Shares	%
Upto 5000	627	76.74	2,00,869	0.099
5001 to 10000	14	1.71	1,26,230	0.063
10001 to 20000	20	2.45	3,80,679	0.189
20001 to 30000	3	0.37	85,500	0.043
30001 to 40000	6	0.73	2,05,950	0.103
40001 to 50000	6	0.73	2,86,400	0.143
50001 to 100000	15	1.84	11,88,585	0.591
100001 and above	126	15.43	19,85,41,787	98.769
TOTAL	817	100.00	20,10,16,000	100.00

## Request to Investors

- i) Investors are requested to communicate change of address, if any, directly to the Registrar and Share Transfer Agent of the Company.
- ii) Investors holding shares in electronic form are requested to deal only with their respective depository participant for change of address, nomination facility, bank account number etc.
- iii) All requests and other communications/correspondence should be sent at the Company's Registered Office at: -  
Ms. Shweta Marwah  
Company Secretary  
SRS Multiplex, Top Floor,  
City Centre, Sector-12,  
Faridabad, Haryana-121007  
Ph: - 0129-4282832  
Fax: - 0129-4036560  
Email: shwetamarwah@srsparivar.com

Place: Faridabad  
Date: 30<sup>th</sup> August, 2012

On behalf of the Board  
For SRS Real Infrastructure Ltd.



(Dr. Anil Jindal)  
Chairman & Managing  
Director  
DIN - 00005585



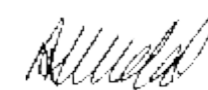
(Jitender Kumar Garg)  
Whole-Time Director  
& CFO  
DIN - 00088125

## ANNEXURE - A

Declaration regarding compliance with the code of conduct of the Company by Board members and senior management personnel

This is to confirm that the company has adopted Code of Conduct for the Board of Directors and senior management personnel of the company.

I declare that the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct of the Company.



(Dr. Anil Jindal)  
Chairman & Managing Director



(Jitender Kumar Garg)  
Whole-Time Director & CFO

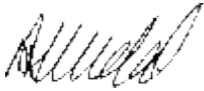
Place: Faridabad  
Date: 30<sup>th</sup> August, 2012

## CERTIFICATIONS BY CMD & CFO OF THE COMPANY

We, Anil Jindal, Chairman & Managing Director and Jitender Kumar Garg, Whole-Time Director & CFO, of 'SRS Real Infrastructure Limited', to the best of our Knowledge and belief, certify that:

1. We, have reviewed the Financial Statements and Cash Flow Statements for the year and to the best of the our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, wherever applicable:
  - a) Deficiencies in the design or operation of internal controls, if any, which come to our notice and steps have been taken/proposed to be taken to rectify these deficiencies;
  - b) Significant changes in internal control over financial reporting during the year;
  - c) Significant changes in accounting policy during the year and that the same have been disclosed in the notes to the financial statements.
  - d) Instances of significant fraud of which they 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.

Place: Faridabad  
Date: 30<sup>th</sup> August, 2012

  
(Dr. Anil Jindal)  
Chairman & Managing Director

  
(Jitender Kumar Garg)  
Whole-Time Director & CFO

## MANAGEMENT DISCUSSION AND ANALYSIS

The Real Estate Industry is perhaps one that impacts the lives of people more than any other. It is the gateway of joys for people aspiring to live the life they have cherished in their own dream house. This industry not only shaped the life and lifestyle of people, but has also opened the doors to wealth and prosperity for countless people.

Given such momentous importance, it is no surprise that real estate industry grosses one of the largest share of spends for a person – it is probably the most expensive thing a person ever buys. So for an industry of this stature, it comes as no surprise to see that it is the second largest employer in the country after agriculture and contributes in excess of 5% to the GDP. Over the next decade, it is expected to record a growth rate of 30%. Impressed with this, the real estate industry emerged as a preferred sector of PE funds, who invested close to USD 2 bn in 2011. FDI inflows in 2011-12 stood at USD 500 mn.

It is interesting to note that as per ICRA, the real estate and construction industry holds the third position among the 14 major sectors in terms of the overall direct and indirect effect. The strength of the multiplier effect is such that for every Rs.100 increase in the expenditure, the potential increase in the income generated is Rs.500. This explains how crucial this industry is to the overall upliftment of the society as a whole.

### Current Trends

Of the four core sub-sectors of residential, commercial, retail and housing, the first category offers maximum promise, while the balance three sectors are also growing well and have a bright future. Commercial real estate now is witnessing moderating sales in the face of oversupply and lower corporate expansions, and hence, residential segment is the hero of the moment.

Since 2010, the residential sector has been on a steep growth trajectory on the back of rising economic prosperity and youthful demographic mix, where 30-35 year olds are emerging as the biggest buyers. Tier I cities such as Delhi and NCR, Mumbai, Chennai, Kolkata etc. account for almost 66% of the residential units on sale.

In terms of apartment size, 2BHK and 3BHK in the mid-range section form the biggest chunk. Luxury as a segment, with larger areas, premium fittings and higher pricing is not proving to be as big a growth driver as it was perceived earlier. Similarly, the affordable housing segment too has not lived fully to its potential. Hence, the most prized category is the 2 & 3 BHK configurations with a price range of Rs.50 lacs – 1.20 crores. This mid-income housing segment therefore plays a key role in bringing in continuity to the sales chart and generating higher volumes – and thus ends up attracting 80% of the available capital.

### Challenges

Promising as the industry may be, it has its own share of challenges – challenging enough to balance the intrinsic exuberance of the industry.

### Buyers

From the buyers' perspective, the biggest problem lies in the cost of funds. A regime of rising interest rates has made EMIs steeper than before on one hand, while on the other, rising inflation has squeezed the disposable income of the people. This is complicated further with the already high residential unit costs, taking the ideal home beyond the reach of many. This doubled edged attack is taking its toll on fresh demand, which has become subdued in recent times.

### Builders/Developers

From the builders' point of view, cost of funds too is one key issue given the cost of debt at over 16% and 20% for acquisition finance. The cost of construction is on an upward journey, with per sq ft construction costs already up by 20% over the last year. Coupled with rising material and labour costs, things are not comfortable for builders either.

The debt-equity ratio is weighing down for most of the builders and has become the achilles heel for them. The burden of debt is way too heavy, and the high cost of debt-servicing has a terrible effect on developer margins.

### Investors and FDI

The current scenario coupled with the legacy dealing style of the industry players is not aligned to attract global fund managers who seek transparency and stability in the business. FDI on account of this and overall economic pressures has actually come down in FY 2012, signaling an end of easy flight of international capital to the country.

### Issues

The industry needs to tackle a few issues to spur growth.

The key among those is to liquidate unsold inventory, by reigniting the demand, which has been sputtering in a few cities. Debt reduction is another high priority area to reduce the cost of debt servicing and increase margins. According to Fitch Ratings, the debt-equity ratio of most players increased last year, while decreasing profits resulted in high leverage and lower creditworthiness. The cash generated by liquidating inventories will be put to use if used to improve the capital structures.

Apart from this, the players must bring about financial diligence and transparency to attract FDI, which has actually declined this year.

### Growth Opportunities

To grow ahead, companies need to bring in higher levels of transparency, financial discipline, accountability and safeguard investor interest. It is also critical to demonstrate that there is no cross-usage of funds amongst the various projects in the pipeline, and that each one of them is accounted for perfectly.

It will also help the industry if the proportion of end-users as buyers increased. According to some reports, almost 65% of the recent residential sales of flats in Delhi went to speculators – who in turn bring about a premature increase in the prices, placing the property out of budget for many end-users.

In spite of the challenging scenario, it is a reality that project-specific price increases will happen on all genuinely executed projects – hence developers can actually look forward to grow significantly on the strength of such projects.

Retail promises to be another catalyst for the industry. It is almost a given that reforms for multi-brand retail shall be announced shortly, leading to a sudden entry and scale up by international players such as Wal-Mart and others. This retail boost will provide the much-needed thrust to this sub-sector and revive the commercial segment as well.

### BUSINESS OVERVIEW

While the overall micro and macro economic factors were not in the best of health last year, your Company's Board worked with the confident belief that the above generalizations may not necessarily apply to your Company, who forged ahead with its strong planning, execution and delivery roadmap.

This confidence and intelligent working style reflects well in the results as well. Your Company's gross revenues went up to Rs. 727.41 crores, recording an increase of 33.33%. EBITA shot up by 16.27% to touch Rs. 24.68 crores and Net Profits clocked an increase of 1.72% to close at Rs. 8.69 crores.

### Operational Overview

The past year saw the company make tremendous progress across its various projects, making the widespread development amply visible. This further enhanced the industry stature of your Company and induced higher levels of confidence amongst investors, consumers, vendors and all other stakeholders.

In line with the Company's mission to provide top-class, value for money spaces, it introduced new residential and commercial projects while taking forward the existing projects towards completion. In the residential segment, affordable housing, in both high-rise and low-rise configuration, forms a major part of the overall bouquet.

**Residential:** The Company completed the possession of 5 towers out of a total of 12 in 'SRS Residency', Sector-88, Faridabad. What is wonderful is that over 112 families have already moved in here to enjoy world-class living, in the midst of modern amenities and convenience. Further, the application for obtaining completion certificate for the remaining towers too has been initiated. Apart from these the 12 towers, further construction of a set of low rise flats and one premium tower has been started.

Construction of the other two projects i.e. 'SRS Pearl Floors' and 'SRS Royal Hills' at Sector-87, Faridabad is in full swing. First lot of 40 houses, along with related external services, in Pearl Floors are nearing completion and the Company proposes to apply for occupation certificate shortly. Construction of Pearl Heights in this project has also been started.

**Commercial:** The much anticipated SRS Tower on Mathura Road, NH 2 stands virtually complete. Looking majestic against the clear blue skies, it signals Faridabad's new era in inviting the corporate world take root in the city. A truly world-class tower, it rivals any top class structure seen in the best of the cities. Completion of the IT Tower has been obtained and fit outs have started, with some offices already becoming operational.

### Key Projects:

Project	Project Type	Location	Area
SRS Pearl	Group Housing	Sec-5 Palwal	5.518 Acres
SRS Pearl Heights	Group Housing	Sec-87 Faridabad	24.98 Acres
SRS Royal Hills	Group Housing	Sec-87 Faridabad	23.05 Acres
SRS Residency	Group Housing	Sec-88 Faridabad	17.342 Acres
SRS Tower	IT Tower	Sec-31 Faridabad	7865 Sq.yds
SRS Royal Hills	Group Housing	Sec-26 Rewari	13.5 Acres
LOTUS SRS Green City	Residential Plotted Colony	Sec-9 Kurukshetra	54.875 Acres

SRS Township	Mix of plots, villas and flats	Sec.6, Palwal	74 acres
SRS Pearl Independent Floors	Independent floor	Sec.87 & 88, Greater Faridabad	Part of 46 acre self sufficient integrated residency
SRS Affordable Group Housing	Affordable group housing	Sec.6, Palwal	6.3 acres
5 Start Hotel	Premium Hotel	Prithla	14.5 acres
Motels – 2	Highway Motels	Prithla	6 acres
IT Park	IT Unit	GT Road, Ballabgarh	3.25 acres
IT Park II	IT Unit	GT Road, Ballabgarh	5.25 acres
SRS Retreat Farms	Farmhouse	Faridabad	82 acre
SRS Retreat Farms II	Farmhouse	Panchkula	27 acre
Industrial Land	Commercial Units	Various Locations	60 acres
Township	Residential	Karjat (Mumbai)	15 acres

#### New Launches

**Residential:** Out of two Group Housing projects planned in Sector-26, Rewari, spread over an area of approx. 12.64 acres, construction has started in full swing in one. Along with this, construction of a Group Housing at Sec.-5, Palwal in an area of approx. 5.52 acres has been started. Keeping in view the Company policies for providing quality construction, pile foundation has been provided in this scheme to take care of the low safe soil bearing capacity. The product mix for this project has been specifically designed keeping in view the local market requirement.

**Non-Residential:** Construction of the first phase of the Five Star Hotel at Prithla has been started in a total plot area of 14.82 acres. The first phase consists of a large air-conditioned banquet hall, fine dining restaurant, gymnasium, spa, swimming pool, rooms and suites along with large beautifully landscaped banqueting gardens with comprehensive state-of-art services, as well as a central Kitchen for catering services.

Planning for an IT Tower at Ballabgarh on a plot area of 3.14 acres has been started. Your Company invited major architectural firms to submit proposals and out of four proposals submitted, one was shortlisted. The project will offer quality IT spaces to small, medium and large organisations with all support facilities such as food courts, seminar halls, meeting rooms, full power backup, provision for air-conditioning and state of the art fire detection and suppression systems.

#### Company Strengths

Armed with clarity of vision and focus on meeting commitments, your Company has developed a reputation for professional working and timely delivery of quality projects. This is made possible by several factors that include:

- Professional Team: The Company is fortunate to have a talented and mature team that understands the intricacies of the real estate and construction industry, and has formidable skills in project planning, execution, vendor selection and supervision.

- Dependable set of consultants and agencies: Over the years, the Company has created a pool of sound consultants who collaborate well in its various projects for a smooth culmination. This helps the company to initiate work on new projects speedily and also meet or in cases, beat its delivery schedule.
- Sharp segment focus: The Company's clear focus also is the secret behind its consistent rise. It has maintained its focus on the residential sector, and within that, it is sharply focusing the affordable and mid-range projects in Rs.25-85 lakh category. This works especially well because it offers a mix of independent floors and high-rise apartments to suit the varied needs of people.
- Complete Bouquet: The Company offerings span across a wide spectrum that include group housing societies, independent floors, farmhouses, towers, hotels and farmhouses which gives it complete expertise, and makes it attractive for a wide range of individual and corporate customers.
- Geographical focus: The Company has set its vision fixed on Tier II and III cities to unveil its projects, in line with the increasing demand from these areas. It helps the company to acquire land at reasonable prices in these areas, and thus offer homes at attractive price-points. Also, most of its projects are in the NCR, which will see years of development, ensuring a bright future.

#### The Road Ahead

The country's demographic mix and income growth is in favour of the real estate industry. Hence the onus is on the industry itself to shape it up and remove the issues outlined above, which in turn will surely trigger demand and investments. Getting into new and underleveraged areas such as Greater Faridabad, Dwarka Expressway as well as satellite cities around Delhi NCR for example, will prove to be beneficial for both builder and buyers.

The good news is that in spite of the challenges, it is very much achievable – all it needs is some serious intent from the developers and good infrastructure development from the government. There's surely no doubt that the industry will continue to be the gateway to people's dreams.

#### In Effect

The Company stands on a very firm ground, ready for success not only during the present year, but also in the coming years. An attractive land bank of over 500 acres paves way for launching several new projects in the coming times, with good potential for revenues and profitability. The fact that the projects of the Company are coming up on land that is legal and free from any disputes is another high point. Another opportunity in the waiting is the possibility of investments from REITs, PEs and Foreign Direct Investors who have evinced interest in SRS.

On an immediate note, the Company's pipeline is healthy with a series of projects lined up at various stages of planning, development and completion. Quality construction and timely delivery has made it a trusted brand in the industry and the Company intends to leverage its strengths to grow impressively in the coming times. It is confident that with its sharp sectoral and geographical focus, a meticulous team and wide breadth of skills and resources, the future is bright indeed.

#### INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has well defined and adequate internal control systems to ensure that all the assets are safeguarded as well as are more productive. These internal controls are supplemented by periodic audits with management reports which are reviewed by our Audit Committee.

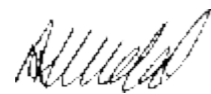
We have a qualified and independent Audit Committee which comprises of our Board of Directors. The Audit Committee reviews the adequacy and efficiency of internal controls and recommends any improvements or corrections. These internal controls ensure efficiency in operations, compliance with the internal policies of the Company, applicable laws and regulations, protection of resources and the accurate reporting of financial transactions.

#### CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and other incidental factors.

On behalf of the Board  
For SRS Real Infrastructure Ltd.

Place: Faridabad  
Date: 30<sup>th</sup> August, 2012



(Dr. Anil Jindal)  
Chairman & Managing Director  
DIN:-00005585



(Jitender Kumar Garg)  
Whole-Time Director & CFO  
DIN: - 00088125

#### Auditors' Certificate regarding Compliance of conditions of Corporate Governance.

To the Members of  
SRS Real Infrastructure Ltd.



We have examined the Compliance of Corporate Governance by SRS Real Infrastructure Ltd. (the Company) for the year ended 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance note on Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor expression of opinion on the financial statements of the Company.

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

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

For Naresh Jai & Associates  
Chartered Accountants  
Firm Regn. No. 019082N



CA NARESH GOYAL  
(Partner)  
Membership No.501487

Place: Faridabad  
Date: 30<sup>th</sup> August, 2012

## AUDITORS' REPORT

To,

The Members of  
SRS REAL INFRASTRUCTURE LIMITED,  
FARIDABAD

1. We have audited the attached Balance Sheet of SRS REAL INFRASTRUCTURE LIMITED ('the Company') as at 31<sup>st</sup> March 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 [as amended by the Companies (Auditor's Report) (Amendment) Order, 2004] [hereinafter referred to as 'Order'] issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Naresh Jai & Associates  
Chartered Accountants  
Firm Regn. No. 019082N



CA Naresh Goyal  
(Partner)  
M. No.501487

Place: Faridabad  
Date: 30.08.2012

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date,

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, major fixed assets have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared to book records.
- (c) Disposal of fixed assets during the year are not substantial, therefore do not affect the going concern assumption.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- iii. (a) The company has granted Loans & Advances to 2 companies covered in the register maintained under section 301 of the Companies Act, 1956. Maximum amount involved during the year was Rs. 94 lacs and the year-end balance of loans given to such parties was Rs. Nil.
- (b) In our opinion, the rate of interest wherever stipulated, and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the company.
- (c) The repayment of the principal amount of loan given and interest has been regular.
- (d) There is no overdue amount in excess of rupees one lakh in respect of loans of the aforesaid parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has taken Loans & Advances from 2 companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,022 lacs and the year-end balance of loans taken from such parties was Rs. 311 lacs.
- (f) The repayment of the principal amount of loan taken and interest has been regular.

- (g) In our opinion, the rate of interest wherever stipulated, and other terms and conditions for such loans are not, prima facie prejudicial to the interest of the company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. 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 information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into 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 explanations 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 the 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. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business and activities.
- viii. According to information and explanations given to us, during the year the Central Government has prescribed for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of business carried out by the Company, the prescribed records and accounts have been made and maintained by the Company. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.
- ix. (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, except advance Income Tax of Rs. 175.61 Lacs, no other undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrear as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x. The company has no accumulated losses as at 31<sup>st</sup> March, 2012 and 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 its Bankers. The Company did not have any outstanding debentures during the year.



- xii. In our opinion and according to the information & explanation given to us, the Company has not granted Loans and Advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Order 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 Order are not applicable to the Company.
- xv. As per the information and explanations given to us, the Company has given corporate guarantee of Rs. 20,644 Lacs for loan taken from Banks by its Subsidiary Company, SRS Real Estate Limited and Rs. 6000 lacs for loan taken from banks by SRS Limited. In our opinion, the terms and conditions of such guarantee are not prejudicial to the interest of the Company.
- xvi. To the best of our information and knowledge and as per records verified by us, the Company has applied its term loans for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by means of public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- xxi. 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 Naresh Jai & Associates  
Chartered Accountants  
Firm Regn. No. 019082N




CA Naresh Goyal  
(Partner)  
M. No.501487

Place: Faridabad  
Date: 30.08.2012

## BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note No.	As At 31.03.2012	As At 31.03.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
Share Capital	2	201,016,000	201,016,000
Reserves and Surplus	3	1,930,442,496	1,866,893,222
		<u>2,131,458,496</u>	<u>2,067,909,222</u>
<b>(2) Non-Current Liabilities</b>			
Long-Term Borrowings	4	331,425,785	396,333,990
Deferred Tax Liability (net)	5	5,201,735	3,399,028
Other Long Term Liabilities	6	69,000,000	69,000,000
Long-Term Provisions	7	908,835	655,761
		<u>406,536,355</u>	<u>469,388,779</u>
<b>(3) Current Liabilities</b>			
Short-Term Borrowings	8	699,056,388	703,765,050
Trade Payables	9	292,645,063	71,886,779
Other Current Liabilities	10	1,409,561,313	1,117,178,947
Short-Term Provisions	11	62,409,676	35,837,331
		<u>2,463,672,440</u>	<u>1,928,668,107</u>
<b>Total</b>		<u><b>5,001,667,291</b></u>	<u><b>4,465,966,108</b></u>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>Fixed Assets</b>			
-Tangible Assets	12.1	106,808,649	104,202,552
-Capital Work in Progress	12.2	846,453,277	745,405,815
		<u>953,261,926</u>	<u>849,608,367</u>
Non-Current Investment	13	1,377,782,600	1,382,722,107
Long-Term Loans & Advances	14	12,264,610	11,550,000
		<u>2,343,309,136</u>	<u>2,243,880,474</u>
<b>(2) Current Assets</b>			
Inventories	15	992,725,042	812,920,255
Trade Receivables	16	1,217,552,322	1,014,555,360
Cash & Cash Equivalents	17	80,446,524	96,756,751
Short-Term Loans & Advances	18	357,977,407	291,251,942
Other Current Assets	19	9,656,860	6,601,326
		<u>2,658,358,155</u>	<u>2,222,085,634</u>
<b>Total</b>		<u><b>5,001,667,291</b></u>	<u><b>4,465,966,108</b></u>
Significant Accounting Policies	1		

Accompanying Notes from 1 to 44 are integral part of the Financial Statements

As per our report of even date attached

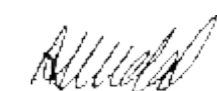

For Naresh Jai & Associates  
Chartered Accountants  
Firm Regn. No. 019082N




(CA Naresh Goyal)  
Partner  
Membership No. 501487

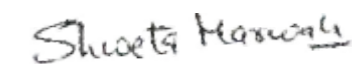
Place: Faridabad  
Date: 30.08.2012

For and on behalf of the Board

(Dr. Anil Jindal)  
Chairman &  
Managing Director  
DIN-00005585

(Jitender Kumar Garg)  
Whole-Time Director & CFO  
DIN-00088125



(Shweta Marwah)  
Company Secretary  
Membership No. 18730

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR  
ENDED 31ST MARCH 2012

(Amount in Rs.)

Particulars	Note No.	Year ended 31.03.2012	Year ended 31.03.2011
<b>Income</b>			
Revenue from Operations	20	7,244,359,850	5,442,352,435
Other Income	21	29,744,748	13,240,564
<b>Total Revenue</b>		<b>7,274,104,598</b>	<b>5,455,592,999</b>
<b>Expenses</b>			
Cost of materials consumed	22	112,583,913	64,908,928
Cost of Sale of Developed properties	23	67,690,785	69,239,714
Purchase of Stock-in-Trade	24	6,793,894,507	5,033,059,243
Change in Inventories	25	12,383,070	22,111,307
Employee benefits expense	26	5,719,749	5,292,015
Financial Expenses	27	107,064,493	78,217,186
Depreciation	12	8,435,822	4,898,472
Other Expenses	28	35,031,516	48,716,476
<b>Total</b>		<b>7,142,803,855</b>	<b>5,326,443,342</b>
<b>Profit before Tax</b>		<b>131,300,743</b>	<b>129,149,657</b>
Less: Provision for Taxation:			
-Current		40,811,557	41,468,186
-Deferred		1,802,707	2,231,637
-Earlier year (s)		1,774,623	-
<b>Total Tax Expenses</b>		<b>44,388,887</b>	<b>43,699,823</b>
<b>Profit after Tax</b>		<b>86,911,856</b>	<b>85,449,834</b>
<b>Earning per share :</b>			
Face Value per Equity Share (in Rs.)		1.00	1.00
-Basic & Diluted (in Rs.)		0.43	0.43

Significant Accounting Policies

1



Accompanying Notes from 1 to 44 are integral part of the Financial Statements

As per our report of even date attached

For Naresh Jai & Associates

Chartered Accountants

Firm Regn. No. 019082N

(CA Naresh Goyal)

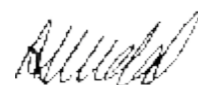
Partner

Membership No. 501487

Place: Faridabad

Date: 30.08.2012

For and on behalf of the Board

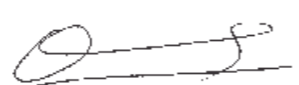


(Dr. Anil Jindal)

Chairman &

Managing Director

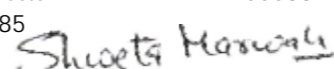
DIN-00005585



(Jitender Kumar Garg)

Whole-Time Director & CFO

DIN-00088125



(Shweta Marwah)

Company Secretary

Membership No. 18730

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

(Amount in Rs.)



Sr. No.	PARTICULARS	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit Before Tax (as per Profit & Loss Account)	131,300,743	129,149,655
	Adjustment For:		
	Depreciation	8,682,218	5,101,622
	Loss on sale of Investments	61,590	33,656
	Provision for diminution in value of Investments	-	60,493
	Profit on sale of Fixed Assets	(256,159)	-
	Interest Paid	214,303,196	183,827,247
	Interest Received	(7,635,543)	(3,709,045)
	<b>Operating Profit Before Working Capital Change</b>	<b>346,456,045</b>	<b>314,463,628</b>
	Adjustment For:		
	Trade and Other Receivable	(270,691,155)	(366,365,517)
	Inventories	(179,804,786)	(118,326,840)
	Trade Payable and Other Liabilities	462,526,518	289,257,247
	<b>Cash Generated From Operations</b>	<b>358,486,622</b>	<b>119,028,518</b>
	Direct Taxes Paid	(19,270,361)	(34,494,161)
	<b>Net Cash From Operating Activities (A)</b>	<b>339,216,261</b>	<b>84,534,357</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchases of Fixed Assets	(113,976,367)	(193,965,140)
	Proceeds from Sale of Fixed Assets	1,896,750	(18,054,900)
	Proceeds from Sale of Investments	4,877,917	2,466,344
	Dividend Paid	(19,929,638)	(10,050,800)
	Interest Received	4,834,127	458,972
	<b>Net Cash Used in Investing Activities (B)</b>	<b>(122,297,211)</b>	<b>(219,145,524)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Proceeds From Long Term Borrowings	99,716,808	94,130,605
	Repayments of Long Term Borrowings	(164,625,016)	(92,134,497)
	Proceed From Short Term Borrowing (Net)	(4,708,662)	334,374,485
	Interest Paid	(163,612,407)	(161,941,936)
	<b>Net Cash Used in Financing Activities (C)</b>	<b>(233,229,277)</b>	<b>174,428,657</b>
	<b>Net Increase in Cash And Cash Equivalent (A+B+C)</b>	<b>(16,310,227)</b>	<b>39,817,490</b>
	Cash & Cash Equivalent at the beginning of the Year	96,756,751	56,939,261
	Cash & Cash Equivalent at the end of the Year	80,446,524	96,756,751
	<b>Net Increase in Cash And Cash Equivalents</b>	<b>(16,310,227)</b>	<b>39,817,490</b>

As per our report of even date attached.

For Naresh Jai & Associates

Chartered Accountants

Firm Regn. No. 019082N

(CA Naresh Goyal)

Partner

Membership No.: 501487

Place: Faridabad

Date: 30.08.2012

For and on behalf of the Board



(Dr. Anil Jindal)

Chairman &

Managing Director

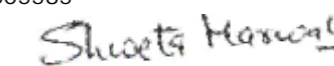
DIN-00005585



(Jitender Kumar Garg)

Whole-Time Director & CFO

DIN-00088125



(Shweta Marwah)

Company Secretary

M.No.18730

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

### 1. Significant Accounting Policies

#### 1.1 Basis of Accounting

The financial statements are prepared under historical cost convention on accrual basis and in accordance with the requirement of the Companies Act, 1956 and in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the said Act. Management evaluates the effect of the accounting standards issued on a continuous basis and ensures that they are adopted as mandated under law and by ICAI. The accounting policies, except otherwise stated, have been consistently applied by the Company.

#### 1.2 Use of Estimates

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

#### 1.3 Revenue Recognition

Revenue from projects/scheme is recognized on the basis of "Percentage of Completion Method". The revenue is recognized in proportion to the actual cost incurred as against the total estimated cost of the projects/scheme under execution subject to such actual cost being 25% or more of the total estimated cost of the project/scheme.

The estimates relating to saleable area, sale value, estimated costs etc. are revised and updated periodically by the management and necessary adjustments are made in the current year's accounts.

The construction/development cost in respect of sales recognized is proportionately charged to the Profit & Loss Account in consonance with the matching cost concept.

Sale of undeveloped land and other properties are recognized in the financial year in which the transfer is made by written agreement to sell/registration of sale deed or otherwise in favour of parties when the significant risk and reward of the ownership are transferred and there is certainty of realization of the consideration.

Interest on delayed payments by customers against dues is taken into account on acceptance or realization owing to practical difficulties and uncertainties involved.

Revenue from the sale of material is recognized at the time of transfer of the documents to title/delivery of the material.

Revenue from interests is recognized on a time proportion basis.

Dividend Income on investment is accounted for when the right to receive the payment is established.

#### 1.4 Fixed Assets, Capital Work in Progress and Intangible Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the cost of acquisition/purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, interest etc. upto the date the asset is ready for its intended use. Credit of duty, if availed, is adjusted in the acquisition cost of the respective fixed assets.

Capital Work-in-Progress, including capital advances, is carried at cost, comprising direct cost, related indirect expenses and interest on borrowings to the extent attributed to them.

Intangible assets are recognized as per the criteria specified in Accounting Standard -26 "Intangible Assets" issued by the Institute of Chartered Accountants of India and recorded at the consideration paid for acquisition.

#### 1.5 Depreciation on Fixed Assets and Amortization

Depreciation on fixed assets is applied on straight-line basis as per the rates and manner specified in Schedule XIV to the Companies Act, 1956 on pro rata basis.

Depreciation on fixed assets costing upto Rs.5, 000/- is provided @100% over a period of one year.

Intangible Assets are amortized over the useful life of the assets or ten years, whichever is earlier.

Depreciation on leasehold improvements is charged over the period of lease.

#### 1.6 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are considered as part of the cost of Assets/Projects. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are treated as period cost and charged to the Profit and Loss Account in the year in which incurred.

#### 1.7 Impairment of Assets

An asset is impaired if there is sufficient indication that the carrying cost would exceed the recoverable amount of cash generating asset. In that event an impairment loss so computed would be recognized in the accounts in the relevant year.

#### 1.8 Foreign Exchange Transaction

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currency are reported using the closing exchange rate on each Balance Sheet date.

Non-monetary items are carried at cost.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported are recognized as income/expense in the period in which they arise.

## 1.9 Investments

Current investments are stated at lower of cost and fair market value. Long-term investments are valued at their acquisition cost. The provision for any diminution in the value of long-term investments is made only if such a decline is other than temporary.

## 1.10 Inventories

Inventories are valued as under: -

- a. Goods held for Resale-
  - Trading Division : at lower of actual cost and net realizable value
  - Land, Plot and Constructed Properties: at lower of actual cost and net realizable value
- b. Project/Contract Work in Progress : at lower of actual cost and net realizable value
- c. Finished Goods : at lower of actual cost and net realizable value

Cost of goods held for resale in trading division are determined on First in First out ('FIFO') basis in the ordinary course of business.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

All expenses attributable directly and forming integral part of specific project/scheme are considered as part of the project cost and accordingly are considered in the valuation therein.

## 1.11 Taxation

Income tax expense is accounted for in accordance with AS-22 "Accounting for Taxes on Income" for both Current Tax and Deferred Tax as stated below:

### Current Tax:

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

### Deferred Tax:

Deferred Tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income & accounting income computed for the current accounting year and reversal of earlier years' timing difference.

Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses, which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## 1.12 Employee benefits

- a) Defined Benefit Plan  
Gratuity and long-term compensated absences are provided for based on actuarial valuation carried out at the close of each year. The actuarial valuation is done by an Independent Actuary as per projected unit credit method.

- b) Defined Contribution Plan  
The company contribution to Employees Provident Fund and Family Pension Fund are deposited with the Regional Provident Fund Commissioner and is charged to Profit & Loss Account every year on due basis.

## 1.13 Cash Flow Statement

Cash flows are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the company are segregated.

## 1.14 Earning Per Share (EPS)

Earning per Share is 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 earning 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.

## 1.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in Rs.)

PARTICULARS	As At 31.03.2012	As At 31.03.2011		
<b>Note 2: Share Capital</b>				
<b>Authorised Capital</b>				
25,00,00,000 (Previous year 25,00,00,000) Equity Shares of Re.1/- each	250,000,000	250,000,000		
	<u>250,000,000</u>	<u>250,000,000</u>		
<b>Issued, Subscribed &amp; Paid-up Capital</b>				
20,10,16,000 (Previous year 20,10,16,000) Equity Shares of Re.1/- each fully paid	201,016,000	201,016,000		
	<u>201,016,000</u>	<u>201,016,000</u>		
<b>Quantitative Reconciliation of Shares Outstanding</b>				
No. of Shares Outstanding at the beginning of the year	201,016,000	201,016,000		
Add : No. of Shares Issued	-	-		
Less : Deduction	-	-		
No. of Shares Outstanding at the end of year	<u>201,016,000</u>	<u>201,016,000</u>		
The rights, preference and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:- The equity shares have a par value of Re. 1 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.				
During the year ended 31st March 2012, the amount of dividend per share recognised as distribution to equity holders was Re. 0.10 (PY Re. 0.10). The total dividend appropriation for the year ended 31st March 2012 amounts to Rs. 201.02 lacs (PY Rs. 201.02 lacs) excluding Dividend Distribution Tax of Rs. 32.61 lacs (PY Rs. 33.39)				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.				
<b>Detail of shareholders holding more than 5% shares</b>				
	<b>As at 31st March 2012</b>	<b>As at 31st March 2011</b>		
Name of Shareholder	No. of Shares	Holding Percentage	No. of Shares	Holding Percentage
BTL Impex India Limited*	-	-	10,487,775	5.22%
BTL Investments & Securities Limited	27,187,404	13.53%	27,187,404	13.53%
SRS Holdings India Limited (Formerly known as BTL Industries Limited)	77,587,158	38.60%	23,960,000	11.92%
* BTL Impex India Ltd has been merged with SRS Holdings India Ltd. (Formerly known as BTL Industries Ltd.) w.e.f. 1st September 2011 vide order of Hon'ble High Court dated 16th March, 2012.				
<b>Note 3: Reserves and Surplus</b>				
<b>I. Securities Premium Account</b>				
Opening Balance	1,760,000,000	1,760,000,000		
Add:- Addition during the year	-	-		
Closing Balance	<u>1,760,000,000</u>	<u>1,760,000,000</u>		
<b>II. General Reserves</b>				
Opening Balance	8,755,031	4,482,539		
Add:- Transfer during the year	2,172,796	4,272,492		
Closing Balance	<u>10,927,827</u>	<u>8,755,031</u>		
<b>III. Profit &amp; Loss Account</b>				
Opening Balance	98,138,191	40,401,072		
Add:- Profit for the current year	86,911,856	85,449,834		
Amount available for Appropriation	<u>185,050,047</u>	<u>125,850,906</u>		
<b>Appropriations</b>				
Proposed Dividend	20,101,600	20,101,600		
Dividend Distribution Tax	3,260,982	3,338,623		
Transfer to General Reserves	2,172,796	4,272,492		
Closing Balance	<u>159,514,669</u>	<u>98,138,191</u>		
<b>Total Carried Forward to Balance Sheet (I + II + III)</b>	<u>1,930,442,496</u>	<u>1,866,893,222</u>		

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in Rs.)

PARTICULARS	As At 31.03.2012	As At 31.03.2011
<b>Note 4: Long-Term Borrowings***</b>		
<b>Secured Loan</b>		
Term Loans		
From Banks	330,905,686	331,255,321
From Others	520,099	1,235,049
	<u>331,425,785</u>	<u>332,490,370</u>
<b>Unsecured Loans</b>		
Deferred payment credit of EDC/IDC	-	63,843,620
*** Refer Note No. 35	-	63,843,620
<b>Total</b>	<u>331,425,785</u>	<u>396,333,990</u>
<b>Note 5: Deferred Tax Liability (net)</b>		
<b>Deferred Tax Liability</b>		
Fixed Assets	5,496,607	3,620,926
<b>Total Deferred Tax Liability (A)</b>	<u>5,496,607</u>	<u>3,620,926</u>
<b>Deferred Tax Assets</b>		
Provision for Retirement Benefits	294,872	221,898
<b>Total Deferred Tax Assets (B)</b>	<u>294,872</u>	<u>221,898</u>
<b>Deferred Tax Liability (net) (A-B)</b>	<u>5,201,735</u>	<u>3,399,028</u>
<b>Note 6 : Other Long Term Liabilities</b>		
Security Received	69,000,000	69,000,000
	<u>69,000,000</u>	<u>69,000,000</u>
<b>Note 7: Long-Term Provisions</b>		
Provision for Employee Benefits	908,835	655,761
	<u>908,835</u>	<u>655,761</u>
<b>Note 8: Short-Term Borrowings</b>		
<b>Secured Loan</b>		
From Bank :		
Cash Credit	699,056,388	703,765,050
	<u>699,056,388</u>	<u>703,765,050</u>
Cash Credit facility from Oriental Bank of Commerce and Bank of India (Under Consortium arrangement) of Rs. 69,90,56,388 (Previous year Rs. 70,17,29,085) is secured by first pari-passu charge on the Stock in trade, book debts and all other current assets of trading division. This facility is further secured by Equitable Mortgage of certain immovable properties belonging to the company and its subsidiary company and the Personal Guarantees of the Directors and Corporate Guarantee of SRS Retreat Services Ltd. Bank overdraft facility from Union Bank of India of Rs. Nil (Previous Year Rs. 20,35,965) is secured by pledge of Fixed Deposit.		
<b>Note 9: Trade Payables</b>		
Due of MSMEs	-	-
Due of other than MSMEs	292,645,063	71,886,779
	<u>292,645,063</u>	<u>71,886,779</u>

# NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in Rs.)

PARTICULARS	As At 31.03.2012	As At 31.03.2011
<b>Note 10: Other Current Liabilities</b>		
Current Maturities on Long Term Debts	40,271,711	32,919,349
Current Maturities on Deferred Payment credit of EDC/IDC	268,710,351	227,866,731
Advances Received from Customers	903,217,664	712,261,742
Interest Accrued on Deferred Payment Credit	170,421,671	119,690,074
Interest Accrued but not due on Term Loans	3,541,924	3,582,732
Book Overdraft	5,173,529	1,632,078
Security Received	9,687,161	8,290,918
Unclaimed Dividend	234,776	62,814
Other Payable		
-Employee	1,087,916	996,379
-Statutory Dues	7,012,362	9,697,444
-Auditor	202,248	178,686
	<u>1,409,561,313</u>	<u>1,117,178,947</u>
<b>Note 11 : Short-Term Provisions</b>		
Provision for Income Tax	39,023,390	12,368,947
Proposed Dividend	20,101,600	20,101,600
Provision for Dividend Distribution Tax	3,260,982	3,338,624
Provision for Employees benefits	23,704	28,160
	<u>62,409,676</u>	<u>35,837,331</u>

## NOTE 12.1: FIXED ASSETS - TANGIBLE ASSETS

Description	Gross Block			Depreciation			Net Block	
	As at 01.04.2011	Additions	Sale/ Adjustments	As at 31.3.2012	For the year	On Sale/ Adjustments	Upto 31.3.2012	As at 31.03.2011
Furniture & Fixtures	3,675,714	40,846	-	3,716,560	234,611	-	726,552	3,183,773
Vehicles	18,579,595	9,536,732	-	28,116,327	2,317,021	-	4,945,305	15,951,311
Computers	311,521	130,162	-	441,683	63,983	-	136,922	238,582
Plant and Machinery	28,635,145	3,066,531	-	31,701,676	1,487,106	-	2,778,785	27,343,466
Commercial Vehicle	28,468,725	-	1,911,654	26,557,071	3,094,234	277,813	4,341,179	26,943,967
Office Equipments	688,211	52,690	-	740,901	34,782	-	105,974	617,019
Building	28,136,992	-	6,750	28,130,242	459,126	-	1,377,283	27,218,835
Leasehold Improvements	2,295,882	-	-	2,295,882	255,071	-	479,693	2,071,260
Temporary Structure	748,173	101,945	-	850,118	736,284	-	850,118	634,339
<b>Current Year</b>	<b>111,539,958</b>	<b>12,928,906</b>	<b>1,918,404</b>	<b>122,550,460</b>	<b>8,682,218</b>	<b>277,813</b>	<b>15,741,811</b>	<b>104,202,552</b>
<b>Previous Year</b>	<b>45,001,160</b>	<b>66,538,798</b>	<b>-</b>	<b>111,539,958</b>	<b>5,101,622</b>	<b>-</b>	<b>7,337,406</b>	<b>-</b>

## Note 12.2: Fixed Assets - Capital Work-in-Progress

Particulars	As at 31st March 2012	As at 31st March 2011
Opening Balance	745,405,815	617,979,472
Add:- Addition During the year (Includes pre-operative expenses) refer note No. 36	101,047,462	127,426,343
Less:- Transferred to Fixed Assets	-	-
Closing Balance	-	-

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in Rs.)

PARTICULARS	As At 31.03.2012	As At 31.03.2011
Note 13: Investments (Long term, Trade, Unquoted, at cost) In Wholly Owned Subsidiary Companies		
1). SRS Retreat Services Ltd. 19,00,978 (Previous year 13,19,280) equity shares of Rs.10/- each	222,451,950	150,265,000
2) SRS I-Tech. Pvt. Ltd. 44,22,225 (Previous Year 44,22,225) equity shares of Rs. 10/- each	159,928,750	159,928,750
3) SRS Real Estate Ltd. 1,57,63,312 (Previous year 78,81,656) equity shares of Rs.10/- each	985,147,000	985,147,000
4). Bhavani Realbuild Pvt. Ltd. Nil (Previous year 10,000) equity shares of Rs.10/- each	-	100,000
5). Bright Infrabuild Pvt. Ltd. Nil (Previous year 10,000) equity shares of Rs.10/- each	-	100,000
6). Dawn Developers Pvt. Ltd. Nil (Previous year 10,000) equity shares of Rs.10/- each	-	100,000
7). Dimension Infrastructure Pvt. Ltd. Nil (Previous year 10,000) equity shares of Rs.10/- each	-	100,000
8). Glory Buildcon Pvt. Ltd. Nil (Previous year 10,000) equity shares of Rs.10/- each	-	100,000
9). Haryana Infracon Pvt. Ltd. Nil (Previous year 10,000) equity shares of Rs.10/- each	-	100,000
10). Mehar Builders Pvt. Ltd. Nil (Previous year 10,000) equity shares of Rs.10/- each	-	100,000
11). Modern Ashiana Builders P.Ltd. Nil (Previous year 10,000) equity shares of Rs.10/- each	-	100,000
12). Mounthill Builders Pvt. Ltd. Nil (Previous year 10,000) equity shares of Rs.10/- each	-	100,000
13). Rebnoor Infrabuild Pvt. Ltd. Nil (Previous year 10,000) equity shares of Rs.10/- each	-	100,000
14). SRS Manufacturers Pvt. Ltd. Nil (Previous Year 1,42,945) equity shares of Rs.10/- each	-	37,396,950
15). Skyhigh Colonizers Pvt. Ltd. Nil (Previous year 40,000) equity shares of Rs.10/- each	-	400,000
16). SPS Buildcon Ltd. Nil (Previous year 3,13,120) equity shares of Rs.10/- each	-	33,390,000
In Joint Venture Companies SRS Lotus Projects Pvt. Ltd. 4,99,990 (Previous year 4,99,990) equity shares of Rs.10/- each	4,999,900	4,999,900
In Joint Venture Partnership Firm SRS RMC, Gurgaon	5,255,000	5,255,000
(Long term, Trade, Quoted, at cost) Bank of India DSP Black Rock Mutual Fund Nil (Previous year 74,682.599) units of Rs. 10/- each	-	5,000,000
	<u>1,377,782,600</u>	<u>1,382,782,600</u>
Less:- Provision for diminution in value of Investment	-	60,493
	<u>1,377,782,600</u>	<u>1,382,722,107</u>

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in Rs.)

PARTICULARS	As At 31.03.2012	As At 31.03.2011
Note 14 : Long Term Loans & Advances Security Paid	<u>12,264,610</u>	<u>11,550,000</u>
	12,264,610	11,550,000
Note 15 : Inventories (As taken, valued & certified by the Management)		
Project in Progress (Refer Note No. 34 )	936,430,611	745,289,033
Raw Material	7,460,452	6,414,173
Goods held for resale- Trading Division	24,467,967	39,309,609
Land for resale	<u>24,366,012</u>	<u>21,907,440</u>
	992,725,042	812,920,255
Note 16 : Trade Receivables (Unsecured, considered Good unless otherwise stated)		
i. Debts outstanding for a period exceeding six months	15,103,642	39,700,435
ii. Others	<u>1,202,448,680</u>	<u>974,854,925</u>
	1,217,552,322	1,014,555,360
Note 17 : Cash & Cash Equivalents		
Cash on Hand	4,894,125	2,774,840
Cheques on Hand	-	6,327,305
Balance with Scheduled Banks -in current accounts	23,127,429	13,136,594
-in deposit accounts*	-	-
i. having maturity period upto 12 months	4,025,470	45,482,512
ii having maturity period exceeding 12 months	<u>48,399,500</u>	<u>29,035,500</u>
(*Pledged with Bank for Over Draft / Bank Guarantee/LC Facilities)	<u>80,446,524</u>	<u>96,756,751</u>
Note 18: Short-Term Loans & Advances (Unsecured, considered Good unless otherwise stated) Loans & Advances to Related parties		
Advance to Subsidiary Companies		
- For Projects	9,641,199	206,498,534
- For Investment in equity	75,000,000	2,100,000
Others		
Advance for Projects		
- To Collaborators	103,693,547	71,183,547
Advance payment of Income Tax	439,500	-
Advance to Suppliers/Contractors	166,259,466	11,469,861
Deposit /Balance with Excise & Sales Tax	<u>2,943,695</u>	<u>-</u>
	357,977,407	291,251,942
Note 19: Other Current Assets		
Interest Accrued on Fixed Deposits	9,098,616	6,297,200
Prepaid Expenses	408,244	304,126
Stamp Paper in hand	150,000	-
	<u>9,656,860</u>	<u>6,601,326</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2012

(Amount in Rs.)

PARTICULARS	Year Ended 31.03.2012	Year Ended 31.03.2011
Note 20 : Revenue from Operations		
Sale of Land/ Developed Properties	87,799,834	76,951,098
Sale of Traded Goods	7,006,169,400	5,249,826,714
Sale of Finished Goods	137,775,277	83,209,962
Rent received from Immoveable Properties	12,615,339	32,364,661
	<u>7,244,359,850</u>	<u>5,442,352,435</u>
Note 21 : Other Income		
Interest Received	7,635,543	3,984,280
Profit on Sale of Fixed Assets	256,159	-
Income from Investment in Joint Venture	-	1,401,099
Misc. Income	21,853,046	7,855,185
	<u>29,744,748</u>	<u>13,240,564</u>
Note 22: Cost of Material Consumed		
Opening Stock	6,414,173	-
Add:- Purchases	113,630,192	71,323,101
Less: Closing Stock	7,460,452	6,414,173
	<u>112,583,913</u>	<u>64,908,928</u>
Note 23 :Cost of Sale of Developed Properties		
Project in progress in the beginning of the year	745,289,033	611,265,058
Add : Cost incurred during the year		
Cost of Land	69,946,013	7,340,134
Construction Costs	101,526,942	71,985,229
Government Charges	250,000	53,303,248
Personnel Expenses	3,022,031	3,213,148
Financial Expenses	66,316,116	65,811,256
Other Expenses	17,524,865	1,407,525
Depreciation on Projects assets	246,396	203,150
	<u>1,004,121,396</u>	<u>814,528,748</u>
Less: Project in progress at the close of the year	936,430,611	745,289,033
	<u>67,690,785</u>	<u>69,239,715</u>
Note 24: Purchase of Stock-in-Trade		
Purchases of Land/Developed Properties	-	6,978,434
Purchases of Goods for resale	6,793,894,507	5,026,080,809
	<u>6,793,894,507</u>	<u>5,033,059,243</u>
Note 25 : Change in Inventories		
Closing Stock		
Goods held for resale- Trading Division	24,467,967	39,309,609
Land for resale	24,366,012	21,907,440
Opening Stock		
Goods held for resale- Trading Division	39,309,609	68,399,350
Land for resale	21,907,440	14,929,006
	<u>12,383,070</u>	<u>22,111,307</u>
Note 26 : Employee Benefit Expense		
Salaries, Wages, Stipend & other allowances	12,286,940	12,710,519
Directors' Remuneration	1,554,087	1,364,832
Contribution to Provident Fund & Other Funds	705,690	823,420
Staff Welfare Expenses	613,102	200,083
Provision for Employees's Benefits	257,491	342,702
	<u>15,417,310</u>	<u>15,441,556</u>
Less: Allocated to Capital Work in Progress	6,675,530	6,936,393

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2012

(Amount in Rs.)

PARTICULARS	Year Ended 31.03.2012	Year Ended 31.03.2011
Less: Allocated to Projects	3,022,031	3,213,148
	<u>5,719,749</u>	<u>5,292,015</u>
Note 27: Financial Expenses		
Bank Interest on:		
-Term Loans	50,997,657	54,026,008
-Cash Credit/Overdraft	95,569,902	60,044,902
Interest on Unsecured Loans	-	5,590,225
Interest on EDC/IDC	50,731,597	53,544,229
Bank and other Financial Charges	17,004,040	10,621,883
	<u>214,303,196</u>	<u>183,827,247</u>
Less: Allocated to Capital Work in Progress	40,922,587	39,798,805
Less: Allocated to Projects	66,316,116	65,811,256
	<u>107,064,493</u>	<u>78,217,186</u>
Note 28: Other Expenses		
Audit Fees	224,720	198,540
Donation	-	201,100
Electricity Expenses	658,008	345,052
Legal and Professional	4,757,354	3,185,539
Listing Fee	241,070	263,744
Land Holding Charges	700,000	1,000,000
General Meeting Expenses	-	233,572
Security / office Expenses	736,959	950,747
Printing & Stationery	379,840	412,647
Rates & Taxes	363,055	26,040
Lease Rent Paid	1,525,550	900,000
Insurance Expenses	696,392	391,802
Repair & Maintenance - Plant and Machinery	2,156,467	1,535,836
Repair & Maintenance - Others	365,910	90,142
Loss on Sale of Investments	61,590	33,656
Provision for diminution in value of Investments	-	60,493
Telephone Expenses	211,686	134,110
Tour, Travelling and Conveyance	1,128,546	3,795,079
Computer Software	357,508	7,968,814
Freight and Cartage	12,860,931	19,140,730
Commission on sale	5,078,218	-
Premium on Surrender of Flats/Plots	1,634,020	316,000
Other Expenses	12,298,267	6,039,299
Advertisement	6,697,869	3,120,128
Commission Paid	5,286,117	1,433,832
Business Promotion	-	595,393
	<u>58,420,077</u>	<u>52,372,295</u>
Less: Allocated to Capital Work in Progress	5,863,696	2,248,294
Less: Allocated to Projects	17,524,865	1,407,525
	<u>35,031,516</u>	<u>48,716,476</u>
Less: Allocated to Capital Work in Progress		



## NOTES TO ACCOUNTS

### 29. Contingent Liabilities not provided for in respect of:

(AMOUNT IN ` Lac)

Particulars	As at 31.03.2012	As at 31.03.2011
Corporate Guarantees	26,644 .00 Lac	20,644.00 Lac
Outstanding Bank Guarantee	1,889.57 Lac	2,832.70 Lac

30. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities have been made.

31. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,156.52 lacs (Previous Year Rs. 1,865.65 lacs).

32. The company has entered into "Collaboration Agreement" with certain land-owners whereas the possession has been delivered to the company for development & construction of said land and marketing thereof. The payments towards cost of land are being made in accordance with respective Collaboration Agreements.

33. a) Amount due to Micro Enterprises and Small Enterprises by the Company, comprises of the following:

(AMOUNT IN `)

Particulars	As at 31.03.2012	As at 31.03.2011
i. Principal amount unpaid	-	-
ii. Interest due on above	-	-

b) No interest payments have been made during the year.

c) The above information and that given in "Trade Payables" in Note No.9 regarding dues to Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

34. Details of Projects in Progress are as under:-

Sr. No.	Location of the Projects	Project Name	Value of Closing Project in Progress	
			Amt. as at 31st March 2012	Amt. as at 31st March 2011
1	Sector 8, Palwal	SRS Residency	323,646,252	288,940,967
2	Sector 26, Rewari	SRS Royal Hills	321,330,263	278,269,050
3	Sector 5, Palwal	SRS Pearl	129,297,275	102,853,405
4	Sahupura, Faridabad	SRS Motel	121,851	121,851
5	Farm House, Manjhawali, Faridabad	SRS Retreat Farms	122,054,584	75,103,760
6	Panchkula	SRS Golf Hill	39,980,386	Nil
	Total		936,430,611	745,289,033

35. The requisite particulars in respect of secured borrowings are as under:

(Amount in Rs.)

Particulars	As at 31st March 2012	As at 31st March 2011	Particulars of security / guarantees / default	Terms of Repayment	Rate of Interest
Term Loan from Bank Central Bank of India Balance Outstanding Current Maturity Non-Current Maturity	255,479,294 24,000,000 231,479,294	264,948,858 - 264,948,858	EM of land and building, hypothecation of plant & Machineries and over fixed assets.	32 monthly installments commencing from April, 2011 as under: No. Amount (Per Installment) 04 30,00,000 04 60,00,000 04 75,00,000 08 90,00,000 04 1,20,00,000 04 1,35,00,000 04 1,50,00,000	BPLR+ 1.50% Floating
Syndicate Bank (Term Loan) Balance Outstanding Current Maturity Non-Current Maturity	- - -	19,984,719 19,984,719 -	Secured by exclusive charge on the entire project assets and the current assets of the Farm House Project of the Company. This facility is also secured by corporate guarantee of Premier Infrabuild Pvt. Ltd and the personal guarantee of the Directors.	4 equal quarterly installments commencing from June, 2010 as under: No. Amount (Per Installment) 04 3,75,00,000	PLR+ 1% P.A.
Syndicate Bank (Term Loan) Balance Outstanding Current Maturity Non-Current Maturity	34,996,808 - 34,996,808	- - -	Exclusive charge on entire existing project assets of Rs. 75 Crore and proposed construction of Rs. 10.44 Crore along with current assets. UREM of the certain property at SRS Retreat Farms in the name of company and M/s Premier Infrabuild Pvt. Ltd. And personal guarantee of director.	2 equal half yearly installments commencing from June, 2013 as under: No. Amount (Per Installment) 02 3,12,00,000	Base Rate + 6 % P.A.
Bank of Baroda (Term Loan) Balance Outstanding Current Maturity Non-Current Maturity	- - -	48,929,691 - 48,929,691	Secured by equitable Mortgage of the project land of Sec 26, Rewari and super structure to be constructed thereon and first charge by way of hypothecation of all the moveable assets and first charge on escrow account, book debts, operating cash flows and receivables etc. The loan is further secured by personal guarantee of Directors.	9 quarterly installments commencing from quarter ended Sep,2012 as under: No. Amount (Per Installment) 08 3,33,00,000 01 3,36,00,000	Base Rate + 4.25% P.A.
Indian Overseas Bank (Term Loan) Balance Outstanding Current Maturity Non-Current Maturity	55,000,000 - 55,000,000	- - -	Mortgage of project land measuring 6.643 acres situated at Rewari Sector-26 valued at Rs 23.77 Cr. And hypothecation of movable fixed assets and current assets including receivable,cash , investment and all money lying in Escrow account and personal guarantee of Directors	4 quarterly installments commencing from quarter ending March, 2015 as under: No. Amount (Per Installment) 04 11,25,00,000	Base Rate + 4.25 % P.A.
Vehicle Loan from Banks Balance Outstanding Current Maturity Non-Current Maturity	24,978,717 15,549,132 9,429,584	29,198,779 11,822,007 17,376,772	Secured against hypothecation of specified vehicles of the Company.	Total 27 number of vehicle loan repayable within 36 equal monthly installment.	Rate of Interest between 8.5% to 12%
Summary Balance Outstanding Current Maturity Non-Current Maturity	370,454,819 39,549,132 330,905,686	363,062,047 31,806,726 331,255,321			
Vehicle Loan from Others Balance Outstanding Current Maturity Non-Current Maturity	1,242,677 722,579 520,099	2,347,672 1,112,623 1,235,049	Secured against hypothecation of specified vehicles of the Company.	Total 2 number of vehicle loan repayable within 36 equal monthly installment.	Rate of Interest between 8.5% to 12%
The requisite particulars in respect of Deferred Credit Payment are as under:					
EDC/IDC Payable Balance Outstanding Current Maturity Non-Current Maturity	268,710,351 268,710,351 -	291,710,351 227,866,731 63,843,620	Unsecured	Repayable within 8 to 10 half yearly installment for different properties.	12 & 15% P.A.

36. Capital Work in Progress includes:

- i. advances to vendors/contractors of Rs. 45,003,770 (Previous Year Rs. 88,046,873)
- ii. pre-operative expenses of Rs. 216,684,509 (Previous Year Rs. 163,222,696) as detailed below:

(Amount in `)

Particulars	2011-12	2010-11
Salary and related Expenses	6,675,530	6,936,393
Printing & Stationery	-	9,000
Electricity Expenses	333,918	79,995
Conveyance	11,710	1,483,718
Insurance	298,361	251,791
Borrowing Cost	40,922,587	39,798,805
Sales & Marketing Expenses	3,742,238	112,456
Other expenses	1,477,469	311,334
Total for the period	53,461,813	48,983,492
Add: Brought forward from previous year	163,222,696	114,239,204
Grand Total	216,684,509	163,222,696
Less: Allocated to fixed assets	-	-
Balance carried forward	216,684,509	163,222,696

37. Employee Benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Gratuity scheme was funded up to the previous year. The Company has also provided for Leave Encashment which is unfunded.

The following tables summarize the components of net benefit expense recognized in the Profit and Loss Account and amounts recognized in the Balance Sheet for the respective plans (as per Actuarial Valuation as on March 31, 2012).

Net employees benefit expense (recognized in the Statement of Profit & Loss for the year ended March 31, 2012):

(Amount in `)

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	170,063	164,022	96,717	114,433
Interest Cost	36,055	18,609	22,078	15,854
Expected return on plan assets	-	-	-	-
Past Service Cost	-	-	-	-
Actuarial (gain) / loss recognized in the year	(968)	8,942	(51,454)	(59,632)
Net benefit expense	205,150	191,573	67,341	70,655

Net Asset/ (Liability) Recognized in the Balance Sheet as on March 31, 2012

(Amount in `)

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Present Value of Defined Benefit Obligation at the end of the year	629,332	424,182	303,207	259,739
Fair Value of Plan Assets*	-	-	-	-
Net Asset / (Liability) recognized in the Balance Sheet	(629,332)	(424,182)	(303,207)	(259,739)

Changes in the present value of Defined Benefit Obligation are as follows:

(Amount in `)

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Present Value of Defined Benefit Obligation at the beginning of the year	424,182	232,609	259,739	198,169
Interest Cost	36,055	18,609	22,078	15,854
Past Service Cost	-	-	-	-
Current Service Cost	170,063	164,022	96,717	114,433
Benefits Paid	-	-	(23,873)	(9,085)
Actuarial (gain) / loss on obligation	(968)	8,942	(51,454)	(59,632)
Present Value of Defined Benefit Obligation at the end of the year.	629,332	424,182	303,207	259,739

Changes in the fair value of Plan Assets are as follows:

(Amount in `)

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Fair value of the plan assets at the beginning of the year	-	-	-	-
Actual return on Plan Assets	-	-	-	-
Contribution by employer	-	-	-	-
Benefits Paid	-	-	-	-
Actuarial (gain) / loss on Plan Assets	-	-	-	-
Fair value of the plan assets at the closing of the year	-	-	-	-

The principal assumptions used in determining gratuity and leave liability for the Company's plans are shown below:

Particulars	Gratuity		Earned Leave	
	2011-12	2010-11	2011-12	2010-11
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	8.50%	8.00%	8.50%	8.00%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	6.00%	5.50%	6.00%	5.50%
Expected Rate of Return on Plan Assets	0.00%	0.00%	0.00%	0.00%
Average Outstanding Service of Employees upto retirement (years)	23.53	26.13	23.53	26.13

#### Contribution to Defined Contribution Plans:

(Amount in `)

Particulars	2011-12	2010-11
Provident fund	705,690	823,420

#### 38. Segment Reporting

The Company is engaged in the businesses of promotion, construction and development of integrated townships, residential and commercial complexes, and wholesale trading in the various parts of the country. Thus, the Company has three reportable business segments. The Company operates in the same geographical segment.

Segment information as required by Accounting Standard (AS-17) on Segment Reporting is given hereunder:-

(Amount in Lacs)

S. No.	Particulars	Real Estate	Wholesale Trading	Manufacturing	Unallocable	Total
1.	Segment Revenue	1,004.15 (1,093.16)	70,061.69 (52,498.27)	1,576.48 (832.10)	98.72 (132.40)	72,741.04 (54,555.93)
2.	Segment Expenses	746.70 (704.46)	68,167.87 (50,756.72)	1,304.78 (745.66)	138.04 (275.42)	70,357.39 (52,482.26)
3.	Segment Profit	257.45 (388.70)	1,893.82 (1,741.55)	271.70 (86.44)	(-) 39.32 (-) (143.02)	2,383.65 (2,073.67)
4.	Financial Expenses					1,070.64 (782.17)
5.	Profit Before Tax					1,313.01 (1,291.49)
6.	Provision For Taxation					443.89 (437.00)
7.	Profit after Tax					869.12 (854.49)

8.	Carrying Amount of Segment Assets (including CWIP)	20,581.41 (19,810.07)	12,597.72 (10,000.11)	790.73 (858.59)	16,046.81 (13,990.89)	50,016.67 (44,659.66)
9.	Carrying Amount of Segment Liabilities (including CWIP)	17,235.24 (14,704.67)	9,528.46 (7,426.96)	266.04 (340.89)	1,672.35 (1,508.05)	28,702.09 (23,980.57)

Note: Previous year's figures have been given in the bracket.

#### 39. Borrowing Costs

During the period, the Company has capitalized Rs. 409.23 Lacs (P.Y. Rs. 397.99 lacs) on Capital work in progress and Rs. 663.16 Lacs (P.Y. Rs. 658.11 lacs) on project in progress in accordance with the applicable Accounting Standard 16 – "Borrowing Costs".

#### 40. Related Party Transactions

As per Accounting Standard-18, the Company's related parties and transactions are disclosed below:

##### a. List of related parties & relationships, where control exists:

##### 1) Subsidiary Companies

- i. SRS Real Estate Ltd.
- ii. SRS I-Tech Pvt. Ltd.
- iii. SRS Retreat Services Ltd.

##### 2) Subsidiary Companies upto (31.03.2011) \*\*\*

- i. Bhavani Realbuild Pvt. Ltd.
- ii. Bright Infrabuild Pvt. Ltd.
- iii. Dimension Infrastructure Pvt. Ltd.
- iv. Mehar Builders Pvt. Ltd.
- v. Modern Ashiana Builders Pvt. Ltd.
- vi. Mounthill Builders Pvt. Ltd.
- vii. Rebnor Infrabuild Pvt. Ltd.
- viii. Skyhigh Colonizers Pvt. Ltd.
- ix. Glory Buildcon Pvt. Ltd.
- x. Haryana Infracon Pvt. Ltd.
- xi. Dawn Developers Pvt. Ltd.
- xii. SPS Buildcon Ltd.
- xiii. SRS Manufacturers Pvt. Ltd.

\*\*\* all these companies are merged with SRS Retreat Services Ltd. w.e.f. 01.04.2011 in pursuance with the Scheme of Amalgamation.

##### 3) Joint Ventures

- i. SRS Lotus Projects Pvt. Ltd.
- ii. SRS RMC Gurgaon

##### b) Related parties & relationships with whom transactions have taken place during the year:

1) Key Management Personnel (KMP)

- i. Mr. Bishan Bansal - Whole-Time Director  
 ii. Mr. Jitender Kumar Garg - Whole-Time Director

2) Enterprises owned or significantly influenced by KMP and/or their Relatives

- i. SRS Limited  
 ii. BTL Investments & Securities Ltd.

c) Transactions with related Parties

(Amount in `)

S. No.	Name of the Party	Nature of Transaction	2011-12	2010-12
1.	SRS Real Estate Ltd.	Corporate Guarantee Given	-	2,306,000,000
		Bank Guarantee Given	-	11,114,000
		Corporate Guarantee taken	350,000,000	-
		Reimbursement of expenses	2,400,698	8,910,621
		Loan & Advance given and received back	524,891	71,880,826
		Rent Paid	60,000	60,000
		Sale of FSI of Land	Nil	Nil
		Loans and Advance Received and repaid	Nil	23,500,000
		Sale of Material	37,060,921	3,159,672
		Advance for Investments	75,000,000	Nil
Advance for Investment in Equity	Nil	Nil		
	Closing Balance:			
	Corporate Guarantee Given	2,064,400,000	2,064,400,000	
	Loan & Advance given		Nil	
2.	SRS I-Tech Pvt. Ltd.	Loans and Advance received	12,000,000	8,000,000
		Reimbursement of expenses	Nil	13,410
		Corporate Guarantee Taken	Nil	300,000,000
		Closing Balance:		
		Loans and Advance received	7,800,000	8,000,000
	Corporate Guarantee Taken	300,000,000	300,000,000	
3.	SRS Retreat Services Ltd.	Land Holding Charges Paid	700,000	100,000
		Loans and Advance received	90,200,000	134,200,000
		Closing Balance:		

(Amount in `)

		Sundry Creditor	Nil	24,500
		Loans and Advance received	25,412,076	134,100,000
4.	Bhavani Realbuild Pvt. Ltd.	Land Holding Charges	Nil	25,000
		Advance Given For Project	Nil	2,900,000
		Closing Balance:		
		Advance Given For Project	Nil	2,900,000
5.	Bright Infrabuild Pvt. Ltd.	Advance Given For Project	Nil	50,000
		Reimbursement of expenses	Nil	180
		Closing Balance:		
		Advance Given For Project	Nil	200,000
6.	Dimension Infrastructure Pvt. Ltd.	Land Holding Charges Paid	Nil	100,000
		Closing Balance:		
		Advance Given For Project	Nil	3,380,000
7.	Mehtar Builders Pvt. Ltd.	Land Holding Charges Paid	Nil	25,000
		Advance Given For Project	Nil	2,900,000
		Closing Balance:		
		Advance Given For Project	Nil	2,900,000
8.	Modern Ashiana Builders Pvt. Ltd.	Advance received back	Nil	14,600,000
		Land Holding Charges Paid	Nil	100,000
		Closing Balance:		
		Advance Given For Project	Nil	33,889,999
9.	Mounthill Builders Pvt. Ltd.	Land Holding Charges Paid	Nil	100,000
		Closing Balance:		
		Advance Given For Project	Nil	9,070,000
10.	Rebnoor Infrabuild Pvt. Ltd.	Advance received back	Nil	17,250,000
		Land Holding Charges Paid	Nil	100,000
		Corporate Guarantee Taken	Nil	350,000,000
		Closing Balance:		
		Corporate Guarantee Taken	Nil	350,000,000
		Advance Given For Project	Nil	13,135,625
11.	Skyhigh Colonizers Pvt. Ltd.	Advance Given For Project	Nil	200,000
		Advance given for Investment in equity	Nil	2,150,000
		Land Holding Charges Paid	Nil	100,000

		(Amount in `)	
		Reimbursement of Expenses	Nil 98,630
		Subscription of equity shares	Nil 300,000
		Corporate Guarantee Taken	Nil 300,000,000
		Closing Balance:	
		Advance Given For Project	Nil 102,356,800
		Advance given for Investment in equity	Nil 2,100,000
		Corporate Guarantee Taken	Nil 300,000,000
12.	Glory Buildcon Pvt. Ltd.	Land Holding Charges Paid	Nil 25,000
		Advance Given For Project	Nil 2,950,000
		Closing Balance:	
		Advance Given For Project	Nil 2,950,000
		Sundry Debtors	Nil 10,125,282
13.	Haryana Infracon Pvt. Ltd.	Land Holding Charges Paid	Nil 100,000
		Advance given	Nil Nil
		Loans and Advance received	Nil 22,500,000
		Corporate Guarantee Taken	Nil 700,000,000
		Closing Balance:	
		Loans and Advance received	Nil 22,123,500
		Advance given	Nil Nil
		Corporate Guarantee Taken	Nil 700,000,000
14.	Dawn Developers Pvt. Ltd.	Land Holding Charges Paid	Nil 25,000
		Advance Given for Projects	Nil 2,700,000
		Closing Balance:	
		Advance Given for Projects	Nil 2,700,000
15.	SPS Buildcon Ltd.	Land Holding Charges Paid	Nil 100,000
		Closing Balance:	
16.	SRS Manufacturers Pvt. Ltd.	Advance Given for Projects	Nil 30,050,000
		Land Holding Charges Paid	Nil 100,000
		Corporate Guarantee Taken	Nil 700,000,000
		Closing Balance:	
		Advance Given for Projects	Nil 26,050,500
		Corporate Guarantee Taken	Nil 700,000,000

		(Amount in `)	
17.	SRS Lotus Projects Pvt. Ltd.	Investment in equity	Nil 4,999,900
		Reimbursement of expenses	Nil 2,237,206
18.	Bishan Bansal	Director's Remuneration	682,416 682,416
19.	Jitender Kumar Garg	Director's Remuneration	871,671 682,416
20.	SRS Limited	Rent Received(including Service Tax)	6,618,000 6,618,000
		Reimbursement of Expenses (Net)	660,000 658,144
		Advance given and recd back	2,100,000 Nil
		Advance received for Space Sale	60,853,450 18,878,461
		Expenses Incurred	70,716 1,144,000
		Corporate Guarantee given	600,000,000 Nil
		Closing Balance:	
		Advance recd for Space Sale	79,731,911 18,878,461
		Sundry Debtor	Nil 927,000
		Corporate Guarantee given	600,000,000 Nil
		Security recd for Lease rent	69,000,000 69,000,000
21.	BTL Investments & Securities Ltd.	Allotment of equity shares	Nil Nil
		Loan taken	Nil 321,260,666
		Loan given	7,300,000 29,834,334
		Interest paid on Loan	Nil 5,558,613

41. Auditors remuneration (including service tax)

(Amount in `)		
Particulars	2011-12	2010-11
Statutory Audit Fees	179,776	165,450
Tax Audit Fees	44,944	33,090
Total	224,720	198,540

42. "Earning per Share" is computed in accordance with Accounting Standard - 20 issued by the Institute of Chartered Accountants of India.

(Amount in `)		
Particulars	2011-12	2010-11
a) Numerator Net Profit after taxation as per Profit & Loss Account	8,911,856	85,449,834
b) Denominator: Weighted average no. of shares outstanding for:	201,016,000	201,016,000
c) Face Value per Equity Share	1.00	1.00
d) Earning per Share: - Basic & Diluted	0.43	0.43

43. Director's Remuneration:

(Amount in `)

Particulars	2011-12	2010-11
Directors' Remuneration	1,554,087	1,364,832

44. Previous year figures have been regrouped/rearranged and reclassified wherever necessary.

As per our report of even date attached.  
For Naresh Jai & Associates  
Chartered Accountants  
Firm Regn. No. 019082N

For and on behalf of the Board

(CA Naresh Goyal)  
Partner  
M. No.501487

(Dr. Anil Jindal)  
Chairman & Managing  
Director  
DIN-00005585

(Jitender Kumar Garg)  
Whole-Time Director  
& CFO  
DIN-00088125

(Shweta Marwah)  
Company Secretary  
M.No.18730

Place: Faridabad  
Date: 30.08.2012



FINANCIAL STATEMENTS OF  
SRS REAL ESTATE LTD. - A SUBSIDIARY

# SRS REAL ESTATE LTD.

## DIRECTORS' REPORT

### INTRODUCTION

Your Directors have pleasure in presenting the 7<sup>th</sup> Annual Report of your Company along with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

During the year under review, your Company registered a Net Profit after Tax of Rs.125.28 Lac. The Summary of the operating results is as under: -

Particulars	(Amount in Lac)	
	Year ended 31. 03. 2012	Year ended 31.03.2011
Gross Sales and Other Income	19328.88	21988.40
Profit/(Loss) before Financial Expenses, Depreciation and Tax	461.67	453.50
Interest and Financial Expenses	205.92	235.51
Profit before Depreciation & Tax	255.75	217.99
Depreciation	63.48	63.76
Profit before Tax	192.27	154.23
Provision for Tax		
- Current	57.56	65.99
- Deferred Tax	(7.30)	(2.63)
- Earlier Year	16.73	9.37
Profit after Tax	125.28	81.50
Earnings Per Share (Face Value of Rs.10/-)		
- Basic	1.5852	1.0340
- Diluted	1.5849	1.0340

### FINANCIAL REVIEW

For the year under review, the Gross Total Income of your Company stood at Rs.19328.88 Lac. Profits before Tax (PBT) for the year under review stood at Rs.192.27 Lac while in the previous year it was Rs.154.23 Lac showing tremendous growth of 24.66%. Net Profit after Tax (PAT) marked an increase of 53.71% to touch Rs.125.28 Lac as compared to Rs.81.50 Lac in the previous year.

### ISSUE OF BONUS SHARES

During the year under review, Your Company has issued 78, 81,656 Bonus Shares to holding Company SRS Real Infrastructure Limited and its nominees on 31<sup>st</sup> March, 2012. Thus, the Paid-up Share Capital of the Company stand increased to Rs.1576.33 Lac.

### DIVIDEND

Your Directors have considered it financially prudent in the long term interest of the Company to reinvest the profits to build a strong reserve base and grow the business of the Company. No dividend has, therefore, been recommended for the year ended 31<sup>st</sup> March, 2012.

### BOARD OF DIRECTORS

In accordance with the Articles of Association of the Company and in view of the provisions of Section 256 of the Companies Act, 1956, Sh. Praveen Sharma and Dr. Anil Jindal retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Sh. Sunil Jindal has resigned from the Directorship of the Company on 01.03.2012. The Board places on record its appreciation for the services rendered by Sh. Sunil Jindal during his tenure of directorship.

Sh. Suresh Bansal has resigned from the Directorship of the Company on 01.03.2012. The Board places on record its appreciation for the services rendered by Sh. Suresh Bansal during his tenure of directorship.

Sh. Mahender Kumar Goyal was appointed as an additional Director on 10.08.2012 to hold office upto the date of forthcoming Annual General Meeting. He is eligible for re-appointment. Notice under Section 257 of the Companies Act, 1956 has been received from a member intending to propose his appointment as Director of the Company at the Annual General Meeting.

### COMPANY SECRETARY

Ms. Nidhi Aggarwal D/o Sh. Suresh Chand Aggarwal R/o Krishna Kunj, FCA-265, Mukesh Colony, Ballabgarh, Faridabad-121004 has resigned from the post of Company Secretary w. e. f. 31<sup>st</sup> March, 2012.

Ms. Rekha Chauhan D/o Sh. Sohan Singh R/o B-2156, Gali No.14, Sanjay Gandhi Memorial Nagar, Faridabad-121001 has been appointed as Company Secretary w. e. f. 23<sup>rd</sup> April, 2012.

### AUDIT COMMITTEE

During the year under review, Audit Committee has been reconstituted in the Board Meeting held on 11<sup>th</sup> April, 2011 comprising of following Directors: -

Sh. Praveen Sharma	-	Chairman
Dr. Anil Jindal	-	Member
Sh. Jitender Kumar Garg	-	Member

Five (5) Audit Committee Meetings were held on 15<sup>th</sup> June, 2011; 17<sup>th</sup> August, 2011; 24<sup>th</sup> August, 2011; 18<sup>th</sup> October, 2011 and 11<sup>th</sup> January, 2012 and were attended by all the members and other senior management personnel of accounts and finance department who were considered necessary for providing inputs to the Committee as invitees.

### REMUNERATION COMMITTEE

The Remuneration Committee has been dissolved by the Board of Directors in its meeting held on 11<sup>th</sup> April, 2011.

## AUDITORS

### Statutory Auditors

M/s. Rakesh Raj & Associates, Chartered Accountants, statutory auditors of the Company, retire at the ensuing Annual General Meeting and have expressed their willingness for appointment as joint statutory auditors and confirmed that their appointment, if made, will be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

Further, M/s. S.S. Kothari Mehta & Co., Chartered Accountants have also expressed their willingness for appointment as joint statutory auditors and have confirmed that their appointment, if made, will be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

Notice has also been received from a member proposing the appointment of the aforesaid auditors as joint statutory auditors of the Company for the financial year 2012-13.

### Cost Auditors

The Board of Directors of the Company has appointed M/s. Ashok Kumar & Associates, Cost Accountants for conducting the Cost Audit w. e. f. 1<sup>st</sup> April, 2012.

## AUDITORS' REPORT

Auditors of the Company have not expressed any qualification in their report and notes to accounts where ever given are self-explanatory.

## FIXED DEPOSITS

Your Company has not accepted any deposits from the Public and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet for the year ended 31<sup>st</sup> March, 2012.

## PERSONNEL

There are no employees during the period drawing remuneration specified under Section 217(2) (A) of the Companies Act, 1956. As such, no particulars are required to be furnished.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO

The Particulars in respect of energy conservation and technology absorption are not applicable to the company.

Foreign Exchange earning and outgo: Nil

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA), the Directors of the Company confirm the following:

- (i) that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with the proper explanation relating to material departures.
- (ii) that Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view.

(iii) that they had taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(iv) that the Directors had prepared the annual accounts on a going concern basis.

## ACKNOWLEDGEMENT

The Directors of the Company wish to place on record their sincere appreciation for the efforts and cooperation extended by all those associated with the Company.

For and on behalf of the Board  
For SRS Real Estate Ltd.



Place: Faridabad  
Date: 10.08.2012

(Vinod Jindal)  
Managing Director  
DIN 00005563

(Bishan Bansal)  
Director  
DIN 00013705



## AUDITORS' REPORT

To,

The Members of  
SRS REAL ESTATE LIMITED,  
Faridabad

1. We have audited the attached Balance Sheet of SRS REAL ESTATE LIMITED ('the Company') as at 31<sup>st</sup> March 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 [as amended by the Companies (Auditor's Report) (Amendment) Order, 2004] [hereinafter referred to as 'Order'] issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by 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:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For RAKESH RAJ & ASSOCIATES  
Chartered Accountants  
Firm Regn No.005145N

*Ruchi Jain*  


Ruchi Jain  
Partner  
Membership No. 099920

Place: Faridabad  
Date: 10.08.2012

## ANNEXURE TO THE AUDITORS' REPORT

(As referred in paragraph 3 of our report to the members of SRS REAL ESTATE LIMITED on the accounts for the year ended 31<sup>st</sup> March 2012)

- i.
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, major fixed assets have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared to book records.
  - (c) Fixed Assets disposed off during the year, in our opinion, do not constitute a substantial part of Fixed Assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- ii.
  - (a) As explained to us, physical verification has been conducted by the management at reasonable intervals in respect of building material, stores & spares. In our opinion, the frequency of such verification is reasonable.
  - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- iii.
  - (a) The company has granted loan to one company covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 3,067.94 lacs and the year-end balance of loan granted to such party was NIL.
  - (b) In our opinion, the rate of interest wherever stipulated, and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
  - (c) The amount is recoverable on demand. Hence the provisions of clause 4 (iii) (c) & (d) of the order are not applicable to the company.
  - (e) The Company has not taken loan from companies covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clause (iii) (e), (f) & (g) of the order are not applicable to the company.
- iv. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. 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 information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into 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 explanations 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 the 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. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system *however the same need to be further strengthened to be commensurate with the size and nature of its business and activities.*
- viii. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost 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.
  - (a) The Company has been *generally* regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, and other statutory dues applicable to it except on account of Advance Income Tax and Wealth Tax.
  - (b) According to the information and explanations given to us, *except dues on account of Advance Income Tax*, no other undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which were in arrear as at 31<sup>st</sup> March 2012 for a period of more than six months from the date they become payable.
  - (c) According to the information and explanations given to us, Details of dues which have not been deposited on account of any dispute are as follows :

Name of Statute	Forum where dispute is pending	Period to which amount relates	Amount Involved (Rs.)
Income Tax Act	Commissioner of Income Tax (Appeals)	2008-09	6,56,000/-

- x. The Company has no accumulated losses as at 31<sup>st</sup> March 2012 and has not incurred any cash losses during the financial year covered by our audit and in 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 its Bankers. The Company did not have any outstanding debentures or any outstanding loans from any financial institution during the year.
- xii. In our opinion and according to the information & explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- xiii. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. The Company has maintained proper records of the transactions in respect of dealing and trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the company in its own name.
- xv. As per the information and explanations given to us, the Company has given corporate guarantees amounting to Rs. 7425.00 Lacs for loans taken by three companies from banks, the terms and conditions of the same are not, prima facie, prejudicial to the interest of the company.
- xvi. To the best of our information and knowledge and as per records verified by us, the Company has applied its term loans for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties, firms and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by means of public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- xxi. 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 RAKESH RAJ & ASSOCIATES.  
Chartered Accountants  
Firm Regn No. 005145N

*Ruchi Jain*  


Ruchi Jain  
Partner  
Membership No. 099920

Place: Faridabad  
Date: 10.08.2012

Balance Sheet as at 31st March, 2012

(Amount in Rs.)

PARTICULARS	Note No.	As At March 31, 2012	As At March 31, 2011
<b>EQUITIES AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	157,633,120	78,816,560
Reserve and Surplus	4	897,824,219	964,112,424
		<u>1,055,457,339</u>	<u>1,042,928,984</u>
Share Application Money (Pending Allotment)		<u>75,000,000</u>	<u>-</u>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	1,427,089,440	1,447,942,594
Deferred Tax Liability (Net)	6	2,892,148	3,622,457
Long Term Provisions	7	1,453,204	989,349
		<u>1,431,434,792</u>	<u>1,452,554,400</u>
<b>Current Liabilities</b>			
Short Term Borrowings	8	10,673,827	2,533,750
Trade Payables	9	197,812,653	149,359,976
Other Current Liabilities	10	2,359,086,416	2,096,067,216
Short Term Provisions	11	5,801,048	4,582,559
		<u>2,573,373,944</u>	<u>2,252,543,501</u>
<b>TOTAL</b>		<u>5,135,266,075</u>	<u>4,748,026,885</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Asset</b>			
-Tangible Assets	12	60,069,416	53,913,357
-Capital Work in Progress		-	3,029,667
		<u>60,069,416</u>	<u>56,943,024</u>
Long Term Loans & Advances	13	530,000	406,000
		<u>60,599,416</u>	<u>57,349,024</u>
<b>Current Assets</b>			
Current Investments	14	1,965,000	11,013,238
Inventories	15	1,788,788,439	1,328,338,302
Trade Receivables	16	1,640,117,039	2,088,202,947
Cash & Cash Equivalents	17	170,400,783	130,800,768
Short Term Loans & Advances	18	1,445,349,604	1,106,051,537
Other Current Assets	19	28,045,794	26,271,069
		<u>5,074,666,659</u>	<u>4,690,677,861</u>
<b>TOTAL</b>		<u>5,135,266,075</u>	<u>4,748,026,885</u>
Significant Accounting Policies	1 & 2	-	-

Accompanying Notes from 1 to 44 are integral part of the financial statements

As per our Report of even date attached

For Rakesh Raj and Associates  
Chartered Accountants  
Firm Regn. No. 005145N

*Ruchi Jain*  
  
Ruchi Jain  
(Partner)  
M.No.99920

Place: Faridabad  
Date: 10.08.2012

For and on behalf of the Board

*Vinod Jindal*  
(Vinod Jindal)  
Managing Director  
DIN 00005563

*Bishan Bansal*  
(Bishan Bansal)  
Director  
DIN 00013705

*Rekha Chauhan*  
(Rekha Chauhan)  
Company Secretary  
M. No. 29951

Statement of Profit and Loss Account for the Year ended 31st March, 2012

(Amount in Rs.)

PARTICULARS		Year Ended March 31, 2012	Year Ended March 31, 2011
<b>INCOME</b>			
Revenue From Operations	20	1,863,897,333	2,171,721,401
Other Income	21	68,990,429	27,118,510
Total Income		<u>1,932,887,762</u>	<u>2,198,839,911</u>
<b>EXPENDITURE</b>			
Increase/(Decrease) in Inventories	22	(59,222,960)	23,769,500
Cost of Construction/Projects	23	1,811,415,860	2,050,444,636
Purchase of stock for resale		59,222,960	-
Employee Benefits Expense	24	6,403,323	5,843,585
Finance Cost	25	20,592,252	23,550,968
Depreciation	12	6,348,403	6,376,453
Other Expenses	26	68,901,401	73,431,591
Total Expenditure		<u>1,913,661,239</u>	<u>2,183,416,733</u>
Profit before Tax		19,226,523	15,423,178
Less: Provision for Taxation			
- Current		5,755,474	6,599,077
- Deferred		(730,309)	(262,640)
- Earlier Year		1,673,003	937,040
Total Tax Expenses		<u>6,698,168</u>	<u>7,273,477</u>
Profit after Tax		<u>12,528,355</u>	<u>8,149,701</u>
Earning per share (Face value-Rs. 10 each)			
-Basic		1.5852	1.0340
-Diluted		1.5849	1.0340

Significant Accounting Policies 1 & 2

Accompanying Notes from 1 to 44 are integral part of the financial statements

As per our Report of even date attached

For Rakesh Raj and Associates

Chartered Accountants

Firm Regn. No. 005145N

*Ruchi Jain*  
Ruchi Jain  
(Partner)  
M.No.99920

Place: Faridabad  
Date: 10.08.2012

For and on behalf of the Board  
*Vinod Jindal* (Vinod Jindal)  
Managing Director  
DIN 00005563  
*Bishan Bansal* (Bishan Bansal)  
Director  
DIN 00013705

*Rekha Chauhan*  
(Rekha Chauhan)  
Company Secretary  
M. No. 29951

Cash Flow Statement for the year ended 31st March,2012

(Amount in Rs.)

Sr. No.	PARTICULARS	Year Ended March 31, 2012	Year Ended March 31, 2011
A	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax (as per Profit & Loss Account)	19,226,523	15,423,178
	Adjustment For:		
	Depreciation	6,626,211	7,009,454
	Interest Paid	358,459,213	384,915,529
	Loss on sale of Fixed Assets	595,165	1,383,307
	Balances w/off	-	18,483
	Profit on Sale of Investments	(10,768)	-
	Provision for diminution in the value of Investment	35,000	(2,156)
	Interest Received	(49,569,714)	(17,091,997)
	Operating Profit Before Working Capital Change	335,361,630	391,655,799
	Adjustment For:		
	Trade and Other Receivable	108,862,338	(486,800,579)
	Inventories	(460,450,139)	138,916,225
	Trade Payable and Other Liabilities	296,352,261	(106,102,111)
	Cash Generated From Operations	280,126,090	(62,330,666)
	Direct Taxes Paid	(6,210,200)	(3,335,127)
	Net Cash From Operating Activities (A)	273,915,890	(65,665,793)
B	<b>Cash Flow From Investing Activities</b>		
	Purchases of Fixed Assets	(13,110,967)	(4,476,874)
	Proceeds from sale of Fixed Assets	2,763,192	1,095,000
	Purchases of Investments (Net)	(1,000,000)	90,036,762
	Proceeds from sale of Investments	10,024,006	-
	Interest Received	47,596,502	12,826,828
	Net Cash Used In Investing Activities (B)	46,272,733	99,481,716
C	<b>Cash Flow From Financing Activities</b>		
	Proceeds From Long Term Borrowings	327,148,998	320,915,166
	Repayments of Long Term Borrowings	(348,002,153)	(39,995,987)
	Proceed From Short Term Borrowings (Net)	8,140,077	45,303,235
	Proceeds From Share Application Money	75,000,000	-
	Interest Paid	(342,875,530)	(315,724,245)
	Net Cash Used In Financing Activities (C)	(280,588,608)	10,498,169
	Net Increase In Cash And Cash Equivalent (A+B+C)	39,600,015	44,314,092
	Cash & Cash Equivalent at the beginning of the Year	130,800,768	86,486,676
	Cash & Cash Equivalent at the end of the Year	170,400,783	130,800,768
	Net Increase In Cash And Cash Equivalents	39,600,015	44,314,092

As per our Report of even date attached

For Rakesh Raj and Associates

Chartered Accountants

Firm Regn. No. 005145N

*Ruchi Jain*  
Ruchi Jain  
(Partner)  
M.No.99920

Place: Faridabad  
Date: 10.08.2012

For and on behalf of the Board  
*Vinod Jindal* (Vinod Jindal)  
Managing Director  
DIN 00005563  
*Bishan Bansal* (Bishan Bansal)  
Director  
00013705

*Rekha Chauhan*  
(Rekha Chauhan)  
Company Secretary  
M. No. 29951

## Significant Accounting Policies and Notes to Accounts for the year ended 31<sup>st</sup> March 2012

### 1. Background

SRS Real Estate Limited ("The Company") was incorporated on 10<sup>th</sup> October 2005 under the Companies Act 1956. The Company is wholly owned subsidiary of SRS Real Infrastructure Ltd. The Company is primarily engaged in the business of promotion, construction and development of both residential as well as commercial complexes.

### 2. Significant Accounting Policies

#### 2.1 Basis of Accounting

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

#### 2.2 Use of Estimates

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

#### 2.3 Revenue Recognition

Revenue from developed plots, constructed residential, institutional & commercial projects/scheme is recognized on the basis of "Percentage of Completion Method".

- (a) Revenue from construction projects/scheme is recognized in proportion to the actual cost incurred as against the total estimated cost of the projects/scheme under execution subject to such actual cost being 25% or more of the total estimated cost of the project/scheme.
- (b) Sale of developed plots are recognized on the basis of "Percentage of Completion method". The revenue is recognized in proportion to the actual cost incurred as against the total estimated cost subject to such actual cost being 50% or more of the total estimated cost.
- (c) Sale of undeveloped land, plots and other properties are recognized in the financial year in which the transfer is made by agreement to sell/registration of sale deed or otherwise in favour of parties

The estimates relating to saleable area, sale value, estimated costs etc. are revised and updated periodically by the management and necessary adjustments are made in the current year's accounts.

The construction/development cost in respect of sales recognized is proportionately charged to the Profit & Loss A/c in consonance with the matching cost concept.

Interest on delayed payments by customers against dues is taken into account on acceptance or realization owing to practical difficulties and uncertainties involved.

Revenue from interests is recognized on a time proportion basis.

Revenue from trading activity is recognized on accrual basis.

Dividend Income on investment is accounted for when the right to receive the payment is established.

#### 2.4 Fixed Assets, Capital Work in Progress and Intangible Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the cost of acquisition / purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, interest etc. up to the date the asset is ready for its intended use. Credit of duty, if availed, is adjusted in the acquisition cost of the respective fixed assets.

Capital Works-in-Progress, including capital advances, is carried at cost, comprising direct cost, related incidental expenses and interest on borrowings to the extent attributed to them.

Intangible assets are recognized as per the criteria specified in Accounting Standard -26 "Intangible Assets" prescribed by the Companies (Accounting Standards) Rules, 2006 and recorded at the consideration paid for acquisition.

#### 2.5 Depreciation on Fixed Assets and Amortization

Depreciation on fixed assets is applied on straight-line basis as per the rates and manner specified in the Schedule XIV to the Companies Act, 1956 on pro rata basis.

Depreciation on fixed assets costing upto Rs.5000/- is provided @100% over a period of one year.

Intangible Assets are amortized over the useful life of the assets or ten years, whichever is earlier.

Depreciation on leasehold improvements are charged over the period of lease.

#### 2.6 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are considered as part of the cost of Assets/Projects. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are treated as period cost and charged to the profit and loss account in the year in which incurred.

#### 2.7 Impairment of Assets

An asset is impaired if there are sufficient indication that the carrying cost would exceed the recoverable amount of cash generating asset. In that event an impairment loss so computed would be recognized in the accounts in the relevant year.

#### 2.8 Investments

Current investments are stated at lower of cost and fair market value. Long-term investments are valued at their acquisition cost. The provision for any diminution in the value of long- term investments is made only if such a decline is other than temporary.

## 2.9 Inventories

Inventories are valued as under: -

- a. Building Materials at lower of cost and net realizable value.
- b. Projects/Contracts work in progress at lower of actual cost and net realizable value.
- c. Land, Flats, Shops, Plots, Traded Goods etc. at lower of actual cost and net realizable value.

Costs of building materials are determined on First in First out ('FIFO') basis in the ordinary course of business.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Expenses, attributable directly and forming integral part of specific project / scheme are considered as part of the project cost and accordingly are considered in the valuation therein.

Marketing and selling cost are not considered attributable to the cost of project and accordingly not considered as part of the project cost and hence not included in the valuation of the Inventory.

## 2.10 Taxation

Income tax expense is accounted for in accordance with AS-22 "Accounting for Taxes on Income" for both Current Tax and Deferred Tax as stated below:

### Current Tax:

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

### Deferred Tax:

Deferred Tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income & accounting income computed for the current accounting year and reversal of earlier years' timing difference.

Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses, which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## 2.11 Employee benefits

- a) Defined Benefit Plan  
Gratuity and long-term compensated absences are provided for based on actuarial valuation carried out at the close of each year. The actuarial valuation is done by an Independent Actuary as per projected unit credit method.
- b) Defined Contribution Plan  
The company contribution to Employees Provident Fund and Family Pension Fund are deposited with the Regional Provident Fund Commissioner and is charged to Profit & Loss Account every year on due basis.

## 2.12 Leases

Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Operating lease payments are recognized as expenses in the profit and loss account on a straight-line basis over the lease term.

## 2.13 Cash Flow Statement

Cash flows are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the company are segregated.

## 2.14 Earning Per Share (EPS)

Earning Per Share is 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 earning 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.

## 2.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

**NOTES TO THE FINANCIAL STATEMENTS**

PARTICULARS	(Amount in Rs.)															
	As At March 31, 2012	As At March 31, 2011														
<b>Note 3 : Share Capital</b>																
<b>Authorised Capital</b>																
1,57,70,000 Equity Shares of Rs 10/-each (Previous year 1,50,00,000 Equity Shares of Rs 10/-each)	157,700,000	150,000,000														
	<u>157,700,000</u>	<u>150,000,000</u>														
<b>Issued, Subscribed &amp; Paidup Capital</b>																
1,57,63,312* Equity Shares of Rs 10/- each fully paid up (Previous Year '78,81,656 Equity Shares of Rs 10/- each fully paid up) *1,57,63,312 equity shares are held by the Holding Company, SRS Real Infrastructure Limited and its nominees	157,633,120	78,816,560														
	<u>157,633,120</u>	<u>78,816,560</u>														
<b>Quantitative Reconciliation of Shares Outstanding</b>																
No. of Shares Outstanding at the Beginning of the Year	7,881,656	7,881,656														
Add : No. of Bonus Shares Issued	7,881,656	-														
No. of Shares Outstanding at the end of Reporting Period	<u>15,763,312</u>	<u>7,881,656</u>														
<b>Detail of shareholders holding more than 5% shares</b>																
	<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">31st March 2012</th> <th colspan="2">31st March 2011</th> </tr> <tr> <th>No. of Shares</th> <th>Holding %</th> <th>No. of Shares</th> <th>Holding %</th> </tr> </thead> <tbody> <tr> <td>Name of Shareholder: SRS REAL INFRASTRUCTURE LTD.</td> <td>1,57,63,312</td> <td>100</td> <td>78,81,656</td> <td>100</td> </tr> </tbody> </table>			31st March 2012		31st March 2011		No. of Shares	Holding %	No. of Shares	Holding %	Name of Shareholder: SRS REAL INFRASTRUCTURE LTD.	1,57,63,312	100	78,81,656	100
	31st March 2012			31st March 2011												
	No. of Shares	Holding %	No. of Shares	Holding %												
Name of Shareholder: SRS REAL INFRASTRUCTURE LTD.	1,57,63,312	100	78,81,656	100												
The rights, preference and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under :																
<b>Equity Shares :</b> The equity shares have a par value of Rs. 10 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.																
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders																
<b>Note 4 : Reserve and Surplus</b>																
<b>I. Securities Premium Reserve</b>																
Opening Balance	900,640,440	900,640,440														
Addition during the year	-	-														
Less: Bonus Shares issued during the year	78,816,560	-														
Closing Balance	<u>821,823,880</u>	<u>900,640,440</u>														
<b>II. Surplus</b>																
Opening Balance	63,471,984	55,322,283														
Profit for the Year	12,528,355	8,149,701														
Closing Balance	<u>76,000,339</u>	<u>63,471,984</u>														
<b>Total Carried Forward to Balance Sheet (I+II)</b>	<u>897,824,219</u>	<u>964,112,424</u>														
<b>Note 5 : Long-Term Borrowings</b>																
<b>Term Loan (Secured)</b>																
- From Banks	715,141,095	1,140,525,980														
- From Others	-	650,649														
<b>Deferred payment Liabilities (Unsecured)</b>	<u>711,948,345</u>	<u>306,765,965</u>														
	<u>1,427,089,440</u>	<u>1,447,942,594</u>														
(Refer note no. 34 of Notes to Accounts)																

PARTICULARS	(Amount in Rs.)	
	As At March 31, 2012	As At March 31, 2011
<b>Note 6 : Deferred Tax Liabilities (Net)</b>		
<b>Deferred Tax Liability</b>		
Fixed Assets	3,389,783	3,958,169
Total Deferred Tax Liability (A)	<u>3,389,783</u>	<u>3,958,169</u>
<b>Deferred Tax Assets</b>		
Provision for Investment	11,356	-
Provision for Employees Benefits	486,279	335,712
Total Deferred Tax Assets (B)	<u>497,635</u>	<u>335,712</u>
<b>Deferred Tax Liability (Net) (A-B)</b>	<u>2,892,148</u>	<u>3,622,457</u>
<b>Note 7 : Long-Term Provisions</b>		
<b>Provision for Employee Benefits</b>		
	1,453,204	989,349
	<u>1,453,204</u>	<u>989,349</u>
<b>Note 8 : Short-Term Borrowings</b>		
<b>Demand Loan (Unsecured)</b>		
	10,673,827	2,533,750
	<u>10,673,827</u>	<u>2,533,750</u>
<b>Note 9: Trade Payables</b>		
(a) Due of Micro & Small Enterprises	-	-
(b) Due of Creditors other than Micro & Small Enterprises	197,812,653	149,359,976
	<u>197,812,653</u>	<u>149,359,976</u>
<b>Note 10: Other Current Liabilities</b>		
Current Maturities on Long Term Debts	805,772,379	636,761,609
Current Maturities on Deferred Payment Credit	366,216,428	476,584,903
Advance from Customers	980,874,803	781,810,812
Interest Accrued & due on Deferred Payment Liabilities	98,041,274	77,807,205
Interest Accrued but not due on Term Loans	14,081,047	18,731,433
Security Deposit	67,689,795	39,750,623
Book Overdraft	3,262,370	2,956,172
<b>Other Payables</b>		
-Employees	2,358,207	1,628,720
- Auditors	902,835	794,160
-Statutory Dues	19,887,278	59,241,579
	<u>2,359,086,416</u>	<u>2,096,067,216</u>
<b>Note 11 : Short-Term Provisions</b>		
<b>Provision for Taxation</b>		
	5,755,474	4,537,197
<b>Provision for Employee Benefits</b>		
	45,574	45,362
	<u>5,801,048</u>	<u>4,582,559</u>

Note No. 12  
Fixed Assets

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 01.04.2011	ADDITIONS DURING THE YEAR	SALE/ ADJUSTMENTS	AS AT 31.03.2012	UPTO 31.03.2011	FOR THE YEAR	ON SALE/ ADJUSTMENT	UPTO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
Leasehold Improvements	8,458,009	6,429,511	-	14,887,520	2,740,584	968,961	-	3,709,545	11,177,975	5,717,425
Plant & Equipments	2,968,241	1,460,077	-	4,428,318	471,067	144,603	-	615,670	3,812,648	2,497,174
- Air Conditioners	-	475,000	-	475,000	-	19,973	-	19,973	455,027	-
- Generator	223,049	100,922	-	323,971	172,296	111,572	-	283,868	40,103	50,753
- Small Misc Assets	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	17,670,049	1,160,043	-	18,830,092	3,518,082	1,177,229	-	4,695,311	14,134,781	14,151,967
Vehicle	24,941,192	4,261,053	5,835,294	23,366,951	9,161,902	2,050,022	2,482,163	8,729,761	14,637,190	15,779,290
Office Equipments	14,531,258	2,062,478	-	16,593,736	2,341,371	704,328	-	3,045,699	13,548,037	12,189,887
Computer	6,942,736	191,550	13,200	7,121,086	3,962,715	1,134,081	7,967	5,088,829	2,032,257	2,980,021
Intangible Assets	1,577,212	-	-	1,577,212	1,030,372	315,442	-	1,345,814	231,398	546,840
TOTAL	77,311,746	16,140,634	5,848,494	87,603,886	23,398,389	6,626,211	2,490,130	27,534,470	60,069,416	53,913,357
Previous Year	79,989,109	1,447,207	4,124,570	77,311,746	18,035,197	7,009,454	1,646,262	23,398,389	53,913,357	-
CWIP	3,029,667	5,469,798	8,499,465	-	-	-	-	-	-	-

Note: out of depreciation for the year, depreciation of Rs. 2,77,808 (previous Year Rs. 6,33,001) has been allocated to projects.

(Amount in Rs.)

PARTICULARS	As At March 31, 2012	As At March 31, 2011
Note 13 : Long Term Loans & Advances		
Security Paid	530,000	406,000
	<u>530,000</u>	<u>406,000</u>
Note 14 : Current Investments (Current, Non-Trade, Quoted, at cost)		
1,00,000 (Previous Year 1,00,000) units SBI One India Mutual Fund of Rs. 10/- each	1,000,000	1,000,000
NIL (Previous year 1000723.375) units SBI SHDF Ultra Mutual Fund of Rs. 10/- each	-	10,013,238
50,000 (Previous year Nil) units UBI KBC Equity Fund Growth of Rs. 10/- each	500,000	-
50,000 (Previous year Nil) units UBI KBC Equity Fund of Rs. 10/- each	500,000	-
	<u>2,000,000</u>	<u>11,013,238</u>
Less:- Provision for diminution in value of Investment	35,000	-
	<u>1,965,000</u>	<u>11,013,238</u>
Note: All the above shares/units are fully paid up.		
Aggregate amount of quoted investments	2,000,000	11,013,238
Market Value of quoted investment	1,965,000	11,013,238
Note 15 : Inventories (As taken, valued & certified by the Management)		
Project-in-Progress (Refer Note No. 23)	1,691,559,788	1,317,387,634
Stock held for resale	59,222,960	-
Building Material at Site	38,005,691	10,950,668
	<u>1,788,788,439</u>	<u>1,328,338,302</u>
Note 16 : Trade Receivables (Unsecured, considered Good unless otherwise stated)		
i. Debts outstanding for a period exceeding six months	153,635,037	231,736,426
ii. Others	1,486,482,002	1,856,466,521
	<u>1,640,117,039</u>	<u>2,088,202,947</u>
Note 17 : Cash & Cash Equivalentents		
Cash on Hand	13,035,721	3,816,781
Balance with Banks		
-in current accounts	50,418,568	40,321,144
-in deposit accounts*		
Deposits having maturity of upto 12 months	23,609,236	-
Deposits having maturity exceeding 12 months	83,337,258	86,662,843
	<u>170,400,783</u>	<u>130,800,768</u>
*Fixed deposit aggregating to Rs. 1052 Lacs (Previous year Rs. 727.27 Lacs) have been pledged with banks for bank overdraft and bank guarantee.		
Note 18 : Short-Term Loans & Advances		
Loans to Bodies Corporate	304,965	5,062,975
Advance for Future Projects	1,006,047,567	528,942,000
Advance Recoverable in Cash or in Kind or for Value to be received	1,799,318	17,618,798
Advance Payment of Income Tax	1,556,795	-
Advance to Suppliers/Contractors	435,640,959	554,427,764
	<u>1,445,349,604</u>	<u>1,106,051,537</u>



PARTICULARS	(Amount in Rs.)	
	As At March 31, 2012	As At March 31, 2011
Note 19 : Other Current Assets		
Interest Accrued on Fixed Deposits	13,389,101	11,415,889
Prepaid Expenses	14,656,693	14,855,180
	<u>28,045,794</u>	<u>26,271,069</u>

PARTICULARS	(Amount in Rs.)	
	Year ended March 31, 2012	Year ended March 31, 2011
Note 20 : Revenue from Operations		
Sale of Constructed Properties/Plots/Land	1,863,897,333	2,171,721,401
	<u>1,863,897,333</u>	<u>2,171,721,401</u>
Note 21: Other Income		
Interest received	49,569,714	17,091,997
Reversal of provisions for diminution in the value of investment	-	2,156
Dividend	-	113,883
Profit on sale of Investments	10,768	4,290
Other Non-operating Income	19,409,947	9,906,184
	<u>68,990,429</u>	<u>27,118,510</u>
Note 22 : Increase/(Decrease) in Inventories		
Opening Stock	-	23,769,500
Closing Stock	59,222,960	-
	<u>(59,222,960)</u>	<u>23,769,500</u>
Note 23 :Cost of Sale of Developed Properties		
Cost of Construction /Projects		
Balance as per last year	1,317,387,634	1,388,190,784
Add: incurred during the year		
Cost of land	115,089,986	-
Amount paid to collaborators	32,210,000	17,658,782
Govt. Charges	503,410,071	462,910,493
Building Material Consumed	402,055,925	387,339,973
Construction Cost	764,824,145	726,657,504
Employee Cost	21,551,633	16,917,430
Finance Cost	337,866,961	361,364,561
Depreciation	277,808	633,001
Other Expenses	8,301,485	6,159,741
	<u>3,502,975,648</u>	<u>3,367,832,269</u>
Less: Cost of Projects charged to Profit & Loss a/c	<u>1,811,415,860</u>	<u>2,050,444,636</u>
Balance Carried to Balance Sheet	<u>1,691,559,788</u>	<u>1,317,387,633</u>
Note 24: Employee Benefit Expense		
Salaries, Wages, allowances and bonus	24,747,930	20,206,787
Contribution to Provident fund & Other funds	1,757,748	1,435,752
Provision for Employee's benefits	466,757	257,149
Staff Welfare Expenses	982,521	861,327
	<u>27,954,956</u>	<u>22,761,015</u>
Less: Allocated to Projects	<u>21,551,633</u>	<u>16,917,430</u>
	<u>6,403,323</u>	<u>5,843,585</u>
Note 25 : Finance Cost		
Interest on:		
-Term Loans	186,027,445	151,406,882
-Cash Credit/Overdraft	70,257,034	89,240,286
-EDC/IDC	83,342,742	119,081,212
-Other	9,958,339	8,377,627
Bank and other Financial Charges	8,873,653	16,809,522
	<u>358,459,213</u>	<u>384,915,529</u>
Less: Allocated to Projects	<u>337,866,961</u>	<u>361,364,561</u>
	<u>20,592,252</u>	<u>23,550,968</u>

(Amount in Rs.)

PARTICULARS	Year ended March 31, 2012	Year ended March 31, 2011
Note 26 : Other Expenses		
Rent	5,273,600	4,953,600
Insurance	866,441	612,155
Repairs and Maintenance - others	985,886	878,485
Electricity & Water Expenses	1,482,902	2,349,648
Vehicle Running & Maintenance	419,337	444,631
Legal & Professional Charges	2,937,098	2,784,213
Auditors' Remuneration	1,041,369	922,086
Travelling & Conveyance	2,797,157	2,276,999
Printing & Stationery	1,096,214	2,102,212
Postage, Telegram & Telephone	1,945,274	1,741,611
Security & Housing Keeping	1,303,811	957,214
Provisions for diminution in the value of investment	35,000	-
Donation	964,200	590,100
Loss on Sale of Fixed Assets	595,165	1,383,307
Prior Period Expenses	11,030	-
Other Expenses	1,178,274	833,662
Business Promotion	2,612,057	1,059,318
Commission	42,430,009	20,320,242
Advertisement & Publicity	9,228,062	34,784,329
Discount & Rebate	-	597,520
	<u>77,202,886</u>	<u>79,591,332</u>
Less: Allocated to Projects	<u>8,301,485</u>	<u>6,159,741</u>
	<u>68,901,401</u>	<u>73,431,591</u>

## Notes to Accounts

27. Capital Commitment  
Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (PY 60.24 Lacs)

28. Contingent Liabilities not provided for in respect of:

Particulars	As at 31.03.2012	As at 31.03.2011
	(Rs.)	(Rs.)
Outstanding Bank Guarantees	390,805,400	226,991,400
Corporate Guarantee on behalf of Holding Company	350,000,000	Nil
Corporate Guarantee to body corporate	392,500,000	242,500,000

29. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

30. The company has entered into "Collaboration Agreement" with certain land-owners whereas the possession has been delivered to the company for development & construction of said land and marketing thereof. The payments are being made in accordance with respective Collaboration Agreements and the total cost of the same is charged to the respective projects.

31. The information regarding Micro Enterprises and Small Enterprises as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Further during the year no interest has been paid or payable under the terms of the said Act.

32. Prior Period expenses of Rs. 0.11 Lacs (PY Rs. 19.01 Lacs) have been charged to profit and loss account.

33. Deferred Tax Assets and Liabilities

In view of the Accounting Standard – AS 22 "Accounting for Taxes on Income", the deferred tax assets/liabilities as at 31<sup>st</sup> March 2012 comprise of the following major components:

Particulars	As At 31.03.2012 (Rs)	As At 31.03.2011 (Rs)
Fixed Assets	3,389,783	3,958,169
Deferred Tax Liabilities (A)	3,389,783	3,958,169
Provision for Gratuity & Leave Encashment	486,279	335,712
Provisions for diminution in the value of investment	11,356	-
Deferred Tax Assets (B)	497,635	335,712
Net Deferred Tax Liability/(ASSETS) (A-B)	2,892,148	3,622,457

Note 34 :The requisite particulars in respect of secured borrowings are as under:

Particulars	As at 31st March 2012	As at 31st March 2011	Particulars of security	Terms of Repayment	Rate of Interest
Term Loan from Bank Union Bank Of India- Term Loan -I Balance Outstanding Current Maturity Non-Current Maturity	68,876,936 68,876,936 -	249,991,120 168,000,000 81,991,120	Secured against Equitable Mortgage of land measuring 15.061 acres in Nehar Par Area at Sector-88 Baselwa, Faridabad and construction work there on. Personal Gurantee of Directors and Land owning Companies.	18 Monthly installments commencing from April, 2011 as under: No. Amount (Per Installment) 17 138,88,000 1 139,04,000	Base Rate + 1 % PA.
Union Bank Of India- Term Loan-II Balance Outstanding Current Maturity Non-Current Maturity	96,951,516 83,344,000 13,607,516	249,990,901 168,000,000 81,990,901		18 Monthly installments commencing from April, 2011 as under: No. Amount (Per Installment) 17 138,88,000 1 139,04,000	Base Rate + 1 % PA.
Union Bank Of India-Term Loan-III Balance Outstanding Current Maturity Non-Current Maturity	49,932,188 49,932,188 -	149,861,607 100,200,000 49,661,607		18 Monthly installments commencing from April, 2011 as under: No. Amount (Per Installment) 17 83,33,000 1 83,39,000	Base Rate + 1.50 % PA.
State Bank of India - Term Loan Balance Outstanding Current Maturity Non-Current Maturity	307,972,909 307,972,909 -	515,773,538 200,000,000 315,773,538	<u>Primary Security :</u> Equitable Mortgage of part Project Land at Sector-87, Faridabad comprising Khewat Khata no.173/205, 80/95, 312/375, 326/392, 169/198, 202/242, measuring 78 kanal, 18 marla i.e. 9.863 acres , valued at Rs. 25.59 crore at cost of purchase and belonging to M/s SRS Real Estate Ltd. & Building to be built on it. <u>Collateral Security :</u> Equitable Mortgage of part Project Land at Sector-87, Faridabad comprising Khewat Khata no.173/205, 80/95, 312/375, 326/392, 169/198 measuring 78 kanal. 19 marla i.e. 9.867 acres , valued at Rs. 23.02 crore at cost of purchase and belonging to M/s SRS Real Infrastructure Ltd. (Formerly Manu Leasing Ltd.) Personal Gurantee of Directors & Corporate Gurantee of M/s SRS Real Infrastructure Ltd.(Holding Company)	4 Quarterly installment commencing from December, 2011 as under: No. Amount (Per Installment) 2 10,00,00,000 2 15,50,00,000	Basic Rate + 1 %
Union Bank Of India- Term Loan Balance Outstanding Current Maturity Non-Current Maturity	852,741,827 225,000,000 627,741,827	534,207,444 - 534,207,444	Secured against Equitable Mortgage of land measuring 19.018 acres at Sector-87 Faridabad and construction there on. Personal Gurantee of Directors and Corporate Gurantee of Land owning Companies and SRS Real Infrastructure Ltd. (Holding Company)	8 Quarterly installment commencing from October, 2012 as under: No. Amount (Per Installment) 8 11,25,00,000	13.25%

Particulars	As at 31st March 2012	As at 31st March 2011	Particulars of security	Terms of Repayment	Rate of Interest
<u>Punjab National Bank</u> Balance Outstanding Current Maturity Non-Current Maturity	71,800,000 - 71,800,000	71,800,000 - 71,800,000	<u>Primary Security:</u> Extention of charge on project land measuring 51.968 acres & super structure to be constructed there on situated at Village Allahpur, Sector-6, Palwal, faridabad and 1st charge on all fixed assets including capital work in progress related to the project. <u>Collateral Security:</u> Equitable Mortgage of commercial area admeasuring 2.078 acres in the first phase having appx market value of Rs. 7.97 Crores and realizable value of Rs. 7.97 crores in the name of land owning companies. Personal Gurantee of Directors & collaborators.	4 Quarterly installment commencing from June, 2013 as under: No. Amount (Per Installment) 4 200,00,000	Base Rate + 4.5%
<u>Union Bank Of India</u> Balance Outstanding Current Maturity Non-Current Maturity	69,449,506 69,449,506 -	5,423,506 - 5,423,506	Secured against Equitable Mortgage of project Land measuring 6.3437 acres at Sector-6, Palwal and construction there on.	5 Quarterly installment commencing from October, 2012 as under: No. Amount (Per Installment) 5 400,00,000	12.25%
<u>Vehicle Loan from Banks</u> Balance Outstanding Current Maturity Non-Current Maturity	2,895,323 903,571 1,991,752	239,473 239,473 -	Secured against hypothecation of specified vehicles of the Company.	Total 2 number of vehicle loan repayable within 36 equal monthly installment.	
<u>Summary</u> Balance Outstanding Current Maturity Non-Current Maturity	1,520,620,205 805,479,110 715,141,095	1,777,287,589 636,439,473 1,140,848,116			
<u>Vehicle Loan from Others</u> Balance Outstanding Current Maturity Non-Current Maturity	293,269 293,269 -	650,649 358,296 292,353	Secured against hypothecation of specified vehicles of the Company.	Total 1 number of vehicle loan repayable within 36 equal monthly installment.	

The requisite particulars in respect of Deferred Credit Payment are as under:

<u>EDC/IDC Payable</u> Balance Outstanding Current Maturity Non-Current Maturity	1,078,164,773 366,216,428 711,948,345	783,350,868 476,584,903 306,765,965	Secured against specified property allotted by the Haryana Urban Development Authority  Applicable rate of interest is 12% PA.	Repayable within 8 to 10 half yearly installment for different properties.	12 % PA.
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Thus the aggregate amount of loan guaranteed by Directors is ` 15,177.25 lacs (PY ` 17,770.48 lacs)

### 35. Employee Benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded. The Company has also provided for Leave Encashment which is also unfunded.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on March 31, 2012).

Net employee benefit expense (recognized in the Statement of Profit & Loss for the year ended March 31, 2012)

(Amount in Rs.)

Particulars	Earned Leave		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	174,153	112,183	293,850	227,510
Interest Cost	26,570	23,807	61,380	41,541
Expected return on plan assets	-	-	-	-
Past Service Cost	-	-	-	-
Actuarial (gain) / loss recognized in the year	(57,258)	(106,973)	(31,938)	(40,919)
Net benefit expense	143,465	29,017	323,292	228,132

Net Asset / (Liability) recognized in the Balance Sheet as on March 31, 2012

Particulars	Earned Leave		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Present Value of Defined Benefit Obligation at the end of the year	453,365	312,590	1,045,413	722,121
Fair Value of Plan Assets	-	-	-	-
Net Asset / (Liability) recognized in the Balance Sheet	(453,365)	(312,590)	(1,045,413)	(722,121)

Changes in the Fair value of plan assets:

Particulars	Earned Leave		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Fair value of plan assets at the beginning of the year	-	-	-	-
Acquisition adjustment	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions	-	-	-	-
Benefits Paid	-	-	-	-
Actuarial gain/(loss) on plan assets	-	-	-	-
Fair value of plan assets at the end of the period	-	-	-	-

Changes in the present value of Defined Benefit Obligation are as follows:

Particulars	Earned Leave		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Present Value of Defined Benefit Obligation at the beginning of the year	312,590	297,586	722,121	519,259
Interest Cost	26,570	23,807	61,380	41,541
Current Service Cost	174,153	(112,183)	293,850	227,510
Benefits Paid	(2,690)	(14,013)	-	(25,270)
Actuarial (gain) / loss on obligation	(57,258)	(106,973)	(31,938)	(40,919)
Present Value of Defined Benefit Obligation at the end of the year	453,365	312,590	1,045,413	722,121

The principal assumptions used in determining gratuity and leave liability for the Company's plans are shown below:

Particulars	Earned Leave		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	8.50%	8.00%	8.50%	8.00%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	6.00%	5.50%	6.00%	5.50%
Rate of Return on Plan Assets	NA	NA	NA	NA
Average Outstanding Service of Employees upto Retirement (years)	26.96	27.80	26.96	27.80

Contribution to Defined Contribution Plans:

Particulars	Amount	Amount
	2011-12	2010-11
Provident fund	1,504,743	1,235,689

### 36. Segment Reporting

The Company is primarily engaged in the business of promotion, construction, development of integrated townships, and residential and commercial complexes in the various parts of the country, which as per Accounting Standard-17 on "Segment Reporting" is considered to be the only reportable business segment. The Company is operating in the same geographical segment.

### 37. Related Party Transactions

As per Accounting Standard-18, the Company's related parties and transactions are disclosed below:

a. List of related parties & relationships, where control exists:

1) Holding Company

i. SRS Real Infrastructure Ltd.

2) (a) Fellow Subsidiaries

i. SRS Retreat Services Ltd.

ii. SRS I-Tech Pvt. Ltd.

(b) Fellow Subsidiaries (Upto 31.03.2011)\*\*\*

iii. Bhavani Realbuild Pvt. Ltd.

iv. Bright Infrabuild Pvt. Ltd

v. Dimension Infrastructure Pvt Ltd

vi. Haryana Infracon Pvt. Ltd

vii. Mehar Builders Pvt Ltd

viii. Modern Ashiana Builders Pvt Ltd

ix. Mounthill Builders Pvt Ltd

x. Rebnoor Infrabuild Pvt Ltd

xi. Skyhigh Colonizer Pvt Ltd

xii. Dawn Developers Pvt. Ltd.

xiii. Glory Buildcon Pvt. Ltd.

xiv. SRS Manufacturers Private Ltd.

xv. SPS Buildcon Limited

\*\*\* Merged with SRS Retreat Services Limited w.e.f 01.04.2011 in pursuance of the scheme of amalgamation approved by the Hon'able High Court.

b. Related parties & relationships with whom transactions have taken place during the year:

1) Key Management Personnel (KMP)

i. Mr. Vinod Jindal - Managing Director

ii. Mr. Rajesh Singla - Whole Time Director

iii. Mr. Nanak Chand Tayal - Whole Time Director

2) Enterprises owned or significantly influenced by KMP and/or their Relatives

i. BTL Industries Ltd.

ii. BTL Impex (India) Ltd

iii. BTL Portfolio Ltd

iv. SRS Finance Ltd

v. SRS Limited.

vi. SRS Global Securities Ltd

### c. Transactions with related Parties

S.No	Name of the Party	Nature of Transaction	2011-12 Amount (Rs.)	2010-11 Amount (Rs.)
1	SRS Real Infrastructure Ltd.	Corporate Guarantee Taken	Nil	230,600,000
		Bank Guarantee Taken	Nil	11,114,000
		Reimbursement of Expenses	2,400,698	8,910,621
		Corporate Guarantee given	350,000,000	Nil
		Rent Received ( including Service tax)	60,000	60,000
		Loan and Advance Received	524,891	58,880,826
		Material Purchased	37,060,921	3,159,672
		Share Application Money Recd.	75,000,000	Nil
		Closing Balance		
		Corporate Guarantee Taken	2,064,400,000	2,064,400,000
		Corporate Guarantee Given	350,000,000	Nil
		Share Application Money Received	75,000,000	Nil
		Sundry Creditors	14,158,114	10,125,282
2	Vinod Jindal	Director Remuneration	1,435,668	1,502,221
3	Rajesh Singla	Director Remuneration	723,876	724,739
4	Nanak Chand Tayal	Director Remuneration	723,876	724,738
5	SRS Finance Ltd.	Corporate Guarantee Given	150,000,000	100,000,000
		Fixed Assets Purchased	Nil	450,000
		Closing Balance		
6	SRS Buildcon P Ltd.	Corporate Guarantee	250,000,000	100,000,000
		Commission Expenses	Nil	421,200
7	BTL Impex India Ltd.	Commission Expenses	234,000	168,480
		Closing Balance		
		Sundry Creditors	Nil	168,480
8	BTL Industries Ltd.	Loans and Advance Recd. Back	Nil	385,594,000
		Commission Expenses	463,320	168,480
		Closing Balance		
		Sundry Creditors	Nil	168,480
9	SRS Global Securities Ltd.	Interest Paid On Behalf of Customers	Nil	1,710,387
		Commission Paid	360,000	Nil
10	SRS Limited	Display Charges Paid (Including Service tax)	Nil	27,575,000
		Purchase of Material/Goods	896,297	30,880
		Reimbursement of Expenses	2,279,062	1,673,776
		Office Rent (Net of Service tax)	4,200,000	4,200,000
		Corporate Guarantee Given	Nil	142,500,000
		Closing Balance		
		Creditors	325,300	27,847,100
		Advance received	200,777	Nil
Corporate Guarantee Given	142,500,000	Nil		

S.No	Name of the Party	Nature of Transaction	2011-12 Amount (Rs.)	2010-11 Amount (Rs.)
11	SRS Retreat Services Ltd.	Purchase of FSI in Land	103,500,000	Nil
		Closing Balance Creditors	28,500,000	Nil
12	Rebnoor Infrabuild Pvt. Ltd	Reimbursement of Expenses	Nil	15,000

38. Assets taken on Operating Lease:

- The company has taken an office on non-revocable operating lease.
- Future commitments in respect of minimum lease payments payable in respect of aforesaid lease entered by the Company are as follows:

	Particulars	As at 31.03.2012	As at 31.03.2011
a.	Not later than one year	60,000	60,000
b.	Later than one year and not later than five years	240,000	240,000
c.	Later than five years	165,000	240,000

39. Company has received Rs. 75,000,000 from SRS Real Infrastructure Limited (Holding Company) as Share Application Money. Terms and conditions and other details are as under:-

- No. of Shares proposed to be issued are 600,000.
- Shares to be issued at Rs. 125 per share including premium of Rs. 115 per share.
- Shares are to be allotted within one year.
- As on the date of balance sheet, the company does not have sufficient authorized share capital to allot the proposed shares. The company shall increase the authorized share capital before issue of the said shares.

40. "Earning per Share" computed in accordance with Accounting Standard AS- 20.

Particulars	2011-12 (Rs.)	2010-11 (Rs.)
a) Numerator		
Net Profit after taxation as per Profit & Loss A/C	12,528,355	8,149,701
b) Denominator:		
Weighted average no. of equity shares outstanding for:		
-Basic	7,903,250	7,881,656
-Diluted	7,904,893	7,881,656
c) Earning per Share (EPS) (Face Value of Rs.10 each):		
-Basic	1.5852	1.0340
-Diluted	1.5849	1.0340

41. Directors Remuneration:

Particulars	2011-12 (Rs.)	2010-11 (Rs.)
Directors' Remuneration	2,816,100	2,816,280
Contribution to PF	131,820	135,417

Note:

- Computation of net profit in accordance with relevant provisions of the Companies Act, 1956 has not been disclosed as no commission is payable to the Director.
- Above remuneration are inclusive of allowances and perquisites but excluding the value of non-monetary perquisites, if any, & gratuity as the provision for gratuity is determined for the Company as a whole and therefore separate amount for the directors are not available. No leave encashment benefit is available to the director.

42. Auditors' Remuneration (including service tax)

Particulars	2011-12 (Rs.)	2010-11 (Rs.)
Statutory Audit Fees	786,520	716,950
Tax Audit Fees	196,630	165,450
Out of Pocket Expenses	58,219	39,686
Total	1,041,369	922,086

43. Previous period figures have been regrouped / rearranged and reclassified wherever necessary.

44. All amounts in the financial statements are presented in Rupees and rounded off to nearest rupee.

As per our report of even date attached.

For Rakesh Raj and Associates  
Chartered Accountants  
Firm Regn. No. 005145N

Ruchi Jain  
(Partner)  
M.No.99920

Place: Faridabad  
Date: 10.08.2012

For and on behalf of the Board

(Vinod Jindal) (Bishan Bansal)  
Managing Director Director  
DIN 00005563 DIN 00013705

(Rekha Chauhan)  
Company Secretary  
M. No. 29951

## CONSOLIDATED FINANCIAL STATEMENTS

## AUDITORS' REPORT

The Board of Directors,  
SRS Real Infrastructure Limited  
Faridabad

1. We have audited the attached Consolidated Balance Sheet of SRS Real Infrastructure Limited ('the Company'), its Subsidiaries and Jointly Controlled Entities, collectively referred to as the "the Group", as at 31<sup>st</sup> March 2012, and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements of the Parent Company, its Subsidiaries and Jointly Controlled Entities for the year ended 31<sup>st</sup> March, 2012. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one Subsidiary, whose financial statements reflects total assets of Rs. 50,746.67 lacs as at 31<sup>st</sup> March 2012, the total revenues of Rs. 19,328.88 lacs and net cash flows amounting to Rs. 396.00 lacs for the year ended on that date. We did not audit the financial statements of one Jointly Controlled Entity also, whose financial statements reflects total assets of Rs. 590.28 lacs as at 31<sup>st</sup> March 2012 and total revenues of Rs. 1,323.54 lacs for the year ended on that date. 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 Subsidiary and Jointly Controlled Entity is based solely on the report of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards on "Consolidated Financial Statements" (AS-21) and Accounting Standard-27 on "Financial Reporting of Interest in Joint Ventures" referred to in sub-section (3C) of the section 211 of the Companies Act, 1956.
5. Based on our audit as aforesaid and on consideration of the report of other auditors on the separate financial statements, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true & 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 Group as at 31<sup>st</sup> March, 2012;
  - (ii) in case of the Consolidated Profit and Loss Account, of the consolidated profits of the Group for the year ended on that date; and

(iii) in the case of Consolidated Cash Flow Statement, of consolidated cash flows of the Group, for the year ended on that date.

For Naresh Jai & Associates  
(Chartered Accountants)  
Firm Regn. No. 019082N



CA Naresh Goyal  
(Partner)  
Membership No. 501487

Place: Faridabad  
Date: 30.08.2012

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
Share Capital	2	201,016,000	201,016,000
Reserves and Surplus	3	1,974,913,026	1,900,769,033
		<u>2,175,929,026</u>	<u>2,101,785,033</u>
<b>(2) Non-Current Liabilities</b>			
Long-Term Borrowings	4	1,776,871,027	1,861,333,728
Deferred Tax Liability (net)	5	7,723,690	6,411,119
Other Long Term Liabilities	6	69,000,000	69,000,000
Long-Term Provisions	7	2,362,039	1,645,110
		<u>1,855,956,756</u>	<u>1,938,389,957</u>
<b>(3) Current Liabilities</b>			
Short-Term Borrowings	8	719,674,646	711,961,128
Trade Payables	9	505,406,402	213,567,443
Other Current Liabilities	10	3,918,719,245	3,127,942,386
Short-Term Provisions	11	68,214,267	40,435,568
		<u>5,212,014,560</u>	<u>4,093,906,525</u>
<b>Total</b>		<u><b>9,243,900,342</b></u>	<u><b>8,134,081,515</b></u>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
Fixed Assets	12		
-Tangible Assets	12.1	419,955,018	411,486,846
-Capital Work in Progress	12.2	863,253,428	749,867,494
		<u>1,283,208,446</u>	<u>1,161,354,340</u>
Long-Term Loans & Advances	13	13,177,178	11,836,568
		<u>1,296,385,624</u>	<u>1,173,190,908</u>
<b>(2) Current Assets</b>			
Current Investment	14	1,965,000	15,952,745
Inventories	15	2,858,733,517	2,302,182,159
Trade Receivables	16	2,927,300,535	3,129,532,915
Cash & Cash Equivalents	17	261,726,352	235,598,348
Short-Term Loans & Advances	18	1,859,914,224	1,259,385,785
Other Current Assets	19	37,875,090	18,238,655
		<u>7,947,514,718</u>	<u>6,960,890,607</u>
<b>Total</b>		<u><b>9,243,900,342</b></u>	<u><b>8,134,081,515</b></u>
Significant Accounting Policies	1		

Accompanying Notes from 1 to 45 are integral part of the Financial Statements

As per our report of even date attached  
For Naresh Jai & Associates  
Chartered Accountants  
Firm Regn. No. 019082N

(CA Naresh Goyal)  
Partner  
Membership No. 501487

Place: Faridabad  
Date: 30.08.2012

For and on behalf of the Board

(Dr. Anil Jindal)  
Chairman & Managing Director  
DIN-00005585

(Jitender Kumar Garg)  
Whole-Time Director & CFO  
DIN-00088125

(Shweta Marwah)  
Company Secretary  
Membership No. 18730



STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in Rs.)

Particulars	Note No.	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>Income</b>			
Revenue from Operations	20	9,194,195,378	7,675,069,736
Other Income	21	106,360,201	43,765,257
<b>Total Revenue</b>		<b>9,300,555,579</b>	<b>7,718,834,993</b>
<b>Expenses</b>			
Cost of materials consumed	22	219,333,264	83,793,875
Cost of Sale of Developed properties	23	1,734,804,632	2,113,809,027
Purchase of Stock-in-Trade	24	6,853,117,467	5,046,725,366
Change in Inventories	25	56,548,110	70,771,392
Employee benefits expense	26	16,836,462	13,017,816
Financial Expenses	27	129,691,171	102,798,636
Depreciation	12	22,219,566	13,730,896
Other Expenses	28	117,757,596	125,734,326
<b>Total</b>		<b>9,150,308,268</b>	<b>7,570,381,334</b>
<b>Profit before Tax</b>		<b>150,247,311</b>	<b>148,453,659</b>
Less: Provision for Taxation:			
-Current		46,593,850	48,093,504
-Deferred		1,197,401	1,868,758
-MAT Credit		(7,610)	(7,034)
-Earlier year (s)		3,447,626	936,357
<b>Total Tax Expenses</b>		<b>51,231,267</b>	<b>50,891,585</b>
<b>Profit after Tax</b>		<b>99,016,044</b>	<b>97,562,074</b>
<b>Earning per share :</b>			
Face Value per Equity Share (in Rs.)		1.00	1.00
-Basic & Diluted (in Rs.)		0.49	0.49

Significant Accounting Policies

1



Accompanying Notes from 1 to 45 are integral part of the Financial Statements

As per our report of even date attached

For Naresh Jai & Associates

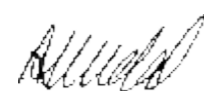
Chartered Accountants

Firm Regn. No. 019082N

(CA Naresh Goyal)  
Partner  
Membership No. 501487

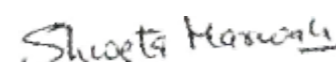
Place: Faridabad  
Date: 30.08.2012



(Dr. Anil Jindal)  
Chairman & Managing Director  
DIN-00005585



(Jitender Kumar Garg)  
Whole-Time Director & CFO  
DIN-00088125



(Shweta Marwah)  
Company Secretary  
Membership No. 18730

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

(Amount in Rs.)



Sr. No.	PARTICULARS	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit Before Tax (as per Profit & Loss Account)	150,247,311	148,453,659
	Adjustment For:		
	Depreciation	22,743,770	14,567,047
	Loss on sale of Fixed Assets	400,596	1,383,307
	Provision for diminution in value of Investments	35,000	58,337
	Loss/(Profit) on sale of Investments	(10,768)	29,366
	Interest Paid	574,796,835	569,773,258
	Interest Received	(58,613,884)	(20,801,510)
	<b>Operating Profit Before Working Capital Change</b>	<b>689,598,860</b>	<b>713,463,464</b>
	Adjustment For:		
	Trade and Other Receivable	(414,490,866)	(763,617,448)
	Inventories	(556,551,358)	38,475,559
	Trade Payable and Other Liabilities	1,015,372,599	71,690,280
	<b>Cash Generated From Operations</b>	<b>733,929,235</b>	<b>60,011,855</b>
	Direct Taxes Paid	(25,404,345)	(37,947,149)
	<b>Net Cash From Operating Activities (A)</b>	<b>708,524,890</b>	<b>22,064,706</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchases of Fixed Assets	(176,052,246)	(253,477,943)
	Proceeds from Sale of Fixed Assets	31,053,775	26,242,874
	Purchases of Investments	(1,000,000)	(17,513,238)
	Proceeds from Sale of Investments	14,963,513	102,520,634
	Dividend Paid	(19,929,638)	(10,040,518)
	Interest Received	53,839,256	13,286,268
	<b>Net Cash Used in Investing Activities (B)</b>	<b>(97,125,340)</b>	<b>(138,981,923)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Proceeds From Long Term Borrowings	426,865,806	415,045,771
	Repayments of Long Term Borrowings	(511,328,507)	(115,073,340)
	Proceed From Short Term Borrowing (Net)	7,713,518	385,190,047
	Interest Paid	(508,522,363)	(478,696,663)
	<b>Net Cash Used in Financing Activities (C)</b>	<b>(585,271,546)</b>	<b>206,465,815</b>
	<b>Net Increase in Cash And Cash Equivalent (A+B+C)</b>	<b>26,128,004</b>	<b>89,548,598</b>
	Cash & Cash Equivalent at the beginning of the Year	235,598,348	146,049,750
	Cash & Cash Equivalent at the end of the Year	261,726,352	235,598,348
	<b>Net Increase in Cash And Cash Equivalents</b>	<b>26,128,004</b>	<b>89,548,598</b>

As per our report of even date attached.

For Naresh Jai & Associates

Chartered Accountants

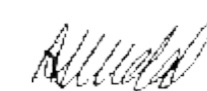
Firm Regn. No. 019082N

(CA Naresh Goyal)  
Partner  
Membership No.: 501487

Place: Faridabad  
Date: 30.08.2012

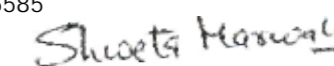
For and on behalf of the Board



(Dr. Anil Jindal)  
Chairman &  
Managing Director  
DIN-00005585



(Jitender Kumar Garg)  
Whole-Time Director & CFO  
DIN-00088125



(Shweta Marwah)  
Company Secretary  
M.No.18730

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

### 1 Significant Accounting Policies

#### 1.1 Consolidation of Accounts:

##### a. Basis of preparation:

i) The Consolidated Financial Statements are prepared in accordance with the requirements of Accounting Standard-21 on 'Consolidated Financial Statements' and Accounting Standard-27 on "Financial Reporting of Interest in Joint Ventures" referred to in sub-section (3C) of the section 211 of the Companies Act, 1956. The Consolidated Financial Statements comprise the financial statements of SRS Real Infrastructure Limited, its Subsidiaries and Jointly Controlled Entities. Reference in these notes to the 'Company' shall mean to include SRS Real Infrastructure Limited, its Subsidiaries and Jointly Controlled Entities which have been consolidated in these financial statements.

ii) List of Subsidiary Companies which are included in the consolidation and the Parent Company's holding therein are as under:

Name of the Company	% of Shareholding & Voting Power as on		Place of Incorporation
	31.03.2012	31.03.2011	
SRS Retreat Services Ltd.	100%	100%	India
SRS Real Estate Ltd.	100%	100%	India
SRS I-Tech Pvt. Ltd.	100%	100%	India

Subsidiary Companies which have been merged in SRS Retreat Services Ltd. w.e.f. 01.04.2011 vide order of Hon'ble High Court:-

Name of the Company	% of Shareholding & Voting Power as on		Place of Incorporation
	31.03.2012	31.03.2011	
Bhavani Realbuild Pvt. Ltd.	0%	100%	India
Bright Infrabuild Pvt. Ltd.	0%	100%	India
Dimension Infrastructure Pvt. Ltd.	0%	100%	India
Haryana Infracon Pvt. Ltd.	0%	100%	India
Mehar Builders Pvt. Ltd.	0%	100%	India
Modern Ashiana Builders Pvt. Ltd.	0%	100%	India
Mounthill Builders Pvt. Ltd.	0%	100%	India
Rebnoor Infrabuild Pvt. Ltd.	0%	100%	India
Skyhigh Colonizers Pvt. Ltd.	0%	100%	India
Dawn Developers Pvt. Ltd.	0%	100%	India
Glory Buildcon Pvt. Ltd.	0%	100%	India
SPS Buildcon Ltd.	0%	100%	India
SRS Manufacturers Pvt. Ltd.	0%	100%	India

iii) List of Jointly Controlled Entities which are included in the consolidation and the Parent Company's holding therein are as under:

Name of the Company	% of Shareholding & Voting Power as on		Place of Incorporation
	31.03.2012	31.03.2011	
SRS Lotus Projects Pvt. Ltd.	50%	50%	India
RMC Gurgaon (Partnership Firm)	50%	50%	India

##### b. Principles of Consolidation:

i) The financial statements of the Parent Company and its subsidiary companies are combined on a line-to-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealized profit or loss in accordance with Accounting Standard (AS) 21- 'Consolidated Financial Statements' referred to in sub-section (3C) of the section 211 of the Companies Act, 1956.

The financial statements of the Parent Company and its Subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances, except otherwise stated.

ii) The excess of the share of the equity in the respective Subsidiary over and above the cost of its investments in each of the Subsidiaries to the Parent company on the acquisition date is recognized in the financial statements as capital reserve and carried forward in the accounts.

iii) The Company's share of assets, liabilities, income and expenses of the Joint Ventures are consolidated using the proportionate consolidation method. Intra-group balances, intra-group transactions and unrealised profits are eliminated to the extent of Company's proportionate share.

iv) Minority interest is presented separately from the liabilities or assets and the Equity of the Parent Shareholders in the consolidated balance Sheet. Minority interest in the Income or Loss of the group is separately presented.

v) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. year ended 31<sup>st</sup> March, 2012.

#### 1.2. Basis of Accounting

The financial statements are prepared under historical cost convention on accrual basis and in accordance with the requirement of the Companies Act, 1956 and in compliance with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the said Act. Management evaluates the effect of the Accounting Standards issued on a continuous basis and ensures that they are adopted as mandated under law and by Institute of Chartered Accountants of India. The accounting policies, except otherwise stated, have been consistently applied by the company.

#### 1.3. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and contingent assets on the date of financial statements and the reportable amount of revenue and expenses during the

reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known/materialized.

#### 1.4. Revenue Recognition

Revenue from projects/scheme is recognized on the basis of "Percentage of Completion Method". The revenue is recognized in proportion to the actual cost incurred as against the total estimated cost of the projects/scheme under execution subject to such actual cost being 25% or more of the total estimated cost of the project/scheme.

Sale of developed plots is recognized on the basis of "Percentage of Completion method". The revenue is recognized in proportion to the actual cost incurred as against the total estimated cost subject to such actual cost being 50% or more of the total estimated cost.

The estimates relating to saleable area, sale value, estimated costs etc. are revised and updated periodically by the management and necessary adjustments are made in the current year's accounts.

Sale of undeveloped land and other properties are recognized in the financial year in which the transfer is made by written agreement to sell/registration of sale deed or otherwise in favour of parties when the significant risk and reward of the ownership are transferred and there is certainty of realization of the consideration.

The construction/development cost in respect of sales recognized is proportionately charged to the Profit & Loss Account in consonance with the matching cost concept.

Interest on delayed payments by customers against dues is taken into account on acceptance or realization owing to practical difficulties and uncertainties involved.

Revenue from the sale of material is recognized at the time of transfer of the documents to title/delivery of the material.

Revenue from interests is recognized on a time proportion basis.

Dividend Income on investment is accounted for when the right to receive the payment is established.

#### 1.5. Fixed Assets, Capital Work in Progress and Intangible Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the cost of acquisition/purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, interest etc. up to the date the asset is ready for its intended use. Credit of duty, if availed, is adjusted in the acquisition cost of the respective fixed assets.

Capital Work-in-Progress, including capital advances, is carried at cost, comprising direct cost, related indirect expenses and interest on borrowings to the extent attributed to them.

Intangible assets are recognized as per the criteria specified in Accounting Standard -26 "Intangible Assets" referred to in sub-section (3C) of the section 211 of the Companies Act, 1956 and recorded at the consideration paid for acquisition.

#### 1.6. Depreciation on Fixed Assets and Amortization

a) In case of Parent Company, its subsidiaries and Jointly Controlled Entities except SRS RMC Gurgaon (A Partnership Firm):

Depreciation on fixed assets is applied on straight-line basis as per the rates and manner specified in the Schedule XIV to the Companies Act, 1956 on pro rata basis.

Depreciation on fixed assets costing upto Rs.5,000/- is provided @100% over a period of one year.

Intangible Assets are amortized over the useful life of the assets or ten years, whichever is earlier.

Depreciation on leasehold improvements is charged over the period of lease.

b) In case of SRS RMC Gurgaon (A Partnership Firm):

Depreciation on fixed assets is applied on the rates and manner specified in section 32 of the Income Tax Act, 1961.

#### 1.7. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are considered as part of the cost of Assets/Projects. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are treated as period cost and charged to the Profit and Loss Account in the year in which incurred.

#### 1.8. Foreign Exchange Transaction

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported are recognized as income/expense in the period in which they arise.

Non-monetary items are carried at cost.

#### 1.9 Impairment of Assets

An asset is impaired if there are sufficient indication that the carrying cost would exceed the recoverable amount of cash generating asset. In that event an impairment loss so computed would be recognized in the accounts in the relevant year.

#### 1.10 Investments

Current investments are stated at lower of cost and fair market value. Long-term investments are valued at their acquisition cost. The provision for any diminution in the value of long-term investments is made only if such a decline is other than temporary.

### 1.11 Inventories

Inventories are valued as under: -

- a. Traded Goods :At lower of cost and net realizable value.
- b. Projects/Contracts Work-in-Progress :At lower of cost and net realizable value
- c. Finished Goods :At lower of cost and net realizable value
- d. Land, Flats, Shops, Plots, Traded Goods etc :At lower of cost and net realizable value

Costs of building materials are determined on First in First out ('FIFO') basis in the ordinary course of business.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

All expenses attributable directly and forming integral part of specific project/scheme are considered as part of the project cost and accordingly are considered in the valuation therein.

### 1.12 Taxation

Income tax expense is accounted for in accordance with Accounting Standard-22 "Accounting for Taxes on Income" for both Current Tax and Deferred Tax as stated below:

Current Tax:

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax:

Deferred Tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income & accounting income computed for the current accounting year and reversal of earlier years' timing difference.

Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses, which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### 1.13 Employee benefits

a) In case of Parent Company and one of its subsidiary (SRS Real Estate Limited):

- i. Defined Benefit Plan  
Gratuity and long-term compensated absences are provided for based on actuarial valuation carried out at the close of each year. The actuarial valuation is done by an Independent Actuary as per projected unit credit method.
- ii. Defined Contribution Plan  
The company's contribution to Employees Provident Fund and Family Pension Fund are deposited with the Regional Provident Fund Commissioner and is charged to Profit & Loss Account every year on due basis.

b) In case of its Subsidiaries other than SRS Real Estate Limited and Jointly Controlled Entities.

Liability for Gratuity and Leave Encashment are provided on the basis of management estimate of the liability, based on period of service, unearned leave and last salary drawn, since the number of employees are very few.

### 1.14 Earning Per Share (EPS)

Earning Per Share is 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 earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

### 1.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the company are segregated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Note 2: Share Capital</b>		
<b>Authorised Capital</b>		
25,00,00,000 (Previous year 25,00,00,000) Equity Shares of Re.1/- each	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
20,10,16,000 (Previous year 20,10,16,000) Equity Shares of Re.1/- each fully paid	201,016,000	201,016,000
	<u>201,016,000</u>	<u>201,016,000</u>
<b>Quantitative Reconciliation of Shares Outstanding</b>		
No. of Shares Outstanding at the beginning of the year	201,016,000	201,016,000
Add : No. of Shares Issued	-	-
Less : Deduction	-	-
No. of Shares Outstanding at the end of year	<u>201,016,000</u>	<u>201,016,000</u>

The rights, preference and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:-

The equity shares have a par value of Re. 1 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of dividend per share recognised as distribution to equity holders was Re. 0.10 (PY Re. 0.10). The total dividend appropriation for the year ended 31st March 2012 amounts to Rs. 201.02 lacs (PY Rs. 201.02 Lacs) excluding Dividend Distribution Tax of Rs. 32.61 lacs (PY Rs. 33.39 Lacs)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders

### Detail of shareholders holding more than 5% shares

Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares	Holding Percentage	No. of Shares	Holding Percentage
BTL Impex India Limited*	-	0.00%	10,487,775	5.22%
BTL Investments & Securities Limited	27,187,404	13.53%	27,187,404	13.53%
SRS Holdings India Limited (Formerly known as BTL Industries Limited)	77,587,158	38.60%	23,960,000	11.92%

\* BTL Impex India Ltd. has been merged with SRS Holdings India Ltd. (formerly known as BTL Industries Ltd.) w.e.f. 1st September 2011 vide order of Hon'ble High Court dated 16th March 2012.

### Note 3: Reserves and Surplus

<b>I. Securities Premium Account</b>		
Opening Balance	1,760,000,000	1,760,000,000
Add:- Addition during the year	-	-
Closing Balance	<u>1,760,000,000</u>	<u>1,760,000,000</u>
<b>I. Capital Reserve</b>		
Opening Balance	10,542,713	10,542,713
Less:- Amount of Capital Reserve for the year	(1,509,469)	-
Closing Balance	<u>9,033,244</u>	<u>10,542,713</u>
<b>II. General Reserves</b>		
Opening Balance	8,755,031	4,482,539
Add:- Transfer during the year	2,172,796	4,272,492
Closing Balance	<u>10,927,827</u>	<u>8,755,031</u>
<b>III. Profit &amp; Loss Account</b>		
Opening Balance	121,471,289	51,621,931
Add:- Profit for the current year	99,016,044	97,562,074
Amount available for Appropriation	220,487,333	149,184,005
Appropriations		
Proposed Dividend	20,101,600	20,101,600
Dividend Distribution Tax	3,260,982	3,338,624
Transfer to General Reserves	2,172,796	4,272,492
Closing Balance	<u>194,951,955</u>	<u>121,471,289</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Total Carried Forward to Balance Sheet (I + II + III)</b>	<u>1,974,913,026</u>	<u>1,900,769,033</u>
<b>Note 4: Long-Term Borrowings***</b>		
<b>Secured Loan</b>		
Term Loans		
From Banks	1,064,402,583	1,487,725,822
From Others	520,099	2,998,321
	<u>1,064,922,682</u>	<u>1,490,724,143</u>
<b>Unsecured Loans</b>		
Deferred payment credit of EDC/IDC	711,948,345	370,609,585
*** Refer Note No. 35	<u>711,948,345</u>	<u>370,609,585</u>
<b>Total</b>	<u>1,776,871,027</u>	<u>1,861,333,728</u>
<b>Note 5: Deferred Tax Liability (net)</b>		
<b>Deferred Tax Liability</b>		
Fixed Assets	9,463,988	7,593,419
<b>Total Deferred Tax Liability (A)</b>	<u>9,463,988</u>	<u>7,593,419</u>
<b>Deferred Tax Assets</b>		
Business Loss	535,474	624,690
Preliminary Expenses	15,700	-
Provision for Investments	11,356	-
Provision for Retirement Benefits	1,177,768	557,610
<b>Total Deferred Tax Assets (B)</b>	<u>1,740,298</u>	<u>1,182,300</u>
<b>Deferred Tax Liability (net) (A-B)</b>	<u>7,723,690</u>	<u>6,411,119</u>
<b>Note 6 : Other Long Term Liabilities</b>		
Security Received	69,000,000	69,000,000
	<u>69,000,000</u>	<u>69,000,000</u>
<b>Note 7: Long-Term Provisions</b>		
Provision for Employee Benefits	2,362,039	1,645,110
	<u>2,362,039</u>	<u>1,645,110</u>
<b>Note 8: Short-Term Borrowings</b>		
From Bank (Secured)		
Cash Credit	699,928,319	703,765,050
From Others (Unsecured)		
Demand Loan	19,746,327	8,196,078
	<u>719,674,646</u>	<u>711,961,128</u>
Cash Credit facility from Oriental Bank of Commerce and Bank of India (Under Consortium arrangement) of Rs. 69,90,56,388 (Previous year Rs. 70,17,29,085) is secured by first pari-passu charge on the Stock in trade, book debts and all other current assets of trading division of the parent Company. This facility is further secured by Equitable Mortgage of certain immovable properties belonging to the parent Company and its Subsidiary Company and the Personal Guarantees of the Directors and Corporate Guarantee of SRS Retreat Services Ltd. Overdraft limit from Union Bank of India of Rs. 8,71,931 (Previous Year Nil) is secured against Stock and Book debts of the Joint Venture- SRS RMC Gurgaon. Bank overdraft facility from Union Bank of India of Rs. Nil (Previous Year Rs. 20,35,965) was secured by pledge of Fixed Deposit.		
<b>Note 9: Trade Payables</b>		
Dues of MSMEs	-	-
Dues of other than MSMEs	505,406,402	213,567,443
	<u>505,406,402</u>	<u>213,567,443</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note 10: Other Current Liabilities		
Current Maturities on Long Term Debts	846,044,090	669,680,958
Current Maturities on Deferred Payment credit of EDC/IDC	634,926,779	704,451,634
Advances Received from Customers	2,031,588,471	1,406,010,051
Interest Accrued on Deferred Payment Credit	268,462,945	197,497,279
Interest Accrued but not due on Term Loans	17,622,971	22,314,165
Book Overdraft	8,435,899	4,990,058
Security Received	78,166,374	48,041,541
Unclaimed Dividend	234,776	62,814
Other Payable	-	-
-Employee	3,805,570	2,625,099
-Statutory Dues	29,431,370	72,268,787
	<u>3,918,719,245</u>	<u>3,127,942,386</u>
Note 11 : Short-Term Provisions		
Provision for Income Tax	44,782,407	16,921,822
Proposed Dividend	20,101,600	20,101,600
Provision for Dividend Distribution Tax	3,260,982	3,338,624
Provision for Employees benefits	69,278	73,522
	<u>68,214,267</u>	<u>40,435,568</u>

### NOTE 12.1: FIXED ASSETS - TANGIBLE ASSETS

Description	Gross Block				Depreciation		Net Block		
	As at 01.04.2011	Additions	Sale/ Adjustments	As at 31.3.2012	Upto 01.04.2011	For the year	Upto 31.3.2012	As at 31.3.2012	As at 31.03.2011
Furniture & Fixtures	21,358,626	1,295,836	-	22,654,462	4,010,531	1,418,873	5,429,404	17,225,058	17,348,095
Vehicles	43,539,793	13,797,785	5,835,295	51,502,283	11,790,482	4,368,849	13,677,168	37,825,115	31,749,311
Computers	7,330,532	373,188	23,325	7,680,395	4,058,536	1,250,524	5,301,093	2,379,302	3,271,996
Plant and Machinery	56,660,665	17,900,678	91,323	74,470,020	5,073,212	4,050,848	9,124,060	65,345,960	51,587,453
Commercial Vehicle	40,714,728	-	2,717,441	37,997,287	3,019,211	8,557,616	11,299,009	26,698,278	37,695,517
Building	37,891,217	83,396	6,750	37,967,863	1,263,629	821,027	2,084,656	35,883,207	36,627,588
Land	224,237,023	23,289,852	26,455,322	221,071,553	-	-	-	221,071,553	224,237,023
Leasehold Improvements	10,753,891	6,429,511	-	17,183,402	2,965,207	1,224,032	4,189,239	12,994,163	7,788,684
Temporary Structure	748,173	403,204	-	1,151,377	113,834	736,559	850,393	300,984	634,339
Intangible Assets	1,577,212	-	-	1,577,212	1,030,372	315,442	1,345,814	231,398	546,840
Current Year	444,811,860	63,573,450	35,129,456	473,255,854	33,325,014	22,743,770	53,300,836	419,955,018	411,486,846
Previous Year	352,492,447	121,591,859	29,272,446	444,811,860	20,404,230	14,567,046	33,325,014	411,486,846	-

Note : Out of the depreciation for the year, Depreciation of Rs. 5,24,204 (Previous year Rs. 8,36,151) has been allocated to projects.

### NOTE 12.2: FIXED ASSETS - CAPITAL WORK-IN- PROGRESS

Particulars	(Amount in Rs.)	
	As at 31st March 2012	As at 31st March 2011
Opening Balance	749,867,494	617,979,472
Add: - Addition During the year (Includes pre-operative expenses)	113,385,934	131,888,022
Less: - Transferred to Fixed Assets	-	-
Closing Balance	863,253,428	749,867,494

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

Particulars	(Amount in Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
<b>Note 13 : Long Term Loans &amp; Advances</b>		
Security Paid	13,177,178	11,836,568
	<u>13,177,178</u>	<u>11,836,568</u>
<b>Note 14: Investments</b> (Current, Non-trade, Quoted)		
SBI One India Mutual Fund	1,000,000	1,000,000
1,00,000 (Previous year 1,00,000) units of Rs. 10/- each		
SBI SHDF Ultra Mutual Fund	-	10,013,238
1000723.375 (Previous year Nil) units of Rs. 10/- each		
UBI KBC Equity Fund Growth	500,000	-
50,000 (Previous year Nil) units of Rs. 10/- each		
UBI KBC Equity Fund Growth	500,000	-
50,000 (Previous year Nil) units of Rs. 10/- each		
(Long term, Non-trade, Quoted, at cost)		
Bank of India DSP Black Rock Mutual Fund	-	5,000,000
Nil (Previous year 74,682.599) units of Rs. 10/- each		
	<u>2,000,000</u>	<u>16,013,238</u>
Less:- Provision for diminution in value of Investment	35,000	60,493
	<u>1,965,000</u>	<u>15,952,745</u>
<b>Note 15 : Inventories</b> (As taken, valued & certified by the Management)		
Projects in Progress	2,641,708,165	2,054,132,243
Material at Site	38,005,691	10,950,668
Raw Material	9,171,454	13,602,931
Goods held for resale- Trading Division	83,690,927	39,309,609
Land for resale	86,157,280	184,186,708
	<u>2,858,733,517</u>	<u>2,302,182,159</u>
<b>Note 16 : Trade Receivables</b> (Unsecured, considered Good unless otherwise stated)		
i. Debts outstanding for a period exceeding six months	178,566,899	281,765,081
ii. Others	2,748,733,636	2,847,767,834
	<u>2,927,300,535</u>	<u>3,129,532,915</u>
<b>Note 17 : Cash &amp; Cash Equivalents</b>		
Cash on Hand	20,777,466	9,203,022
Cheques on Hand	-	6,327,305
Balance with Scheduled Banks		
-in current accounts	81,577,422	58,887,166
-in deposit accounts*		
i. having maturity period upto 12 months	27,634,706	45,482,512
ii having maturity period exceeding 12 months	131,736,758	115,698,343
(*Pledged with Bank for Over Draft / Bank Guarantee/LC Facilities)	<u>261,726,352</u>	<u>235,598,348</u>
<b>Note 18: Short-Term Loans &amp; Advances</b> (Unsecured, considered Good unless otherwise stated)		
Advance for Investments	458,828	-
Advance for Projects to Collaborators	223,097,845	108,531,469
Loan to Body Corporate(s)	3,953,005	10,226,565
Advance recoverable in cash or kind	21,759,157	48,545,787
Advance for Future Projects	1,006,047,567	528,942,000
Advance to Suppliers/Contractors	604,597,822	563,139,964
	<u>1,859,914,224</u>	<u>1,259,385,785</u>
<b>Note 19: Other Current Assets</b>		
Interest Accrued on Fixed Deposits	22,487,717	17,713,089
Prepaid Expenses	15,237,373	525,566
Stamp Papers in hand	150,000	
	<u>37,875,090</u>	<u>18,238,655</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	(Amount in Rs.)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>Note 20 : Revenue from Operations</b>		
Sale of Land/ Developed Properties	1,951,697,167	2,283,812,828
Sale of Traded Goods	7,004,823,389	5,249,826,714
Sale of Finished Goods	225,059,483	108,524,342
Rent Received from Immoveable Properties	12,615,339	32,905,852
	<u>9,194,195,378</u>	<u>7,675,069,736</u>
<b>Note 21 : Other Income</b>		
Interest Received	58,613,884	20,801,510
Reversal of Provisions for diminution in the value of investment	-	2,156
Dividend	-	113,883
Profit on Sale of Investments	10,768	4,290
Income from Investment in Joint Venture	-	1,401,099
Misc. Income	47,735,549	21,442,319
	<u>106,360,201</u>	<u>43,765,257</u>
<b>Note 22: Cost of Material Consumed</b>		
Opening Stock	8,783,547	-
Add:- Purchases	219,721,172	94,496,806
Less: Closing Stock	9,171,455	10,702,931
	<u>219,333,264</u>	<u>83,793,875</u>
<b>Note 23 :Cost of Sale of Developed Properties</b>		
Projects in progress in the beginning of the year	2,055,314,255	1,988,195,767
Add : Cost incurred during the year		
Cost of Land	81,535,999	7,340,134
Amount Paid to Collaborators	32,210,000	17,658,782
Construction Costs	1,244,836,534	1,185,982,706
Government Charges	503,660,071	513,054,069
Personnel Expenses	24,689,227	20,130,578
Financial Expenses	404,183,077	427,175,817
Other Expenses	29,559,430	7,567,266
Depreciation on Projects assets	524,204	836,151
	<u>4,376,512,797</u>	<u>4,167,941,270</u>
Less: Projects in progress at the close of the year	2,641,708,165	2,054,132,243
	<u>1,734,804,632</u>	<u>2,113,809,027</u>
<b>Note 24: Purchase for resale</b>		
Purchases of Land/Developed Properties	-	20,644,557
Purchases of Goods for resale	6,853,117,467	5,026,080,809
	<u>6,853,117,467</u>	<u>5,046,725,366</u>
<b>Note 25 : Change in Inventories</b>		
Closing Stock		
Goods held for resale	169,848,207	217,481,317
Opening Stock		
Goods held for resale	226,396,317	288,252,709
	<u>56,548,110</u>	<u>70,771,392</u>
<b>Note 26 : Employee Benefit Expense</b>		
Salaries, Wages, Stipend & other allowances	43,104,937	34,141,592
Contribution to Provident Fund & Other Funds	2,678,075	4,181,112
Staff Welfare Expenses	1,693,959	1,162,232
Provision for Employees's Benefits	724,248	599,851
	<u>48,201,219</u>	<u>40,084,787</u>
Less: Allocated to Capital Work in Progress	6,675,530	6,936,393
Less: Allocated to Projects	24,689,227	20,130,578
	<u>16,836,462</u>	<u>13,017,816</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>Note 27: Financial Expenses</b>		
Bank Interest on:		
-Term Loans	238,882,454	206,296,282
-Cash Credit/Overdraft	165,914,598	149,285,188
Interest on Unsecured Loans	9,958,339	5,714,847
Interest on EDC/IDC	134,074,339	181,006,175
Bank and other Financial Charges	25,967,105	27,470,766
	<u>574,796,835</u>	<u>569,773,258</u>
Less: Allocated to Capital Work in Progress	40,922,587	39,798,805
Less: Allocated to Projects	404,183,077	427,175,817
	<u>129,691,171</u>	<u>102,798,636</u>
<b>Note 28: Other Expenses</b>		
Audit Fees	1,355,078	1,204,541
Donation	973,300	791,200
Electricity Expenses	2,254,235	2,700,775
Legal and Professional	9,050,919	6,122,317
Listing Fee	241,070	263,744
Balance w/off	66,184	-
General Meeting Expenses	-	233,572
Security / office Expenses	2,717,419	2,087,906
Printing & Stationery	1,569,422	2,652,133
Rates & Taxes	1,493,225	297,329
Lease Rent Paid	6,977,062	6,847,500
Insurance Expenses	1,733,261	1,066,662
Repair & Maintenance - Plant and Machinery	4,535,134	2,341,692
Repair & Maintenance - Others	1,683,144	1,070,192
Loss on Sale of Fixed Assets	400,596	1,383,307
Provision for diminution in value of Investments	35,000	60,493
Telephone Expenses and Postage Exp	2,285,439	168,992
Tour, Travelling and Conveyance	4,527,561	4,698,277
Computer Software	357,508	8,099,799
Preliminary Expenses w/off	-	84,685
Loss on Sale of Investments	-	33,656
Freight and Cartage	13,419,146	19,140,730
Premium on Surrender of Flats/Plots	1,634,020	545,887
Other Expenses	20,743,031	10,737,025
Advertisement	16,125,854	37,922,735
Commission Paid	56,385,824	21,754,074
Business Promotion	2,617,290	1,710,783
	<u>153,180,722</u>	<u>134,020,006</u>
Less: Allocated to Capital Work in Progress	5,863,696	718,414
Less: Allocated to Projects	29,559,430	7,567,266
	<u>117,757,596</u>	<u>125,734,326</u>

## NOTES TO ACCOUNTS

29. Contingent Liabilities not provided for in respect of:

(` in Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
Corporate Guarantees	42,921.00	39,120.00
Outstanding Bank Guarantee	5,797.62	5,102.61
Pending Litigation*	392.27	446.07

\*Detail of Pending Litigation in one of the Subsidiary, SRS I-Tech Pvt. Ltd.:

(` in Lacs)

Forums where Cases are pending	Nature of Dues	(` in Lacs)	Deposited Under Protest upto 31.3.2012
Haryana Tax Tribunal	Sales Tax	80.18	20.04
Joint Commissioner-Appeal	Sales Tax	62.08	Nil
Supreme Court	LADT	53.10	5.00
Punjab & Haryana High Court	Textile Cess	10.14	Nil
Delhi High Court	Central Excise duty	26.98	Nil
EPF Appellate Tribunal, New Delhi	Provident Fund	28.69	10.00
Commissioner of Income Tax (Appeal)	Income Tax	131.10	74.00
<b>Total</b>		<b>392.27</b>	<b>109.04</b>

30. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,156.52 lacs (Previous Year Rs. 1,925.89 lacs).
31. During the year certain subsidiary Companies have been merged with SRS Retreat Services Limited vide order of Honorable High court of Punjab & Haryana w.e.f 01.4.2011.
32. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities have been made.
33. The company has entered into "Collaboration Agreement" with certain land-owners whereas the possession has been delivered to the company for development & construction of said land and marketing thereof. The payments towards cost of land are being made in accordance with respective Collaboration Agreements and charged to cost of project.
34. The information regarding Micro Enterprises and Small Enterprises as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



35. The requisite particulars in respect of secured borrowings are as under:

(Amount in Rs.)

Particulars	As at 31st March 2012	As at 31st March 2011	Particulars of security / guarantees / default	Terms of Repayment	Rate of Interest
Term Loan from Bank Central Bank of India Balance Outstanding Current Maturity Non-Current Maturity	255,479,294 24,000,000 231,479,294	264,948,858 - 264,948,858	EM of land and building, hypothecation of plant & Machineries and over fixed assets.	32 monthly installments commencing from April, 2011 as under: No. Amount (Per Installment) 04 30,00,000 04 60,00,000 04 75,00,000 08 90,00,000 04 1,20,00,000 04 1,35,00,000 04 1,50,00,000	BPLR+ 1.50% Floating
Syndicate Bank (Term Loan) Balance Outstanding Current Maturity Non-Current Maturity	- - -	19,984,719 19,984,719 -	Secured by exclusive charge on the entire project assets and the current assets of the Farm House Project of the Company. This facility is also secured by corporate guarantee of Premier Infrabuild Pvt. Ltd and the personal guarantee of the Directors.	4 equal quarterly installments commencing from June, 2010 as under: No. Amount (Per Installment) 04 3,75,00,000	PLR+ 1% P.A.
Syndicate Bank (Term Loan) Balance Outstanding Current Maturity Non-Current Maturity	34,996,808 - 34,996,808	- - -	Exclusive charge on entire existing project assets of Rs. 75 Crore and proposed construction of Rs. 10.44 Crore along with current assets. UREM of the certain property at SRS Retreat Farms in the name of company and M/s Premier Infrabuild Pvt. Ltd. And personal guarantee of director.	2 equal half yearly installments commencing from June, 2013 as under: No. Amount (Per Installment) 02 3,12,00,000	Base Rate + 6% P.A.
Bank of Baroda (Term Loan) Balance Outstanding Current Maturity Non-Current Maturity	- - -	48,929,691 - 48,929,691	Secured by equitable Mortgage of the project land of Sec 26, Rewari and super structure to be constructed thereon and first charge by way of hypothecation of all the moveable assets and first charge on escrow account, book debts, operating cash flows and receivables etc. The loan is further secured by personal guarantee of Directors.	9 quarterly installments commencing from quarter ended Sep,2012 as under: No. Amount (Per Installment) 08 3,33,00,000 01 3,36,00,000	Base Rate+ 4.25% P.A.
Indian Overseas Bank (Term Loan) Balance Outstanding Current Maturity Non-Current Maturity	55,000,000 - 55,000,000	- - -	Mortgage of project land measuring 6.643 acres situated at Rewari Sector-26 valued at Rs. 23.77 Cr. And hypothecation of movable fixed assets and current assets including receivable, cash, investment and all money lying in Escrow account and personal guarantee of Directors	4 quarterly installments commencing from quarter ending March, 2015 as under: No. Amount (Per Installment) 04 11,25,00,000	Base Rate + 4.25 % P.A.
Term Loan from Bank Union Bank Of India- Term Loan - I Balance Outstanding Current Maturity Non-Current Maturity	68,876,936 68,876,936 -	249,991,120 168,000,000 81,991,120	Secured against Equitable Mortgage of land measuring 15.061 acres in Nehar Par Area at Sector-88 Basalwa, Faridabad and construction work there on. Personal Gurantee of Directors and Land owning Companies.	18 Monthly installments commencing from April, 2011 as under: No. Amount (Per Installment) 17 138,88,000 1 139,04,000	Base Rate + 1 % P.A.
Union Bank Of India- Term Loan-II Balance Outstanding Current Maturity Non-Current Maturity	96,951,516 83,344,000 13,607,516	249,990,901 168,000,000 81,990,901		18 Monthly installments commencing from April, 2011 as under: No. Amount (Per Installment) 17 138,88,000 1 139,04,000	Base Rate + 1 % P.A.
Union Bank Of India-Term Loan-III Balance Outstanding Current Maturity Non-Current Maturity	49,932,188 49,932,188 -	149,861,607 100,200,000 49,661,607		18 Monthly installments commencing from April, 2011 as under: No. Amount (Per Installment) 17 83,33,000 1 83,39,000	Base Rate + 1.50 % P.A.

Particulars	As at 31st March 2012	As at 31st March 2011	Particulars of security / guarantees / default	Terms of Repayment	Rate of Interest
State Bank of India - Term Loan Balance Outstanding Current Maturity Non-Current Maturity	307,972,909 307,972,909 -	515,773,538 200,000,000 315,773,538	<u>Primary Security</u> : Equitable Mortgage of part Project Land at Sector-87, Faridabad comprising Khewat Khata no.173/205, 80/95, 312/375, 326/392, 169/198, 202/242, measuring 78 kanal, 18 marla i.e. 9.863 acres, valued at Rs. 25.59 crore at cost of purchase and belonging to M/s SRS Real Estate Ltd. & Building to be built on it. <u>Collateral Security</u> : Equitable Mortgage of part Project Land at Sector-87, Faridabad comprising Khewat Khata no.173/205, 80/95, 312/375, 326/392, 169/198 measuring 78 kanal. 19 marla i.e. 9.867 acres, valued at Rs. 23.02 crore at cost of purchase and belonging to M/s SRS Real Infrastructure Ltd. (Formerly Manu Leasing Ltd.) Personal Gurantee of Directors & Corporate Guarantee of M/s SRS Real Infrastructure Ltd. (Holding Company)	4 Quarterly installment commencing from December, 2011 as under: No. Amount (Per Installment) 2 10,00,00,000 2 15,50,00,000	Basic Rate + 1 %
Union Bank Of India- Term Loan Balance Outstanding Current Maturity Non-Current Maturity	852,741,827 225,000,000 627,741,827	534,207,444 - 534,207,444	Secured against Equitable Mortgage of land measuring 19.018 acres at Sector-87 Faridabad and construction there on. Personal Guarantee of Directors and Corporate Gurantee of Land owning Companies and SRS Real Infrastructure Ltd. (Holding Company)	8 Quarterly installment commencing from October, 2012 as under: No. Amount (Per Installment) 8 11,25,00,000	13.25%
Punjab National Bank Balance Outstanding Current Maturity Non-Current Maturity	71,800,000 - 71,800,000	71,800,000 - 71,800,000	<u>Primary Security</u> : Extention of charge on project land measuring 51.968 acres & super structure to be constructed there on situated at Village Allahpur, Sector-6, Palwal, faridabad and 1st charge on all fixed assets including capital work in progress related to the project. <u>Collateral Security</u> : Equitable Mortgage of commercial area admeasuring 2.078 acres in the first phase having appx market value of Rs. 7.97 Crores and realizable value of Rs. 7.97 crores in the name of land owning companies. Personal Guarantee of Directors & collaborators.	4 Quarterly installment commencing from June, 2013 as under: No. Amount (Per Installment) 4 200,00,000	Base Rate + 4.5%
Union Bank Of India Balance Outstanding Current Maturity Non-Current Maturity	69,449,506 69,449,506 -	5,423,506 - 5,423,506	Secured against Equitable Mortgage of project Land measuring 6.3437 acres at Sector-6, Palwal and construction there on.	5 Quarterly installment commencing from October, 2012 as under: No. Amount (Per Installment) 5 400,00,000	12.25%
Vehicle Loan from Banks Balance Outstanding Current Maturity Non-Current Maturity	46,229,842 16,452,703 29,777,138	29,438,252 12,061,480 17,376,772	Secured against hypothecation of specified vehicles of the Company.	Total 70 number of vehicle loan repayable within 36 equal monthly installment.	Rate of Interest between 8.5% to 12%
Summary Balance Outstanding Current Maturity Non-Current Maturity	1,909,430,826 845,028,242 1,064,402,583	2,140,349,636 668,246,199 1,472,103,437			

Particulars	As at 31st March 2012	As at 31st March 2011	Particulars of security / guarantees / default	Terms of Repayment	Rate of Interest
Vehicle Loan from Others					
Balance Outstanding	1,535,946	2,998,321	Secured against hypothecation of specified vehicles of the Company.	Total 3 number of vehicle loan repayable within 36 equal monthly installment.	Rate of Interest between 8.5% to 12%
Current Maturity	1,015,848	1,470,919			
Non-Current Maturity	520,099	1,527,402			
The requisite particulars in respect of Deferred Credit Payment are as under:					
EDC/IDC Payable			Unsecured	Repayable within 8 to 10 half yearly installment for different properties.	12 & 15% PA.
Balance Outstanding	1,346,875,124	1,075,061,219			
Current Maturity	634,926,779	704,451,634			
Non-Current Maturity	711,948,345	370,609,585			

36. Prior period expenses of Rs. 0.11 Lacs (Previous year Rs. 19.01 lacs) have been charged to the Profit and Loss Account.

37. Employee Benefits

The Company has a defined benefit gratuity plan which is unfunded. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has also provided for Leave Encashment which is unfunded.

The following tables summarize the components of net benefit expense recognized in the Profit and Loss Account and amounts recognized in the Balance Sheet for the respective plans (as per Actuarial Valuation as on March 31, 2012).

Net employee benefit expense (recognized in the Statement of Profit & Loss for the year ended March 31, 2012)

(Amount in `)

Particulars	Earned Leave		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	270,870	276,205	463,913	391,172
Interest Cost	48,648	39,661	97,435	60,150
Expected return on plan assets	-	-	-	-
Past Service Cost	-	-	-	-
Actuarial (gain) / loss recognized in the year	(108,712)	(166,605)	(32,906)	(31,977)
Net benefit expense	210,806	99,672	528,442	419,705

Net Asset / (Liability) recognized in the Balance Sheet as on March 31, 2012

(Amount in `)

Particulars	Earned Leave		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Present Value of Defined Benefit Obligation at the end of the year	756,572	572,329	1,674,745	1,146,303
Fair Value of Plan Assets	-	-	-	-
Net Asset / (Liability) recognized in the Balance Sheet	756,572	(572,329)	1,674,745	(1,146,303)

Changes in the present value of Defined Benefit Obligation are as follows:

(Amount in `)

Particulars	Earned Leave		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Present Value of Defined Benefit Obligation at the beginning of the year	572,329	495,755	1,146,303	751,868
Interest Cost	48,648	39,661	97,435	60,150
Current Service Cost	270,870	2,000	463,913	391,172
Benefits Paid	(26,563)	(23,098)	-	(25,270)
Actuarial (gain) / loss on obligation	(108,712)	(166,605)	(32,906)	(31,977)
Present Value of Defined Benefit Obligation at the end of the year.	756,572	572,329	1,674,745	1,146,303

The principal assumptions used in determining gratuity and leave liability for the Company's plans are shown below:

Particulars	Earned Leave		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of liabilities)	8.50%	8.00%	8.50%	8.00%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	6.00%	5.50%	6.00%	5.50%

Changes in Fair Value of the Plan Assets

(Amount in `)

Particulars	Earned Leave		Gratuity	
	2011-12	2010-11	2011-12	2010-11
Fair value of plan assets at the beginning of the year	-	-	-	-
Acquisition adjustment	-	-	-	-
Actual return on plan asset	-	-	-	-
Contribution	-	-	-	-
Benefits Paid	-	-	-	-
Actuarial gain/(loss) on plan asset	-	-	-	-
Fair value of plan assets at the end of the year	-	-	-	-

Contribution to Defined Contribution Plans:

(Amount in `)

Particulars	2011-12	2010-11
Provident fund	2,210,433	2,059,109

38. Borrowing Costs

During the year, Company has capitalized Rs 409.23 lacs (P.Y. Rs.397.99 lacs) on Capital Work-in-Progress and Rs. 4,041.83 lacs (P.Y. Rs. 4,271.76 lacs) on Project in Progress in accordance with the applicable Accounting Standard 16 – “Borrowing Costs”.

39. Segment Reporting

The Company is engaged in three reportable business segment (a) Real estate division which includes promotion, construction and development of integrated townships, residential and commercial complexes (b) Trading division and (c) Manufacturing of RMC. The company operates in the same geographical segment.

Segment information as required by Accounting Standard “Segment Reporting” (AS-17) is given here under:-

(` in Lacs)

S. No.	Particulars	Real Estate	Trading	Manufacturing	Unallocable	Total
1.	Segment Revenue	19,837.22 (23,167.19)	70,048.23 (52,498.27)	2,506.23 (1,105.65)	613.87 (417.24)	93,005.55 (77,188.35)
2.	Segment Expenses	19,475.88 (22,490.89)	68,148.94 (50,756.72)	2,221.88 (1,018.05)	359.47 (410.17)	90,206.17 (74,675.83)
3.	Segment Profit	361.34 (676.30)	1,899.29 (1,741.55)	284.35 (87.60)	254.40 (7.07)	2,799.38 (2,512.52)
	Less : Financial Expenses					1,296.91 (1,027.98)
	Profit Before Tax					1,502.47 (1,484.54)
	Less: Provision For Taxation					512.31 (508.92)
	Profit after Tax					990.16 (975.62)
4.	Carrying amount of Segment Assets	76,962.29 (69,563.62)	12,597.72 (9,433.78)	1,381.01 (554.26)	1,497.98 (1,795.40)	92,439.00 (81,347.06)
5.	Carrying amount of Segment Liabilities	59,088.84 (51,084.07)	9,528.45 (7,201.02)	811.05 (354.16)	1,251.37 (1,689.96)	70,679.71 (60,329.21)

40. Auditors remuneration (including service tax)

(Amount in `)

Particulars	2011-12	2010-11
Statutory Audit Fees	1,059,330	966,315
Tax Audit Fees	241,574	198,540
Out of Pocket Expenses	58,219	39,686
	1,359,123	1,204,541

41. Director's remuneration

(Amount in `)

Particulars	2011-12	2010-11
Directors' Remuneration (Including PF Contribution)	4,502,007	4,316,529

42. Related Party Transactions

As per Accounting Standard-18, the Company's related parties and transactions are disclosed below:

a. Related parties & relationships with whom transactions have taken place during the year:

1) Key Management Personnel (KMP)

Parent Company :-

- i. Mr. Bishan Bansal - Whole-Time Director
- ii. Mr. Jitender Kumar Garg - Whole-Time Director

Subsidiary Company : - (SRS Real Estate Ltd.)

- iii. Mr. Vinod Jindal - Managing Director  
iv. Mr. Rajesh Singla - Executive Director  
v. Mr. Nanak Chand Tayal - Executive Director

2) Enterprises owned or significantly influenced by KMP and/or their Relatives

- i. SRS Finance Ltd.  
ii. SRS Buildcon Pvt. Ltd.  
iii. SRS Limited  
iv. BTL Impex (India) Ltd. (upto 1st September 2011)  
v. BTL Investments & Securities Ltd.  
vi. BTL Industries Ltd. (Presently Known as SRS Holding India Limited)  
vii. SRS Global Securities Ltd.

b. Transactions with related Parties

(Amount in `)

S. No.	Name of the Party	Nature of Transaction	2011-12	2010-11
1.	Mr. Bishan Bansal	Director's Remuneration	682,416	682,416
2.	Mr. Jitender Kumar Garg	Director's Remuneration	871,671	682,416
3.	Mr. Vinod Jindal	Director's Remuneration	1,435,668	1,502,221
4.	Mr. Rajesh Singla	Director's Remuneration	723,876	724,739
5.	Mr. Nanak Chand Tayal	Director's Remuneration	723,876	724,739
6.	SRS Finance Ltd.	Corporate Guarantee Given	150,000,000	100,000,000
		Fixed Assets Purchased	Nil	450,000
		Closing Balance:		
		Corporate Guarantee	250,000,000	100,000,000
7.	SRS Buildcon Pvt. Ltd	Commission Expenses	Nil	421,200
8.	SRS Limited	Rent Received(including Service Tax)	6,618,000	6,618,000
		Reimbursement of Expenses (Net)	2,939,062	2,331,920
		Advance given & Received back	2,100,000	-
		Office Rent and other expenses paid	4,200,000	4,200,000
		Advance Recd for Flats Booking	60,853,450	18,878,461
		Purchase of Goods/Material	896,297	30,880
		Display Charges Paid (excluding service tax)	Nil	27,575,000
		Corporate Guarantee Given	600,000,000	142,500,000
		Expense Incurred	70,716	1,144,000
		Closing Balance:		

		Advance recd for Space Sale	79,731,911	27,847,100
		Sundry Creditor	325,300	-
		Sundry Debtor	-	927,000
		Security recd for Lease rent	69,000,000	69,000,000
		Corporate Guarantee Given	742,500,000	Nil
9.	BTL Impex (India) Ltd.	Commision Expenses	234,000	168,480
		Closing Balance:		
		Sundry Creditors	Nil	168,480
10.	BTL Investments & Securities Ltd.	Loan taken	Nil	321,260,666
		Loan given	7,300,000	29,834,334
		Interest Paid on Loan	Nil	5,558,613
		Closing Balance:		
		Loan given	Nil	301,930,136
11.	BTL Industries Ltd. (Presently known as SRS Holdings India Ltd.)	Loan & Advance received back	Nil	385,594,000
		Commission Expenses	463,320	168,480
		Closing Balance:		
		Sundry Creditors	Nil	168,480
12.	SRS Global Securities Ltd.	Interest Paid on Behalf of Customers	Nil	1,710,387

43. "Earning per Share" computed in accordance with Accounting Standard AS- 20. (Amount in `)

Particulars	2011-12	2010-11
a) Numerator Net Profit after taxation as per Profit & Loss Account	99,016,044	97,562,074
b) Denominator Weighted average no. of equity shares outstanding for:-Basic & Diluted	201,016,000	201,016,000
c) Face Value of Share (Re.)	1.00	1.00
c) Earning per Share -Basic & Diluted	0.49	0.49

44. Figures relating to subsidiaries and Jointly Controlled Entities have been regrouped/reclassified wherever considered necessary to bring them in line with the Company's financial statements.

45. All amounts in the financial statements are presented in Rupees.

As per our report of even date attached

For Naresh Jai & Associates  
(Chartered Accountants)  
Firm Regn. No. 019082N



(CA Naresh Goyal)  
Partner  
Membership No. 501487

For and on behalf of the Board

(Dr. Anil Jindal)  
Chairman &  
Managing Director  
DIN-00005585

(Jitender Kumar Garg)  
Whole-Time Director & CFO  
DIN-00088125

(Shweta Marwah)  
Company Secretary  
Membership No. 18730

Place: Faridabad  
Date: 30.08.2012

## NOMINATION FORM [TO BE FILLED IN BY INDIVIDUAL(S)]

To,

SRS Real Infrastructure Ltd.  
C/o Beetal Financial & Computer Services (P) Ltd.  
BEETAL HOUSE, 3rd Floor,  
99, Madangir, Behind Local Shopping Centre,  
New Delhi – 110062

From : Name of the Shareholder and address

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Folio No./DP ID\* \_\_\_\_\_  
No. of Shares \_\_\_\_\_

I am/We are holder(s) of Shares of the Company as mentioned above. I/We nominate the following person in whom all rights of transfer and/or amount payable in respect of Equity Shares shall vest in the event of my/our death.

Nominee's name											Age										
To be furnished in case the nominee is minor	Date of Birth																				
Guardian's Name & Address																					
Occupation of Nominee (✓)	1.Service		2.Business		3.Student		4.Household														
	5.Professional		6.Farmer		7.Others																
Nominee's Address																					
Tel. No.																					
Email Address																					
Specimen signature of Nominee/Guardian (in case nominee is a minor)																					

Kindly take the aforesaid details on record.

Thanking You,  
Yours Faithfully,

Name (s) of equity shareholder(s) [as appearing on the Certificate(s)]	Signature (as per specimen with Company)	
Sole/1st holder		
2nd holder		
3rd holder		
Witnesses (two)		
	Name & Address of Witness	Signature & Date
1.		
2.		

## INSTRUCTIONS

- Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
- The nomination can be made by individuals only. If the Shares are held jointly, all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
- A minor can be nominated by a holder of Shares and in that event the name & address of the Guardian shall be given by the holder.
- The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
- Transfer of Shares in favor of a nominee shall be a valid discharge by a Company against the legal heir(s).
- Only one person can be nominated for a given folio.
- Details of all holders in a folio need to be filled; else the request will be rejected.
- The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
- Whenever the Shares in the given folio are entirely transferred or dematerialized, then this nomination will stand rescinded.
- Upon receipt of a duly executed nomination form, the Registrar & Transfer Agent (RTA) of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
- The nomination can be varied or cancelled by executing fresh nomination form.
- The Company will not entertain any claims other than those of a registered nominee, unless so directed by Court.
- The intimation regarding nomination/nomination form shall be filed in duplicate with the RTA of the Company who will return one copy thereof to the Shareholder.
- For Shares held in dematerialized mode nomination is required to be filed with the Depository Participant in their prescribed form.

### FOR OFFICE USE ONLY

Nomination Registration Number	
Date of Registration	
Checked by (Name & Signature)	

## SRS REAL INFRASTRUCTURE LIMITED

Regd. Office: "SRS Multiplex", Top Floor, City Centre, Sector-12, Faridabad (NCR Delhi) – 121007

### NECS Mandate Form

PLEASE FILL UP THIS FORM AND ARRANGE TO SEND IT TO:  
The following address if shares are held in physical form

OR

To your DP if shares are held in demat

To,  
Beetal Financial & Computer Services Private Limited  
Beetal House, 3rd Floor, 99 Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukh Dass Mandir,  
New Delhi-110062

1. Name of 1st Registered holder : -----  
(in Block Letters)
2. Folio No./DP ID & Client ID No. : -----
3. Name of the Bank : -----
4. Name of the Branch : -----
5. Account Number : -----  
(As appearing on your cheque book)
6. Account Type (Saving Bank A/c, : -----  
Current A/c or Cash Credit)
7. 9-Digit MICR Code Number of the : -----  
Bank & Branch appearing on the MICR  
Cheque issued by the Bank  
(Please attach a photocopy of a cheque or cancelled cheque for verifying the accuracy of the MICR code number)
8. 11-Digit IFSC Code\* : -----  
(Optional-can be obtained from your banker)

-----  
Signature of the First Registered Shareholder  
(As per the specimen signature with the Company/DP)

Name -----

Address -----

-----  
Phone No. ----- Email id-----

\*The Company, its Registrars and bankers will make best endeavours to remit dividend through NECS.

SRS REAL INFRASTRUCTURE LIMITED

Regd. Office: SRS Multiplex, Top Floor, City Centre, Sector-12, Faridabad (NCR Delhi) - 121007

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
Joint Shareholders may obtain additional Attendance Slip at the venue of the meeting.

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

Name and Address of the Shareholder

I hereby record my presence at the 22nd Annual General Meeting of the Company held on Saturday, 29<sup>th</sup> September, 2012 at 1.00 P.M. at "SRS Banquet", Near SRS Multiplex, City Centre, Sector-12, Faridabad (NCR Delhi) - 121007

\_\_\_\_\_  
Signature of Shareholder/Proxy

\* Applicable for investors holding shares in dematerialized form.

SRS REAL INFRASTRUCTURE LIMITED

Regd. Office: SRS Multiplex, Top Floor, City Centre, Sector-12, Faridabad (NCR Delhi) - 121007

PROXY

I/We .....being a Member/Members of SRS REAL INFRASTRUCTURE LIMITED hereby appoint.....(or failing him.....of.....) as my/our Proxy to attend and vote for me/our behalf at the 22nd Annual General Meeting of the Company to be held on Saturday, 29<sup>th</sup> September, 2012 at 1.00 P.M. at "SRS Banquet", Near SRS Multiplex, City Centre, Sector-12, Faridabad (NCR Delhi) - 121007 and at any adjournment thereof.

Signed this .....day of.....2012

Signature\_\_\_\_\_

Reference Folio No. / DP ID & Client ID\*

No. Of Shares\_\_\_\_\_

\* Applicable for investors holding shares in dematerialized form.

Affix here  
One Rupee  
Revenue Stamp

Note: This Form in order to be effective should be complete and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



*If undelivered, please return to:*

**SRS REAL INFRASTRUCTURE LIMITED**

**REGD. OFFICE:** SRS Multiplex, Top Floor, City Centre, Sector - 12, Faridabad (NCR Delhi) - 121007

**P** 0129-4282801-808 **F** 0129-4282809-10 **W** [www.srsparivar.com](http://www.srsparivar.com) **E** [info@srsparivar.com](mailto:info@srsparivar.com)