CITADEL REALTY AND DEVELOPERS LIMITED

Corporate Office:
702, Marathon Max,
Mulund-Goregaon Link Road,
Mulund (West), Mumbai - 400 080.
Tel.: +91-22-6724 8484 / 88
Fax: +91-22-6772 8408
E-mail: citadel@marathonrealty.com
Website: www.citadelrealty.in
CIN : L21010MH1960PLC011764

MARATHON

September 04, 2019

To
BSE Ltd.
The Department of Corporate Services
1st Floor, P. J. Towers, Dalal Street,
Mumbai 400 080.

Scrip Code: 502445

Ref.: Reg. 34 of SEBI (LODR) Regulations, 2015 - Submission of Annual Report for FY. 2018-19.

Dear Sirs,

In pursuance of Regulation 34 of the SEBI (LODR) Regulations, 2015, please find enclosed a copy of the Annual Report for FY. 2018-19.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,
For Citadel Realty And Developers Limited

Anuja
Anuja Dube
Company Secretary

CITADEL REALTY & DEVELOPERS LTD. MUMBAI

Encl.: as above.

CITADEL

REALTY & DEVELOPERS LTD.

59th ANNUAL REPORT

2018-19

MARATHON

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DIRECTORS

- MR. V. RANGANATHAN - CHAIRMAN (NON-EXECUTIVE)
- MR. CHETAN R. SHAH
- MR. NILESH DAND - C.F.O.
- MR. SUNDARAM RAMAMURTHI - C.E.O.
- MRS. SONAL M. SHAH
- MR. DEVENDRA J. SHRIMANKAR

COMPANY SECRETARY

- MS. ANUJA DUBE

AUDITORS

- **BIPIN B. SHAH & CO.**
- **Chartered Accountants**
  Flat No. 18, 3rd Floor, Fair Field,
  B-Wing, Ram Krishna Mission Road,
  Santacruz West, Mumbai - 400 054.
  Tel: +91 22 2600 1054/2649 5925

BANKERS :

- BANK OF BARODA

REGISTERED OFFICE :

Marathon Futurex
N. M. Joshi Marg, Lower Parel,
Mumbai - 400 013.

CORPORATE OFFICE :

702, Marathon Max,
Jn. of Goregaon Link Road, Mulund,
Mumbai - 400 080.

NOTICE OF THE FIFTY-NINTH ANNUAL GENERAL MEETING

Notice is hereby given that the **FIFTY-NINTH (59TH) ANNUAL GENERAL MEETING** of the members of **Citadel Realty and Developers Limited** will be held on Friday, September 27, 2019 at 3.00 p.m. at Kilachand Conference Room, 2nd floor, Indian Merchant Chambers, Churchgate, Mumbai 400020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Profit and Loss Account for the year ended 31st March, 2019 and the Balance Sheet as at that date and the Report of the Board of Directors and the Auditors thereon.
2. To declare Dividend, if any, for the financial year ended on 31st March 2019.
3. To appoint a Director in place of Ms. Sonal Shah, who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS

4. To appoint Mr. V. Ranganathan (DIN 00269682) as an Independent Director and in this regard consider, and if thought fit, to pass with or without modification(s) the following as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sec 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules framed there under read with Schedule IV to the Act and Regulation 17 (1A) SEBI (LODR) Regulations, 2018 {including any statutory modification(s) or re-enactment(s) thereof for the time being in force}, Mr. V. Ranganathan (DIN 00269682) who was appointed at the 54th AGM as an Independent Director of the Company, has completed his term of five years as an independent director and retires at the conclusion of the 59th Annual General Meeting. Mr. Ranganathan being eligible seeks to appoint him for a further period of five years and in respect of whom the Company has received a notice under Section 160 of the Companies Act 2013 from a member proposing his candidature for the office of Director to hold office upto the conclusion of the 64th Annual General Meeting."

Regd. Office:
Marathon FutureX,
N. M. Joshi Marg, Lower Parel (W),
Mumbai 400013
Dated: May 27, 2019

By Order of the Board

Sd/-
Anuja Dube
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING MAY APPOINT A PROXY, WHO NEED NOT BE A MEMBER. TO ATTEND AND TO VOTE ON HIS / HER BEHALF. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
3. Proxies submitted on behalf of limited companies, LLPs etc., must be supported by an appropriate resolution/ authority as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting
4. The Company has notified closure of Register of Members and Share Transfer Books from, September 20, 2019 to September 27, 2019 (both days inclusive).
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
7. Members are requested to notify immediately, changes in their address, if any, to the Company's Registrar & Transfer Agents, quoting their folio numbers.
8. To avoid multiple communications, please intimate to Registrar & Transfer Agents about consolidation, if any, of the shares held under more than one folio number by you singly or jointly with others in the same sequence. Please also send relevant Share Certificates for the purpose.
9. 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.
10. Members / Proxy holders are requested to produce at the entrance, attendance slips duly completed and signed for admission to the Meeting Hall.
11. Members are requested to bring their copies of the annual report to the Meeting as the Company has discontinued the practice of providing another copy in view of the increased cost of paper and printing.
12. Since the equity shares of the Company are now dematerialized. NSDL & CDSL have allotted ISIN (International Security Identification Number) INE906D01014 for the Company's Shares.

13. Members who hold shares in Dematerialized form are requested to bring their client ID and DP ID numbers for easy identification for attendance at the Meeting.
14. All the members are requested to provide their e-mail address to the RTA / Company to enable to send the reports and other through electronic mode.

Process for members opting for e-voting is as under :

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed, the members are provided with the facility to exercise their votes at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The instructions for e-voting are as under :

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to n_r_joshi@yahoo.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other instructions:

a. In case a Member receives physical copy of the Ballot papers along with Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):

b. Initial password is provided in the enclosed ballot form; EVEN (E-Voting Event Number), user ID and password.

c. Please follow all steps as mentioned above to cast vote.

d. The e-voting period commences on September 24, 2019 (at 9.00 a.m. IST), and ends on September 26, 2019 (at 5.00 p.m. IST), during this period Members of the Company, holding shares either in physical form or in dematerialized form, as on September 19, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

e. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital if the any Company as on September 19, 2019 and as per the Register of Members of the Company.

f. Mr. Nitin R. Joshi, Practicing Company Secretary (Membership No.1884) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Postal Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

g. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

h. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts vote by both mode, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

i. A Member can opt for only one mode of voting i.e. either through e-voting shall prevail and Ballot shall be treated as invalid.

j. The results declared alongwith the Scruitinizer's Report shall be placed on the Company's website www.citadel@marathonrealty.com and on the website of NSDL www.e-voting.nsdl.com within two working days of the passing of the resolutions at the Annual General Meeting of the Company on September 27, 2019 and communicated to BSE Limited, where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013.

Item No.4:

Mr. V. Ranganathan (DIN. 00269682)- Mr. V. Ranganathan, Independent Director of the Company, being eligible offer himself for reappointment for another term of 5 years. His brief profile is as follows:

Name	Mr. V. Ranganathan
Date of Birth	23-09-1942
Qualification	M.Sc, Indian Administrative Services Retired
Expertise in specific functional areas	Retired civil servant with decades of distinguished service at senior levels in the State and Central Govt. with successful stints as Municipal Commissioner, Brihan Mumbai Mahanagarpalika and Chief Secretary to the Govt. of Maharashtra
Other Companies in which Directorship held	Marathon Nextgen Realty Limited
Other Public Companies in which membership of Committees of Directors held	Marathon Nextgen Realty Limited

Mr. V Ranganathan (DIN.: 00269682) who was appointed as an Independent Director of the Company , at the 54th AGM, and holds office up to 59th Annual General Meeting, is eligible for being re-appointed and in respect of which the Company has received notice in writing from a member along with a the requisite deposit under Section 160 of the Act proposing the re- appointment of Mr.V. Ranganathan for the office of Independent Director of the Company.

As per the provisions of section 149 of the Act read with the Rules framed there under including any statutory modifications or re-enactment(s) thereof for the time being in force, an Independent Director shall hold office as such for a term upto five years on the Board of Directors of the Company, shall be eligible for re-appointment on approval by Shareholders of the Company, and disclosure of such appointment in the Directors' Report. Section 149 (11) of the act provides that an Independent Director may hold office for upto two consecutive terms.

Further, as per amended provisions of Reg. 17 (1) of SEBI (LODR) Regulations, 2015, effective from April 01, 2019, a person who has attained the age of seventy five years can continue as non-executive Director in a listed Company, provided approval of its members is obtained by way of Special resolution and justification for appointing such a person is indicated in the explanatory statement. As per provisions of section 149 (13) read with explanation to sections 152 (6) of the Act, the period of office of Independent Directors will not be liable to determination by retirement of directors by rotation at the Annual General Meeting.

Based on performance evaluation of Independent Directors, the Board of Directors held on March 25, 2019, the Board has recommended re-appointment of Mr. V. Ranganathan, not liable to retire by rotation, for a second term of five years upto 64th Annual General Meeting.

Brief Resume of Mr. Ranganathan is as under :

Mr. V. Ranganathan, is post graduate in science. He was from the Indian Administrative Service Cadre and is a retired Civil servant with decades of distinguished service at senior levels in the State and Central Governments with successful stints as Municipal Commissioner, Brihan Mumbai Mahanagarpalika and Chief Secretary to the Government of Maharashtra. Currently devotes time to various social organizations and Mr. V. Ranganathan, is the Chairman of Audit Committee of the Board of Directors of the Company.

Justification for Appointment of Mr. V. Ranganathan:

During his association as an ID the Company has witnessed a remarkable improvement in Governance Standards and Reporting mechanism. His experience in Management and Board Matters has been a driving force and his continuation as an ID for another term of 5 years will be most beneficial to the Company and its Stakeholders .

He has Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and been driving force for corporate ethics and values.

The NRC Meeting at their meeting held on May 27,2019 ,based upon the report of Performance Evaluation undertaken at the Meeting of the Board held on March 25,2019 has now recommended Mr. V. Ranganthan for continuing yet another term of 5 years as an ID of the Company.

Further particulars are contained in the report on Corporate Governance.

This statement may also be considered as disclosure u/r with the Stock Exchange.

Except Mr. V. Ranganathan, none of the Directors is concerned or interested in the resolution.

The Board commends the Special Resolution set out in Item No.4 of the Notice for approval of by the stakeholders

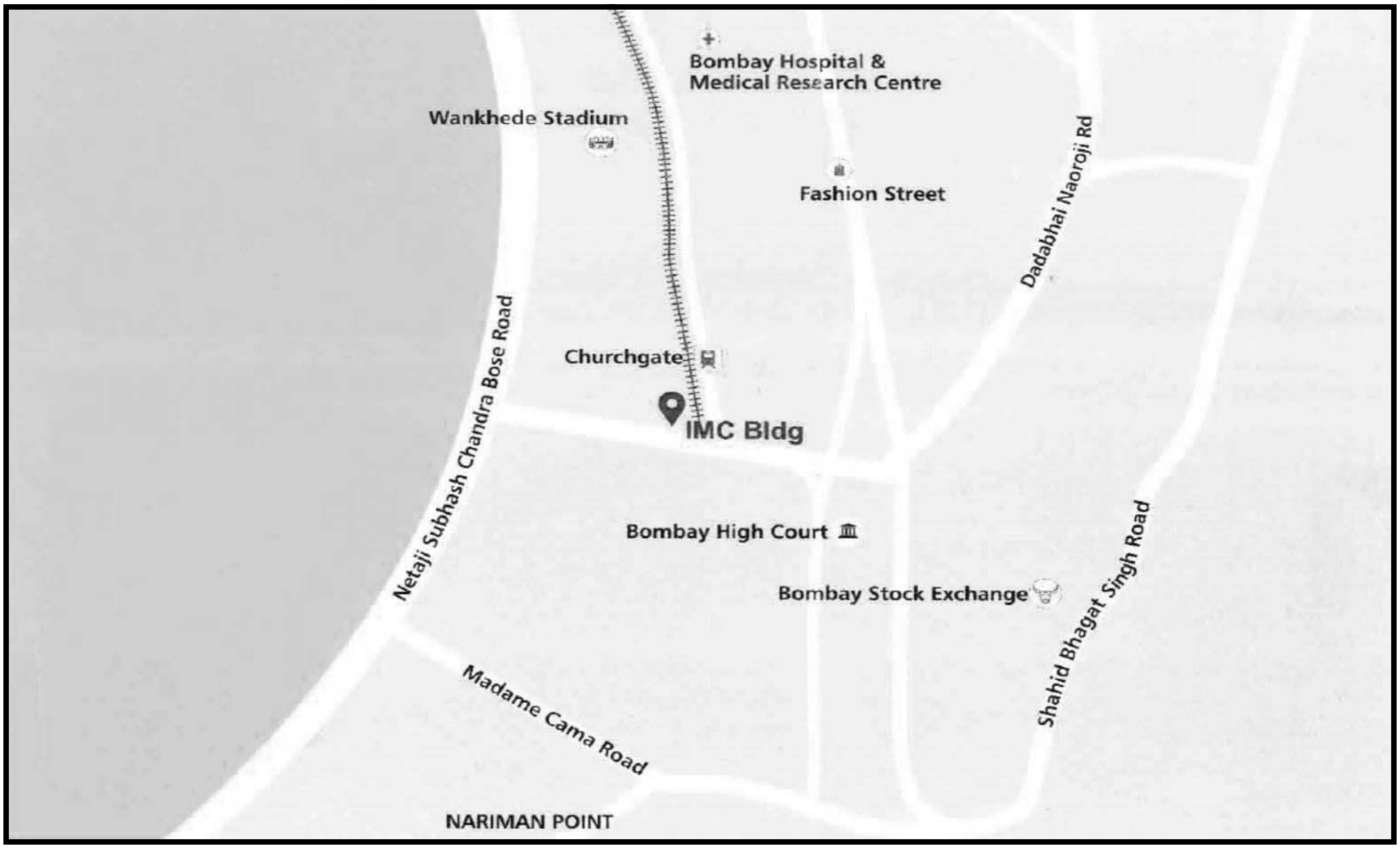
Regd. Office:
Marathon FutureX,
N. M. Joshi Marg, Lower Parel (W),
Mumbai 400013
Dated: 27/05/2019

By Order of the Board

Sd/-
Anuja Dube
Company Secretary

AGM VENUE LOCATION MAP

KILACHAND CONFERENCE ROOM, 2ND FLOOR, INDIAN MERCHANT CHAMBERS,
CHURCHGATE, MUMBAI - 400 020.



DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting before the shareholders the 59th Annual Report together with the Audited Financial Accounts of the company for the year ended 31st March, 2019:

1. **Financial Highlights**:

The Company's financial performance for the year under review along with previous year's figures is given here under:

(Amount in lakh except EPS')

Particulars	STANDALONE		CONSOLIDATED	
	Financial Year ended 31st March, 2019	Financial Year ended 31st March, 2018	Financial Year ended 31st March, 2019	Financial Year ended 31st March, 2018
Revenue from Operations	29.77	142.16	29.77	142.16
Other income	216.96	191.61	193.77	191.61
Total Revenue	246.74	333.77	223.55	333.77
Expenses	38.84	91.01	38.84	91.01
EBITDA	207.89	242.76	207.89	242.76
Depreciation and Amortization	0.00	0.00	0.00	0.00
EBIT	207.89	242.76	207.89	242.76
Interest and Finance charge	148.92	136.21	148.92	136.21
Earning Before Tax (EBT)	58.72	106.55	35.53	106.55
Less: Taxation:				
- Current Tax	6.84	20.44	6.84	20.44
- Deferred Tax	2.39	6.33	2.39	6.33
Profit/Loss After Tax	49.49	79.78	26.30	79.78
Share in the Profit of the Firm	-	-	19.72	27.39
Net profit for the period	49.49	79.78	46.02	107.17
Earning Per Share	0.66	1.08	0.35	1.08
Diluted Earning Per Share	0.64	1.07	0.34	1.07

2. **DIVIDEND:**

Your Directors are pleased to recommend a dividend of Re. 0.50 per equity share for the financial year ended 31st March 2019. The dividend payout is subject to the approval of members at the ensuing 59th Annual General Meeting.

3. **COMPULSORILY CONVERTIBLE DEBENTURES:**

During the year under review, the Company has converted Convertible Debentures (CCD's) 12544 of Rs. 1000 each into 1,86,112 Equity Shares of Rs. 10/- each at premium of Rs. 57.40. The matter is pending for approval of BSE, the conversion has not taken into effect. These CCD's would be eligible for bonus shares issued by the company in the ratio of 1:1.

4. **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

Since no dividend is unclaimed for the period as required under section 125(2), the provisions of said section do not apply.

5. **RESERVES:**

During the period under review no amount is proposed to be carried to any reserve.

6. FUTURE PROSPECTS:

The Company currently is expecting a project under the aegis of the Slum Rehabilitation Authority to rehabilitate a slum in Bhandup which is in the eastern suburbs of Mumbai. The efforts of the company have been well recognized and have come in for praise from neighboring slums who have approached the company to look into their property as well. The company sees tremendous potential in this line of activity. This effort by the company is in line with the Government's scheme of housing for all by 2020. The activity of the company falls within the definition of affordable housing and there is tremendous scope in this sector which the Company hopes to cover.

7. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIALPOSITION OF THE COMPANY :

No material changes and commitments affecting the financial position of the Company occurred during the financial year ended 31st March, 2019.

8. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT:

The internal control commensurate with the activities is supplemented by continuous review by the management. The internal control system is designed to ensure that every aspect of the company's activity is properly monitored. At the Group level there has been an extensive exercise conducted on Internal Financial Controls. The Statutory Auditors have specifically commented on the existence of adequate Internal Financial Controls in relation to the activities of the company.

9. PUBLIC DEPOSITS:

The Company has not accepted any fixed deposits, covered under Chapter V of the Companies Act, 2013.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There is a mortgage created on the Land and Receivables of the company in favour of ICICI Bank Ltd against the term loans extended by them to Shree Swami Samarth Builders and Developers in which firm the company is a partner.

11. STATUTORY AUDITOR:

At the Annual General Meeting held on June 24, 2016, M/s. Bipin B Shah & Co., Chartered Accountants,(Firm Registration No.101511W), were appointed as statutory auditors of the Company to hold office till the conclusion of the 60th Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013. However, vide MCA notification dated May 7, 2018, the requirement of yearly ratification by the shareholders at every General Meeting as per Sec. 139 of the Companies Act 2013 is dispensed with.

12. REPORT U/S 134 (3) OF THE COMPANIES ACT 2013:

A report containing relevant information as required by the said section of the Companies Act 2013 is dealt separately and forms part of this Directors Report.

13. EXTRACT OF ANNUAL RETURN:

Extract of the annual return in Form No. MGT – 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, is attached as **Annexure I** to the Boards Report.

14. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES (CSR):

The Company has not yield sufficient profit during last three years, hence the provisions of section 135 of the Companies Act, 2013 pertaining to CSR contribution is not applicable to the Company.

15. CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by Securities and Exchange Board of India (SEBI). The report on Corporate Governance as per the requirement of SEBI

(Listing Obligation and Disclosure Requirement) Regulations 2015 forms an integral part of this Annual Report.

Certificate on Corporate Governance

As required by SEBI (LODR) Regulation, 2015, Certificate on Corporate Governance is attached as **Annexure 2** of the Company.

16. BOARD OF DIRECTORS:

a. Composition of the Board:

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 which, inter alia, stipulates that the Board should have an optimum combination of executive and non-executive directors with at least one woman director and at least 50% of the Board should consist independent directors, if the chairman of the board is an executive director. If the chairman is a non-executive director, 1/3rd of the Board should be independent directors.

As on 31st March, 2019 the Board comprised six Directors including one Woman Director and two independent Directors including the non-executive Chairman.

b. **Changes in Directors and Key Managerial Personnel:**

Reappointments

As per Provision of Companies Act'2013, Ms. Sonal M Shah, Promoter Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board recommends her reappointment.

Mr. V. Ranganathan, Independent Director, who was appointed as an Independent Director and who hold office as such upto 59th Annual General Meeting, is eligible for being re-appointed. Pursuant to Reg 17(1A) of SEBI(LODR)Regulation 2015, the Board recommends his reappointment through a Special resolution to the members.

c. **Number of Board Meetings held during the year:**

During the year, Five Meetings of the Board of Directors were held. The details of the meetings are as follows:-

May 08, 2018; August 03, 2018; November 01, 2018, January 30, 2019 and March 25, 2019.

17. BOARD EVALUATION:

The Performance Evaluation of all Directors was undertaken as per the prescribed standards. the Independent Directors of the company at their meeting held on March 25,2019 have formalized the mode of carrying out such evaluation of all the directors for the year under review.

18. BOARD COMMITTEES:

The Board of Directors has constituted four Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Grievance Committee and Share Transfer Committee. All decisions pertaining to the constitution of Committees, appointment of Members and fixing of terms of reference / role of the committees are taken by the Board of Directors.

Detailed particulars relating to the above Committees have been furnished in Corporate Governance for the year ended 31st March 2019.

19. PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:

During the financial year, no contracts or arrangements entered with related party transactions that fall within the purview of Section 188 of the Companies Act, 2013.

20. SECRETARIAL AUDIT REPORT:

Secretarial Audit for the Financial year 2018-19 was conducted by a Practicing Company Secretary in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached to this Report (**Annexure 3**).

21. VIGIL MECHANISM:

Vigil Mechanism policy has been introduced by the Board on the framework for reporting instances of unethical/improper conduct and action for suitable steps to investigate and correct the same.

22. RISK MANAGEMENT POLICY:

Risk Management Policy has been adopted by the Board to ensure sustainable growth by implementing a pro-active approach in reporting, evaluating and controlling / resolving risks associated with the business of the company. In order to achieve this, the Policy establishes a structured and disciplined approach to Risk Management, including the development of the risk areas, so as to guide decisions on risk related issues.

23. DISCLOSURE UNDER THE SEXUAL HARASSEMENT OF WOMEN AT WORKPLACE (PREVENTION ,PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place a Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review No Complaints were received.

24. DECLARATION FROM INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149 (6) & (7) of the Companies Act, 2013 issued there under and under Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

25. DIRECTOR'S RESPONSIBILITY STATEMENT:

a. The Directors' Responsibility Statement referred to in Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 states that: -

i. in the preparation of the accounts for the year ended 31st March 2019, the applicable amended accounting standards have been followed;

ii. appropriate accounting policies have been selected and applied consistently and reasonably so as to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the year under review, as at 31-3-2019;

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv. the annual accounts for the year ended 31st March, 2019 have been prepared on the basis that the Company is "Going Concern".

v. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

vi. the directors, in the case of listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

b. details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government: None

26. DISCLOSURE UNDER 134(3)(m) OF THE COMPANIES ACT, 2013:

The disclosure relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is not applicable.

However, while developing the SRA Project the Company adopts basic environment friendly measures in its construction activities and endeavour to practice the sustainability measures to improve the livelihood of the society at large.

27. SECRETARIAL STANDARADS:

The directors state that applicable secretarial standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors and 'General Meetings', respectively, have been duly followed by the Company.

28. LISTING FEE:

The Annual Listing Fee for the Financial Year 2019-20 has been duly paid within the stipulated time to BSE Limited.

29. DEMATERIALISATION OF SHARES:

Members are aware that the company's equity shares are under compulsory trading in dematerialized form for all categories of investors**.**

30. PARTICULARS OF EMPLOYEE:

The Company has no employee who receives remuneration to the extent provided in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2019.

Regd. Office:
Marathon Futurex,
N.M.Joshi Marg, Lower Parel (W),
Mumbai 400 013
Dated: 27/05/2019

behalf of the Board of Directors

S. Ramamurthi
Director & CEO
DIN: 00135602

Chetan Shah
Director
DIN: 00135296

Annexure 1

Form No. MGT - 9

Extract of Annual Return
as on the Financial Year ended on 31st March, 2019

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L21010MH1960PLC011764
ii)	Registration Date	26th July, 1960
iii)	Name of the Company	Citadel Realty and Developers Limited
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai - 400 013.
vi)	Whether listed companyYes / No	Listed (BSE Limited)
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400 059.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the Company
1.	Real Estate & Construction	70	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
1.	Marathon Realty Private Limited	U70100MH1994PTC084037	Holding	51.09	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding.

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	270000	0	270000	7.18	540000	0	540000	7.18	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2106369	0	2106369	56.02	4212738	0	4212738	56.02	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other Directors relative	0	0	0	0	0	0	0	0	0
Sub-total(A) (1):	2376369	0	2376369	63.20	4752738	0	4752738	63.20	0

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Foreign									
a) NRIs - Individual	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A) (2):(B)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters(A) = (A) (1) + (A) (2)	**2376369**	**0**	**2376369**	**63.20**	**4752738**	**0**	**4752738**	**63.20**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	367	875	1242	0.03	734	1750	2484	0.03	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1)	**367**	**875**	**1242**	**0.03**	**734**	**1750**	**2484**	**0.03**	**0**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	139343	0	139343	3.71	340908	0	340908	4.53	0.82
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals,									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	624884	297296	922180	24.53	1181173	539549	1720722	22.88	(1.65)
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	297348	0	297348	7.91	667023	0	667023	8.89	0.96
c) Others (specify)-Clearing Member	16450	0	16450	0.44	21801	0	21801	0.29	(0.15)
- NRI	1691	196	1887	0.05	0	392	392	0.00	(0.05)
- Trust	33	0	33	0.00	66	0	66	0.00	0
- NRI (Non-repat)	4225	0	4225	0.11	9314	0	9314	0.12	0.01
- Other	0	910	910	0.02	0	1344	1344	0.02	0
- NRI (Repat)	0	0	0	0	3182	0	3182	0.04	0.04
Sub-total (B) (2)	**1083974**	**298402**	**1382376**	**36.77**	**2223467**	**541285**	**2764752**	**36.77**	0
Total Public Shareholding (B) = (B) (1) + (B) (2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**3460710**	**299277**	**3759987**	**100**	**6976939**	**543035**	****7519974**	**100**	**0**

**During the year, Company had done Bonus issue, Post Bonus issue, the number of shares of the Company stood at 7519974.

ii Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	
1.	Marathon Realty Pvt.Ltd.	1920882	51.09	0	38,41,764	51.09	0	0
2.	Fibre Box Bombay Pvt. Ltd.	185487	4.93	0	3,70,974	4.93	0	0
3.	Ms. Sonal Mayur Shah	135000	3.59	0	2,70,000	3.59	0	0
4.	Ms. Shailaja Chetan Shah	135000	3.59	0	2,70,000	3.59	0	0

iii. Change in Promoter's Shareholding (Please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	23,76,369	63.20	23,76,369	63.20
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (Bonus Issue.)	0	0	23,76,369	0
3.	At the End of the year	23,76,369	63.20	47,52,738	63.20

iv. Shareholding Pattern of top ten Shareholders (other than Director, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year (01-04-2018)		Shareholding at the end of the year (31-03-2019)	
	For each of top shareholders	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Gandhi Securities & Investment Pvt. Ltd.	86745	2.31	173490	2.31
2	Mahendra Chheda	72145	1.92	144290	1.92
3	Bhupendra P. Shah (HUF)	54765	1.46	129529	1.72
4	Mahendra Girdharilal	46,958	1.25	93916	1.25
5	Ravindra Vinayak Bhatavadekar	36226	0.96	72452	0.96
6	Prithvi Finlease India Limited	6930	0.18	70500	0.94
7	Bhanu Satishchandra Doshi	26790	0.71	53580	0.72
8	Ravi Bhagirath Shah	20442	0.54	42784	0.57
9	Cosmos Prime Projects Limited	0	0	40000	0.53
10	Pratiksha Satishchandra Doshi	18586	0.49	37172	0.49

v. **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year Director - Sonal M. Shah Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (Bonus Issue):	135000 NIL	3.59 NIL	135000 135000	3.59 0
	At the End of the year	135000	3.59	270000	3.59
2.	KMP - Anuja Dube - CS	0	0	160	0

V. **INDEBTEDNESS :**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not paid	-	-	-	-
Total of (i+ii+iii)	-	-	-	-
Change in the Indebtedness during the financial year	NIL	NIL	NIL	NIL
• Additions	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
iv. Principal Amount	-	-	-	-
v. Interest due but not paid	-	-	-	-
vi. Interest accrued but not due	-	-	-	-
Total of (i+ii+iii)	**-**	**-**	**-**	**-**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Director and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary	NOT APPLICABLE				
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961					
	(b) Value of perquisites u/s. 17 (2) of the Income Tax Act, 1961					
	(c) Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961					
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission - as % of profit - others, specify	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
	Total (A)	0	0	0	0	0
	Ceiling as per the Act	0	0	0	0	0

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount in Rs.
		Mr. V. Ranganathan	Mr. Chetan R. Shah	Mr. S. Rama-mamurthi	Mrs. Sonal M. Shah	Mr. Nilesh D. Dand	Mr. Devendra Shrimanker	
1.	Independent Directors & Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	230000	100000	-	40000	-	200000	
	Total (1)	230000	100000	-	40000	-	200000	570000
2.	Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	220000	-	110000	-	
	Total (2)	-	-	220000	-	110000	-	330000
	Total (B) = (1+2)	230000	100000	220000	40000	110000	200000	900000
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	0	0	0	0	0	0	

C. Remuneration to Key Managerial Personnel other than MD / WTD / Manager :-

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961				
	(b) Value of perquisites u/s. 17 (2) of the Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961	N.A.	N.A.	N.A.	N.A.
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify				
5.	Others, please specify				
	Total				

The above KMPs drew their remuneration from another Company within the Marathon Group.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. Company					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
B. Directors					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
C. Other Officers in default					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

Annexure 2

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Citadel Realty & Developers Limited
Mumbai.

I have examined the compliance of the conditions of Corporate Governance by Citadel Realty & Developers Limited ("The Company") for the year ended 31 March, 2019 as stipulated in as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of the Conditions of Corporate Governance of the responsibility of the management. Our examination 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 an expression of opinion on the financial statements of the Company.

In our opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

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

(NITIN R. JOSHI)
FCS : 3137
PCS : 1884

Place : Mumbai
Date : 27.05.2019

Annexure 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
The Citadel Realty & Developers Limited.
Marathon Futurex,
N.M.Joshi Marg,
Lower Parel, Mumbai 400 013.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Citadel Realty & Developers Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, and in the manner reported hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March, 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :

- (a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The SEBI (Prohibition of Insider Trading) Regulations, 2015;
- (d) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (e) The SEBI (Share Based Employee Benefits) Regulations 2014; (Not applicable to the Company during the Audit Period)
- (f) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
- (g) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The SEBI (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
- (h) The SEBI (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)

(vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:

- (a) The Real Estate (Regulation and Development) Act,2016;
- (b) The Maharashtra Ownership Flats (Regulation and Promotion of Construction, Sale, Management, Transfer) Act 1963 and its Rules;
- (c) The Maharashtra Apartment Ownership Act 1966;
- (d) Building & other construction Workers welfare cess Act 1996;
- (e) Development Control Regulations 2034 as updated.
- (f) Maharashtra Town Planning Act-1974;
- (g) Environment Protection Act 1996;
- (h) Maharashtra State Goods and Services Tax Act- 2017(GST)

I further report that for the compliance of Labour Laws and other General Laws, my examination and reporting is based on the documents, records as produced and shown to me and the information and explanation as provided, by the officers and management of the Company of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General Laws and Labour Laws.

I further report that the Company has complied with the applicable clauses/regulations of the following:

(i) Applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.;

(ii) The Equity Listing Agreement, to the extent applicable, entered in to by Company with BSE Limited; and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

(I) The Company has not taken in principal approval for the allotment of Compulsory Convertible Debentures (CCD) and the 1,86,112 equity shares as bonus shares to be issued at the time of conversion to CCD holder at Bombay Stock Exchange of India (BSE) in compliance or Regulation 74(1) of SEBI(ICDR) Regulations,2018 and Regulation 28(1)(a) of SEBI(LODR) Regulations 2015.

(II) Key Managerial Personnel (KMP) holding similar position of another Company, which is inconsistent with the provision of Section 203 of the Companies Act, 2013.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except that Form DIR 12 and MGT 14 (Appointment of Chief Financial Officer(CFO) and Secretarial Auditor) were filed after 30 days with late fees, this should be reported as compliance by reference of payment of additional fees.

Adequate notice is required to be given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were to be sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has converted Compulsory Convertible Debenture(CCD) 12544 of Rs. 1000/-each into 1,86,112 Equity Shares of Rs. 10/- each at premium of Rs. 57.40/-. The Company yet to receive necessary approval from Bombay Stock Exchange of India (BSE).

NITIN R. JOSHI)
FCS : 3137
PCS : 1884

Place : Mumbai
Date : 27.05.2019

Note: This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

Nitin R. Joshi
B.COM. LL.B., D.C.E.C., F.C.S.
COMPANY SECRETARY

415, Marathon Max, Next to Udyog Kshetra, Jn. Of L.B.S. Marg & Goregoan Link Road, Mulund (W), Mumbai-400 080.
E-mail: n_r_joshi@yahoo.com Tel. 2562 5660 Cell 98201 29178.

'Annexure 1'

To
The Members,
The Citadel Realty & Developers Lmited.
Marathon Futurex,
N.M.Joshi Marg,
Lower Parel, Mumbai 400 013.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

NITIN R. JOSHI)
FCS : 3137
PCS : 1884

Place : Mumbai
Date : 27.05.2019

ANNEXURE TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2019.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company is part of the "Marathon Group."

Comprehensive guidelines, policies and procedures have been formulated by the Board in support of the Group's corporate governance framework including the *"Director's Manual"*, *"Corporate Governance Manual"*, *"Guidelines on Internal Control System"*, *"Corporate Policy on Staff Responsibility"*, *"Whistle blowing Policy"*, *"Disclosure Policy on Inside Information"*, and the terms of reference for various board committees. These documents are reviewed regularly by the Board and the relevant board committees and are updated in line with the amendments of applicable legislations and rules as well as the current market practices.

The Company has complied with all the applicable provisions of the Corporate Governance as stated in the SEBI (LODR) Regulations, 2015.

The Board

The primary role of the Board is to protect and enhance long-term shareholder value. It sets the overall strategy for the Group and supervises executive management. It also ensures that good corporate governance policies and practices are implemented within the Group. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The Board comprises six of Directors Updated director details are available on the Company's website. Day-to-day operation of the businesses is delegated to the Management of the Company. They are being closely monitored by the Board and are accountable for the performance of the Company as measured against the corporate goals and business targets set by the Board.

Familiarization:

The Company provides background information about its history, mission and businesses to its directors. Directors are also invited to visit the Group's operational facilities from time to time and to meet with the management for gaining better understanding of business operations of the Group. Furthermore, the Board has separate and independent access to the senior management at all times. With prior request to the CEO, the Board is given access to independent professional advice any time when it thinks appropriate. Appropriate liability insurance for directors has been arranged for indemnifying their liabilities arising out of corporate activities. This insurance coverage is reviewed on an annual basis. The posts of Chairman and Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company are separate to ensure a clear distinction between the Chairman's responsibility to manage the Board and the Executive Officers responsibility to manage the Company's business.

2. BOARD OF DIRECTORS :

Composition:

The present strength of the Board of Directors is six Directors. The Board has a non executive chairman and consist of four directors from the management and two independent directors and accordingly and complies with the requirement of SEBI (LODR) Regulations, 2015.

Five Board meetings were held during the year ended March 31, 2019. These were held on May 08, 2018, August 03, 2018, November 01, 2018, January 30, 2019 and March 25, 2019. The maximum gap between two meetings was less than one hundred and twenty days, as stipulated under Regulation 17 of the Listing Regulations and Secretarial Standards.

Further all Directors have informed about their Directorships, Committee Memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2019 are given below:

Number of Board Meetings held during the year ended 31st March 2019 and other details:

Name of Director	Designation & Category of Directorship	Attendance Particulars			Directorship in other companies including private companies in India.	No. of Committee in which Chairman/Member (other than Citadel Realty and Developers Limited)	
		No. of Board meetings held	No. of Board Meeting attended	Attendance at the last AGM		Member	Chairman
Mr. V.Ranganathan DIN: 00269682	Non-Executive - Independent Director and Chairman of the Board	5	5	Yes	1	0	2
Mr. S.Ramamurthi DIN: 00269682	Executive - Director and CEO	5	5	Yes	1	1	0
Mr.Nilesh Dand DIN: 00199785	Executive Director and CFO	5	4	Yes	4	0	0
Mr.Chetan R. Shah DIN: 00135296	Non-Executive - Promoter Director	5	5	Yes	17	2	0
Mrs.Sonal M.Shah DIN: 00199734	Non-Executive - Promoter Director	5	2	Yes	3	0	0
Mr. Devendra Shrimanker DIN: 00385083	Non-Executive Independent Director	5	5	Yes	4	1	2

Names of Director	Directorship in other Listed Companies	Category of Directorship
Mr. V. Ranganathan	Marathon Nextgen Realty Limited	Non Executive Independent Director
Mr. S. Ramamurthi	Marathon Nextgen Realty Limited	Executive Director
Mr. Nilesh Dand	-	-
Mr. Chetan R. Shah	Marathon Nextgen Realty Limited	Executive Director
Mrs. Sonal M. Shah	-	-
Mr. Devendra Shrimanker	Pentokey Organy (India) Ltd.	Non Executive Independent Director

NO. OF SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2019

NAME OF DIRECTORS	NO. OF SHARES HELD
Mrs.Sonal M. Shah	270000
Mr. V. Ranganathan	Nil
Mr. Chetan R. Shah	Nil
Mr. Devendra Shirmanker	Nil

Committee of Directors includes Audit Committee, Shareholders / Stake holders Relationship Committee, Share Transfer Committee and Nomination and Remuneration Committee of the company.

The Particulars of Directors who are proposed to be reappointed at the ensuing Annual General Meeting are given below:

1. **Ms. Sonal M. Shah (DIN. 00199734)**- Ms. **Sonal M. Shah (DIN. 00199734)**, Non-Executive Director & Promoter of the Company retire at this AGM, being eligible offer herself for reappointment. Her brief profile is as follows:

Name of Director	Ms. Sonal M. Shah
Date of Birth	23-03-1964
Date of Appointment	25-03-2015
Qualification	B. Com., L.L.B
Expertise in specific functional areas	Mrs. Shah is involved in various activities of the Marathon Group. She has successfully carried out the execution work of Marathon Nagari an affordable housing project which was awarded as the "Best Residential Apartment-Low Cost-Metro" across India by CREDAI in August 2012.
Other Companies in which Directorship held	Lark Stock Broking Private Limited Marathon Infdtech Private Limited Fibre Box Bombay Private Limited
Other Public Companies in which membership of Committees of Directors held	Nil
No. of shares held as on 31.03.2019	270000

2. **Mr. V. Ranganathan (DIN. 00269682)**- Mr. V. Ranganathan, Independent Director of the Company, being eligible offer himself for reappointment for another term of 5years . His brief profile is as follows:

Name	Mr. V. Ranganathan
Date of Birth	23.09.1942
Qualification	M.Sc
Expertise in specific functional areas	Retired civil servant with decades of distinguished service at senior levels in the State and Central Govt. with successful stints as Municipal Commissioner, Birhan Mumbai Mahanagarpalika and Chief Secretary to the Govt. of Maharashtra
Other Companies in which Directorship held	Marathon Nextgen Realty Limited
Other Public Companies in which membership of Committees of Directors held	Marathon Nextgen Realty Limited
No. of shares held as on 31.3.2019	Nil

Performance evaluation criteria for Independent Directors:

The evaluation of IDs has been done by the entire Board of Directors, excluding the director being evaluated. The Board will keep in view the report of performance evaluation while determining the suitability of extending or continuing the term of appointment of the IDs.

Directors' Familiarization Programme:

"Marathon Group" as a whole conducts Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company.

The Company has undertaken a Familiarization programme for Directors on March 25, 2019. The Directors have met at the "Marathon Futurex" and a detailed presentation was made about the ongoing projects. The procedures and the process of the execution of the projects were explained to them. The feedback received from them were noted by the Management. Web link of the Company regarding the familiarization programmes imparted is http://www.citadelrealty.in

The Company holds Board Meetings at its registered office and also in other locations within Mumbai. The Directors periodically review the various businesses of the Company, in the context of the industry scenario, competitive environment and regulatory framework.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

3. **AUDIT COMMITTEE**:

Terms of Reference:

The terms of reference of this committee are wide enough, covering matters specified for Audit Committees under the Section 177 (4) of Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (LODR) Regulations, 2015 which includes reviewing with the management, the quarterly financial statements before submission to the board for approval, related party transactions, vigil mechanism process.

As on March 31, 2019, the Audit Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations and Companies Act, 2013. During the year under review, the Audit Committee met four times; on May 08, 2018, August 03, 2018, November 01, 2018 and January 30, 2019. The time gap between any two meetings was less than 120 days.

The details of attendance of Members is as under:

Name	Designation	Executive/Non-Executive /Independent	Committee Meeting held	Committee Meeting attended
Mr. V. Ranganthan	Chairman	Non-Executive Independent Director	4	4
Mr. Devendra Shrimanker	Member	Non-Executive Independent Director	4	4
Mr. S. Ramamurthi	Member	Executive Director & CEO	4	4

4. **NOMINATION AND REMUNERATION COMMITTEE** :

The terms of reference of this committee are wide enough, covering matters specified for Nomination Remuneration Committee under the Section 178 of Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015. As on March 31, 2019, the Nomination and Remuneration Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations and Companies Act , 2013 i.e., there are three Directors. More than fifty percent of the Directors are Independent Directors.

The following is the composition of Nomination & Remuneration Committee of Directors.

Name	Category	Position
Mr. Devendra Shrimanker	Non- Executive – Independent Director	Chairman
Mr. V. Ranganathan	Non- Executive – Independent Director	Member
Mrs. Sonal Shah	Non Executive – Director	Member

The Committee deals with matters relating:

- to matters to be dealt with and recommended by the Committee to the Board;
- the appointment/removal and nomination Directors and
- recommendation of remuneration and perquisites, etc.

Performance evaluation criteria for Independent Directors:

The evaluation of IDs has been done by the entire Board of Directors, excluding the director being evaluated. The Board will keep in view the report of performance evaluation while determining the suitability of extending or continuing the term of appointment of the IDs.

5. **REMUNERATION TO DIRECTORS-**

The details of payments of sitting fees paid to Directors during the year are given below:

Sr. No.	Particulars	Fees paid during the year (in INR)
1	Mr. Devendra Shrimankar	200000
2	Mr. Nilesh Dand	110000
3	Mrs. Sonal Shah	40000
4	Mr. S.Ramamurthi	220000
5	Mr. V.Ranganathan	230000
6	Mr. Chetan Shah	100000

6. **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Name of non-executive Director heading the committee -As on March 31, 2019 the Stakeholders‘ Relationship Committee consists of Members as stated below.

Name	Category	Position
Mr. V. Ranganathan	Non-Executive Independent Director	Chairman
Mr. Nilesh Dand	Executive Director	Member
Mr. S. Ramamurthi	Executive Director	Member

Name of Compliance officer:-Ms. Anuja Dube, the Company Secretary and Compliance Officer of the Company.

The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders'/investors' complaints/ grievances pertaining to share transfers, non-receipts of annual reports, and other allied complaints.

Status of Investor Complaints during the Financial Year ended 31st March 2019:

Number of Complaints	Nil
Pending at the beginning of the year	Nil
Received during the year	3
Disposed off during the year	3
Remaining unresolved at the end of the year	Nil

7. **GENERAL BODY MEETINGS** :

Details of the location of the last three AGM and the details of the resolutions passed.

Year	Location	Date	Time	Special Resolutions
2017-2018	Kilachand Conference Room 2nd Floor, Indian Merchant Chambers, Churchgate, Mumbai - 400 020.	03-08-2018	4.00 p.m.	Nil
2016-2017	Walchand Hirachand Hall, 4th Floor, IMC, Churchgate, Mumbai - 400 020.	10-08-2017	3.30 p.m.	Nil
2015-2016	Kilachand Conference Room 2nd Floor, Indian Merchant Chambers, Churchgate, Mumbai - 400 020.	24-06-2016	11.30 a.m.	Nil

8. **MEANS OF COMMUNCATION** :

The quarterly and half-yearly results are regularly submitted to the Stock Exchanges in accordance with the Listing regulations and are published in one English daily newspaper i.e. '**Business Standard'** and one vernacular daily news paper i.e. '**Lakshadweep'** having adequate circulation.

9. **GENERAL SHAREHOLDER INFORMATION** :

Company Registration Details :

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L21010MH1960PLC011764 having registered office address: Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400013 and the Copr. office is at 7th Floor, Marathon Max, Mulund-Goregaon Link Road, Mulund (W), Mumbai 400 080.

FIFTY-NINTH ANNUAL GENERAL MEETING:

Date and Time:	September 27, 2019 at 3.00 p.m.
Venue:	Kilachand Conference Room, 2nd floor, Indian Merchant Chambers, Churchgate, Mumbai - 400 020.
Financial Year	1st April 2018 to 31st March 2019
Date of book closure	September 20, 2019 to September 27, 2019 (both days inclusive)
Dividend payment date(s)	30 days of declaration by shareholders at the General Meeting
Listing on stock exchange(s)	BSE Limited
Stock code	502445
Demat ISIN Number for	INE906D01014 NSDL & CDSL

LISTING FEE:

The Annual Listing Fee for the Financial Year 2019-20 has been duly paid within the stipulated time to BSE Limited.

Market Price Data :

The High & Low price, during each month in the last financial year, of the Company's shares and BSE SENSEX is as follows :

Period	COMPANY'S SHARES		SENSEX	
(FY: 2018-2019)	High	Low	High	Low
Apr-18	39.5	31.1	35,213.30	32,972.56
May-18	45.4	35	35,993.53	34,302.89
Jun-18	47.5	32	35,877.41	34,784.68
Jul-18	43	27	37,644.59	35,106.57
Aug-18	37.95	28.35	38,989.65	37,128.99
Sep-18	35	26.2	38,934.35	35,985.63
Oct-18	32.5	20.1	36,616.64	33,291.58
Nov-18	31.95	21.65	36,389.22	34,303.38
Dec-18	29.3	21.3	36,554.99	34,426.29
Jan-19	23.95	18.5	36,701.03	35,375.51
Feb-19	24	16.55	37,172.18	35,287.16
Mar-19	20.4	17.3	38,748.54	35,926.94

Registrar of Transfer Agents
Bigshare Services Pvt. Ltd.
Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis,
Next to Keys Hotel Makwana Road, Andheri East, Mumbai – 400 059.
Website : www.bigshareonline.com

Share Transfer system

All the share transfers received are Processed and approved by the Share Transfer Committee which normally meets once in a month.

Distribution of Shareholding and Shareholding Pattern as on 31st March 2019

SHAREHOLDING OF NOMINAL RS.	RS.	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT	PERCENTAGE OF TOTAL
1	5000	2716	77.401	4309660	5.731
5001	10000	462	13.1661	3520770	4.6819
10001	20000	171	4.8732	2486730	3.3068
20001	30000	47	1.3394	1143210	1.5202
30001	40000	27	0.7694	949990	1.2633
40001	50000	15	0.4275	693190	0.9218
50001	100000	39	1.1114	2745560	3.651
100001	9999999999	32	0.9119	59350630	78.924
TOTAL		**3509**	**100**	**75199740**	**100**

Dematerialization of shares and Liquidity as on 31.3.2019 :-

As on March 31, 2019, 92.50% of shareholding was held in dematerialized form with NSDL and CDSL, while 7.50 % was held in physical form. The detailed data are as follows:

Categories	Physical	%	Demat	%	Total	%
Promoters	-	0	4752738	63.2	4752738	63.2
Bodies Corporate	0	0	347120	4.62	347120	4.62
Nationalized Banks	1750	0.02	734	0.01	2484	0.03
NRI's	392	0.01	12240	0.16	12632	0.17
Trust	0	0	66	0.00	66	0.00
Clearing Member	0	0	20820	0.28	20820	0.28
Public	5,61,993	7.47	1822121	24.23	23,84,114	31.70
Total	564135	7.50	6955839	92.50	7519974	100.00

Categories of Shareholders as on 31st March 2019:

Variation in Market Capitalization: **(Amt. in Lakhs)**

	As at March 31, 2019	As at March 31, 2018	Increase /(decrease) in %
Market capitalization	9031.49	16543.94	83.18% ↓

Details of Outstanding Convertible Security & impact on equity:

Details of Outstanding Convertible Security: During the year under review, the Company has converted Convertible Debenture (CCD) 12544 of Rs. 1000 each into 1,86,112 Equity Shares of Rs. 10/- each at premium of Rs. 57.40/-. Pending approval of BSE, the conversion has not taken into effect. On 14 March 2018 the Company had done Bonus issue, at a proportion of 1:1 and as per the Regulation 93 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Bonus Shares have been reserved and “set aside” to the holder of “Convertible Debt Instrument” of the Company and the said shares shall be allotted in favour of the holder upon exercising the convertible clause of the said convertible debt instrument as per the terms of issue and post approval of BSE in this regard.

i. **Conversion date**: After 9 months from the date of issue of such CCD and not exceeding 18 months.

ii. **Impact on equity:** The liquidity of the listed Equity Shares of the company would increase upon post conversion.

Address for Correspondence: Citadel Realty and Developers Limited

Corporate office address:
702, Marathon Max,
Junction of Mulund-Goregaon Link Rd.,
Mulund (W), Mumbai 400080
Ph. 022-67728484, Fax.:022-67728408
Website :www.citadelrealty.in
Email:citadel@marathonrealty.com

Registered Address:
Marathon Futurex, N.M. Joshi Marg,
Lower Parel, Mumbai 400013.
Ph. 022-67728484, Fax.:022-67728408
Website :www.citadelrealty.in
Email:citadel@marathonrealty.com

10. **OTHER DISCLOSURES** :

Related Party transactions:

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors, or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large : -

(i) Transactions with the related parties are disclosed in Notes to the Accounts in the Annual Report.

(ii) None of the transaction with any of the related parties were in conflict with the interest of the Company.

The weblink for policy on dealing with related party transaction is http://www.citadelrealty.in

Details of non-compliance:

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company had not made an application for in-principle approval in terms of Regulation 28 (1) of the SEBI LODR Regulations 2015 for CCDs on the understanding that CCDs being unlisted, do not fall under "Securities" definition. As such the referred CCDs are non-Tradable and Non Marketable instruments per se. The BSE contended that the Company should have taken the approval ,despite, the CCDs are out of preview of Securities definition ,but issued by a Listed Entity .

Your Company has a Whistleblower Policy in place. During the year under review no personnel have either approached the Audit Committee or been denied access to the Audit Committee.

Details of compliance with mandatory requirements and adoption of non mandatory requirements: Mandatory requirements as per the SEBI(LODR)Regulations-2015 are adhered with.

Web link of the Company regarding the Policy determining material subsidiaries: www.citadelrealty.in

The weblink for policy on dealing with related party transaction is http://www.citadelrealty.in

Your Company does not deal with commodity price risks and commodity hedging activities.

Your Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

A certificate from Mr. Nitin R. Joshi, Company Secretary in Practice, stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been obtained by the Company.

The recommendations from committees time to time, has been accepted by the Board.

M/s. Bipin B Shah & Co., Chartered Accountants,(Firm Registration No.101511W), were appointed as statutory auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

(Amt. in Rs)

Particulars	**for the year ended 31-Mar-19**	**for the year ended 31-Mar-18**
Statutory Audit Fees including fees for quarterly limited reviews	80,680	62,490
Tax Audit Fees	15,000	15,000
Other Services	-	29,500
Total	**95,680**	**1,06,990**

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year- **None**

b. number of complaints disposed of during the financial year - **NA**

c. number of complaints pending as on end of the financial year.- **NA**

The Company has complied with requirement of corporate governance report.

Adoption of discretionary requirements specified in Part E of Schedule II on Corporate Governance as per SEBI(LODR) Regulations 2015:

a. The Board:
The Chairman of the Board is non executive Independent Director and do not maintain a separate office,

b. Shareholders Rights:
A half yearly declaration of financial performance including summary of significant events to be sent to Shareholders: Yet to be initiated.

c. Modified Opinion in Audit Report:
Efforts are made to move towards unmodified audit opinion regime.

d. Separate Posts of Chairperson and CEO:
Presently the post of Chairman / CEO is held by an individual person.

e. Reporting of the Internal Auditor:
The Internal Auditors are reporting directly to the Audit Committee of the Company

Disclosure of compliance with corporate governance requirements under regulations 17 to 27 and regulation 46(2) (b) to (i) of SEBI (LODR), Regulations, 2018 -The Disclosure of compliance with corporate governance requirements under regulations 17 to 27 and regulation 46(2) (b) to (i) of SEBI (LODR), Regulations, 2018 is not applicable to the Company, but adhering to the good Corporate governance, our Company has complied with all the corporate governance requirements which has been made in the Annual Report.

The CEO/CFO certification in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations has been placed before the Board of Directors.

Reconciliation of Share Capital Audit Reports :

Quarterly Reconciliation Share Capital Audit Reports were furnished to the Stock Exchange to the following dates :

Quarter ended on	Furnished on
30-06-2018	17-07-2018
30-09-2018	20-10-2018
31-12-2018	15-01-2019
31-03-2019	20-04-2019

CERTIFICATE

To

The Members of Citadel Realty and Developers Ltd.

Sub: Declaration by the chief executive officer under Schedule V (D) of SEBI (LODR) Regulations 2015.

I, S. Ramamurthi, CEO & Director of Citadel Realty and Developers Ltd hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2019.

For and on behalf of the Board of Directors

Mumbai
Date: May 27, 2019

S. Ramamurthi
CEO & Director

Certificate on Compliance from the Practicing Company Secretary

Sub: Compliance Certificate under Schedule V (E) of SEBI (LODR) Regulations 2015.

Certificate of the Practicing Company Secretary has been obtained on the compliance of conditions of the Corporate Governance and the same forms part of this Directors Report.

For and on behalf of the Board of Directors

Mumbai
Date: May 27, 2019

S. Ramamurthi
CEO & Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management of the Company is pleased to present this report covering the activities of the Company during the year ended on March 31, 2019.

Industry structure and developments- Macro Economic Environment Overview

Economic outlook

The Indian economy's strength and the long-term dynamics continue to work in its favour, steering it towards establishing a leading global position. With positive indicators such as a stable annual growth pattern, adequate foreign exchange reserves, a robust capital market and rapidly expanding FDI inflows, India is competing with major international economies to emerge as a nation with global economic stature.

While new economic industries have shown robust growth, conventional economy segments like industrial and services segments, the manufacturing sector, transport and communication sectors and Real Estate have also been major contributors in the Indian growth process.

Real estate is one of the major contributors to the economy by supporting innumerable ancillary industries and providing employment to millions directly and indirectly. Growth in real estate has multiple efforts on the economy. Despite such strong fundamentals the government does not recognize real estate as an industry. It is time that real estate sector get an industry status. This would enable developers to raise funds at lower rates and cut down their cost of capital which would eventually have bearing on overall project costs.

It is only now that Affordable Housing has been given "industrial status" which would go a long way in giving the much needed credence to the sector and would help it to negotiate favorable terms for long term funding.

The Company may source funds for its projects based on the industrial status accorded to the segment in which its operates. The creditability of the Company would get established & enhanced in affordable housing segment.

GST Impact on India Real Estate Sector and the sudden change in rates

The Goods and Services Tax (GST) is beyond doubt the most revolutionary tax related reform to be seen in India in several decades, since it will eliminate the conflicting and cascading taxation structures which have confounded several industries over the past few decades .It will most certainly have a profound effect on India's economic prospects.

To boost demand in the real estate sector, the GST Council, on February 24, 2019, slashed tax rates for under-construction flats to five per cent and affordable homes to one per cent, effective April 1, 2019. Currently, the Goods and Services Tax (GST) is levied at 12 per cent with input tax credit (ITC) on payments made for under-construction property or ready-to-move-in flats, where the completion certificate is not issued at the time of sale. For affordable housing units, the existing tax rate is eight per cent.

Slum Rehabilitation Scheme (SRA)

1. More than 51 per cent of the Mumbai Metropolitan Region falls under the slum area. So, in near future will see more slum redevelopment projects and more houses. Mumbai's DC Rules allow developers a zonal FSI of 1.33 times the plot area in the island city; the SRA scheme has offered them an FSI of 3. FSI is a development tool which defines the extent of construction permissible on a plot. In other words, the scheme allows the developer to build up to three times the plot size.
2. The Maharashtra government issued a notification stating that there will be no more free houses allotted to unauthorised slum dwellers under the Slum Rehabilitation Scheme (SRA).
3. The slum dwellers will have to pay the cost of the houses if they want to be the part of the rehabilitation project schemes,. According to the notification, the illegal hutment dwellers who were notified before the year 2000 will continue to get houses for free but those who were notified after 2000 and before 2011 will have to bear the cost of the tenements in the SRA projects.
4. The CEO of SRA will decide the primary cost of the tenement before the commencement of rehabilitation projects. "This cost will be announced and informed to the eligible slum dwellers. The slum dwellers will have to pay the cost within three months.
5. It also said that after completing the project and obtaining an occupation certificate (OC), the project and the tenement cost will be revised. "If there is a difference in the primary cost estimation and the final cost, then the SRA has holds the right to recover the difference in amount from the slum dwellers.

Real Estate (Regulation and Development) Act 2017 (RERA):

Real estate is one of the most dynamic sectors. It is the second largest employer in India after agriculture. The year 2017 brought some good as well as bad news for the sector. It saw the biggest changes in decades, especially on the policy front. Some of the biggest game-changing policies like GST and RERA cleared hurdles and were finally implemented. Demonetization with Benami transaction law also had its impact on the sector.

RERA made applicable for all Residential projects effective from May 2017. All the Projects of the Company have been registered with Maha Rera Authority. The Authority has restored the confidence of the buyers and regulated the sector which was unregulated for long. This would benefit your Company in long term.

1. Housing for All:

   "Housing for all" is an ambitious project launched by PM Narendra Modi for construction of 11 million units before year 2022.According to data more than 2.5 lakh homes in Maharashtra under the Pradhan Mantri Aawas Yojna have been sanctioned and construction work for more than 25,800 homes has already started.

   The "Special Development Zone" demarcated in DP-2034 and also the construction of affordable homes in "No Development Zone" will add a boost to affordable housing sector.
2. Mumbai Development Plan 2034:

   The recently unveiled Mumbai Development Plan (DP) 2034 speaks about creating 1 million affordable houses and 8 million jobs in the city of Mumbai. The DP envisages creating of theatres, museums, parks, play grounds, theme gardens, old age homes and shelters for homeless.

Opportunities

The Govt. of Maharashtra has realized that rapid urbanization of Mumbai City is of utmost importance and has accordingly drawn up ambitious plans. With the introduction of RERA, rapid urbanization and improved living standard, the demand for housing in affordable sector is robust and your Company would endeavor to derive it.

Threats

A single window clearance mechanism for approvals would go a long way in minimizing the time schedule for completing projects.

Industry Structure and Development :

SRA is planning to boost transparency by digitizing its systems so that the redevelopment process— from a developer applying for a scheme to the allotment of tenements to eligible slum dwellers — can be tracked online.

It's good news for slum dwellers as the state government is now all set to give them bigger homes measuring 315-322 square feet from the current 269 square feet.

According to the SRA, more than 60 lakh people stay in slums and around 1.80 lakh slum dwellers have shifted to new homes under the scheme in the past 21 years.

The state government is also planning to accord the status of 'special planning authority' to the Maharashtra Housing and Area Development Authority (MHADA).

Out Look

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

Risks and concerns

Apart from the increase in land prices, inputs costs have also been constantly increasing. Higher interest cost would dent margins and may have a direct effect on the customer's cash flow as well. Increase in end product prices coupled with tight liquidity may impact demand. The various taxes and levies would add to the costs and this is likely to squeeze margins as end product prices may not go up correspondingly.

The company has a Risk Management Policy, which is being periodically reviewed.

Internal control systems and their adequacy

The internal control commensurate with the activities is supplemented by continuous review by the management. The internal control system is designed to ensure that every aspect of the company's activity is properly monitored.

The Company has harmonious employee relations and there is close interaction between the management and employees to facilitate smooth functioning of our organization activities.

Operational Performance: **(Rs. in lakhs)**

Particulars	For the year ended 31.03.2019 (INR)	For the year ended 31.03.2018 (INR)
Total Revenue	246.74	333.77
Total Expenses	(188.01)	(227.22)
Profit Before Extraordinary Items and Taxation	58.72	106.55
Extraordinary item - (Loss)	0	0
Profit Before Tax	58.72	106.55
(a) Current Tax	6.84	20.18
(b) Deferred Tax	2.39	6.32
(c) Short provision of tax in earlier year	-	0.25
Profit After Tax	49.49	79.78

Details of Significant Changes in key financial ratios:

Significant Changes in Key Financial Ratios :	1	2	½
(i) Debtors T/over:	NA	NA	NA
(ii) Inventory T/over:	29,77,536	2,70,28,000	11.02
(iii) Interset Coverage Ratio:	1,48,91,899	2,07,64,102	0.72
(iv) Current Ratio:	20,88,06,445	14,23,61,868	1.47
(v) Debt equity Ratio:	13,29,36,046	8,90,24,566	1.49
(vi) Operating Profit margin(%):	NA	NA	NA
(vii) Net profit Margin(%):	49,49,444	2,46,73,765	20%

Disclosure of Accounting Treatment:

In preparation of these financial statements, the Company has followed the prescribed Accounting Standards and no different treatment had been followed.

Cautionary Statement

Statements in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events.

Actual results could however differ materially 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. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future on the basis of subsequent development.

INDEPENDENT AUDITORS' REPORT

To the Members of

Citadel Realty and Developers Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of Citadel Realty and Developers Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including other comprehensive income) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2019, its profit and other comprehensive income and cash flows for the year ended on that date.

Basis of opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)

   The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The company is in the business of realty development and in line with the clarification of the Institute of Chartered Accountant's relating to paragraph 35 of IND AS 115 , has opted to follow the percentage completion method as and when its projects go on stream.

   Auditor's responds:-

   Our audit procedures on Revenue recognition included the following:

   - We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing .
   - We have reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the performance obligations will be satisfied. We have considered the clarification issued by the institute of Chartered Accountants regarding paragraph 35 if IND AS 115 and has observed that the company intends to follow the same method when its projects go on stream.

2. The assessment of recoverable amount of the Company's investment in and loans receivable from Associates involves significant judgement in respect of assumptions such as discount rates, current work in hand, future contract wins/ future business plan and the recoverability of certain receivables as well as economic assumption such as growth rate.

   Auditor's responds:-

   Our procedures included the following:

   - Evaluated the net worth and past performance of the Company to whom loans given or investments made. Compared the carrying amount of the investment with the expected value of the business

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contarcts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order.

For Bipin B. Shah & Co.
Firm Registration Number: 101511W
Chartered Accountants

Bipin B. Shah
Proprietor
Membership No. 013191.

Place:- Mumbai
Date :- May 27, 2019

Annexure 'A' to the Independent Auditor's Report

(With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:)

In respect of the Company's fixed assets:

i. The Company does not have any fixed assets therefore reporting under this clause is not applicable.

ii. The Company inventory includes construction work in progress accordingly the requirements under paragraph 3(ii) of the Order is not applicable for construction work in progress. The inventory comprising of finished goods has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No discrepancies were noticed on verification between the physical stocks and the book records.

iii. According the information and explanations given to us, the Company has not granted unsecured loans to any bodies corporate other than covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which :

a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

c. There is no overdue amount remaining outstanding as at the year-end.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues :

a. The Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or dues to debenture holders. Hence, reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Bipin B. Shah & Co.
Firm Registration Number: 101511W
Chartered Accountants

Bipin B. Shah
Proprietor
Membership No. 013191.

Place:- Mumbai
Date :- May 27, 2019

Annexure "B" to the Independent Auditor's Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of CITADEL AND REALTY AND DEVELOPERS LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Bipin B. Shah & Co.
Firm Registration Number: 101511W
Chartered Accountants

Bipin B. Shah
Proprietor
Membership No. 013191.

Place:- Mumbai
Date :- May 27, 2019

Standalone Balance Sheet as at 31 March 2019

(Rs. in Lakhs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
1 Non-current assets			
(a) Financial Assets			
(i) Investments	2	33.39	10.20
(b) Deferred Tax Assets (Net)	3	202.42	204.80
Total Non - Current Assets		**235.81**	**215.00**
2 Current assets			
(a) Inventories	4	270.28	274.45
(b) Financial Assets			
(i) Cash and Cash Equivalents	5	0.87	4.17
(ii) Bank Balance other than (ii) above	6	3.53	1.81
(iii) Loans	7	1,801.66	1,629.84
(c) Other Current Assets	8	11.72	11.24
Total Current Assets		**2,088.06**	**1,921.51**
Total Assets (1+2)		**2,323.87**	**2,136.51**
EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	9A	752.00	752.00
(b) Shares pending issuance	9B	125.44	-
(c) Instruments entirely equity in nature	10	-	125.44
(d) Other Equity	11	12.81	8.55
Total Equity		**890.25**	**885.99**
LIABILITIES			
2 Non Current liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	12	10.00	10.00
Total Non - Current Liabilities		**10.00**	**10.00**
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	1,330.23	1,190.73
(ii) Other Financial Liabilities	14	3.53	1.81
(b) Current Tax Liabilities (Net)	15	4.58	13.59
(c) Other Current Liabilities	16	85.28	34.39
Total Current Liabilities		**1,423.62**	**1,240.52**
Total Equity and Liabilities (1+2+3)		**2,323.87**	**2,136.51**
See accompanying notes forming part of the financial statements			

In terms of our report attached
For Bipin Shah & Co.
Chartered Accountants
(Firm's Registration No. 101511W)

Bipin Shah
Proprietor
Membership No. 013191

Place :- Mumbai
Date :- May 27, 2019

For and on behalf of the Board of Directors

V.Ranganathan
Chairman
(DIN:- 0269682)

S.Ramamurthi
Director & CEO
(DIN:- 00135602)

Nilesh Dand
Director & CFO
(DIN:- 00199785)

Anuja Dube
Company Secretary
(ACS44198)

Place :- Mumbai
Date :- May 27, 2019

Standalone Statement of Profit and Loss for the period ended 31 March 2019

(Rs. in Lakhs except Earnings Per Share)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
I Revenue from operations	17	29.78	142.16
II Other Income	18	216.96	191.61
III Total Revenue (I + II)		**246.74**	**333.77**
IV EXPENSES			
(a) Cost of construction/development, land, plots and development rights		-	-
(b) Change in inventory	19	4.18	49.91
(c) Finance costs	20	148.92	136.21
(d) Other expenses	21	34.92	41.10
V Total Expenses (IV)		**188.02**	**227.22**
VI Profit before tax (III - V)		**58.72**	**106.55**
VII Tax Expense			
(1) Current tax	22a	6.84	20.19
(2) Deferred tax	22b	2.39	6.33
(3) Short provision of tax in earlier year	22c	-	0.25
VIII Total tax expense (VII)		**9.23**	**26.77**
IX Profit after tax (VI - VII)		**49.49**	**79.78**
X Other comprehensive income		-	-
XI Total Other Comprehensive Income (X)		**-**	-
XII Total Comprehensive income for the year (IX + XI)		**49.49**	**79.78**
XIII Earnings per equity share (Face Value Rs. 10)			
(1) Basic	23	0.66	1.08
(2) Diluted	23	0.64	1.07
See accompanying notes forming part of the financial statements			

In terms of our report attached
For Bipin Shah & Co.
Chartered Accountants
(Firm's Registration No. 101511W)

Bipin Shah
Proprietor
Membership No. 013191

Place :- Mumbai
Date :- May 27, 2019

For and on behalf of the Board of Directors

V.Ranganathan
Chairman
(DIN:- 0269682)

S.Ramamurthi
Director & CEO
(DIN:- 00135602)

Nilesh Dand
Director & CFO
(DIN:- 00199785)

Anuja Dube
Company Secretary
(ACS44198)

Place :- Mumbai
Date :- May 27, 2019

Standalone Cash Flow Statement for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax:	58.72	106.55
Adjustment for:		
Finance Cost	148.92	136.21
Interest Income	(193.77)	(187.53)
Operating profit before Working Capital changes	**13.87**	**55.23**
Adjustments for changes in Working capital		
(Increase)/Decrease in Inventories	4.17	49.91
Increase/(Decrease) in Trade Payables and other Payable	43.62	(57.81)
Increase/(Decrease) in Trade Payables and other Receivable	(0.47)	89.90
Increase/(Decrease) in Provisions - Non current and current	-	(9.38)
Cash generated from/ (used in) operations	**61.18**	**127.85**
Income taxes (paid)	(6.84)	(20.44)
Net Cash from / (used in) operating activities	**54.35**	**107.41**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Share of profit from Firm	(23.19)	-
Other Bank Balances	(1.72)	(1.81)
Interest Income	193.77	187.53
Net Cash from/(used in) investing activities	**168.84**	**185.72**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed /(Repayment) of Long term and short term borrowings	139.50	(18.33)
Dividend (Including Tax on Dividend) paid	(45.23)	(43.02)
Finance cost paid	(148.92)	(136.21)
Proceed /(Repayment) of Long term and short term Loan	(171.83)	(92.28)
Net Cash from/(used in) financing activities	**(226.48)**	**(289.84)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(3.29)**	**3.29**
Cash and Cash Equivalents (Opening balance)	4.17	0.88
Cash and Cash Equivalents (Closing balance) as per Note No. 5	0.87	4.17
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3.29)**	**3.29**

(Rs. in Lakhs)

Component of Cash & Cash Equivalent	Year ended 31 March 2019	Year ended 31 March 2018
Cash in hand	0.14	0.06
Balance With Bank	0.73	4.11
	0.87	**4.17**

Note A:- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Statement of Cash Flows"

Note B:- Previous year's figures have been regrouped /reclassified wherever necessary to corresponds with the current year's classification / disclosures.

The accompanying notes form an integral part of these standalone financial statements.

In terms of our report attached
For Bipin Shah & Co.
Chartered Accountants
(Firm's Registration No. 101511W)

Bipin Shah
Proprietor
Membership No. 013191

Place :- Mumbai
Date :- May 27, 2019

For and on behalf of the Board of Directors

V.Ranganathan
Chairman
(DIN:- 0269682)

S.Ramamurthi
Director & CEO
(DIN:- 00135602)

Nilesh Dand
Director & CFO
(DIN:- 00199785)

Anuja Dube
Company Secretary
(ACS44198)

Place :- Mumbai
Date :- May 27,2019

Standalone Statement of Changes in Equity

a) Equity Share Capital

(Rs. in Lakhs)

Particulars	Amount
Balance As at March 31, 2017	**357.45**
Change for the year	
(i) Conversion of Preference shares to equity shares (Refer Note 9.5(a))	18.55
(ii) Issue of Bonus shares (Refer Note 9.5 (b))	376.00
Balance As at March 31, 2018	**752.00**
Change for the year	-
Balance As at March 31, 2019	**752.00**

b) Other Equity

For FY 2017-18

(Rs. in Lakhs)

	Particulars	Securities Premium	Retained Earnings	Other comprehensive income	Total other Equity
i	Balance as at April 1, 2017	513.51	(272.17)	-	**241.34**
ii	Addition on account of conversion of preference shares	106.45	-	-	**106.45**
iii	capitalisation for issue of bonus shares (Refer note 9.5(b))	(376.00)	-	-	**(376.00)**
iv	Profit for the Year		79.78	-	**79.78**
v	Remeasurement of defined benefit plan (net of deferred tax)	-	-	-	**-**
vi	Dividend paid (Including Dividend Distribution Tax)	-	(43.02)	-	**(43.02)**
	Balance as at March 31, 2018	**243.96**	**(235.41)**	**-**	**8.55**

For FY 2018-19

(Rs. in Lakhs)

	Particulars	Securities Premium	Retained Earnings	Other comprehensive income	Total other Equity
i	Balance as at April 1, 2018	243.96	(235.41)	-	**8.55**
ii	Profit for the Year	-	49.49	-	**49.49**
iii	Remeasurement of defined benefit plan (net of deferred tax)	-	-	-	**-**
iv	Dividend paid (Including Dividend Distribution Tax)	-	(45.23)	-	**(45.23)**
	Balance as at March 31, 2019	**243.96**	**(231.15)**	**-**	**12.81**

The accompanying notes form an integral part of these standalone financial statements.

In terms of our report attached
For Bipin Shah & Co.
Chartered Accountants
(Firm's Registration No. 101511W)

Bipin Shah
Proprietor
Membership No. 013191

Place :- Mumbai
Date :- May 27, 2019

For and on behalf of the Board of Directors

V.Ranganathan
Chairman
(DIN:- 0269682)

S.Ramamurthi
Director & CEO
(DIN:- 00135602)

Nilesh Dand
Director & CFO
(DIN:- 00199785)

Anuja Dube
Company Secretary
(ACS44198)

Place :- Mumbai
Date :- May 27,2019

Notes forming part of the standalone financial statements

1 Corporate Information:-

Citadel Realty & Developers Limited ("the Company") formerly known as Rohit Pulp & Papers Mills Ltd is a Company registered under the Companies Act, 1956. The Company is a public limited company incorporated and domiciled in India and has its registered office at Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400 013.

The equity shares of the Company are listed on Bombay Stock Exchange of India Limited (BSE) . The Company is registered with the Ministry of Corporate Affairs under CIN L21010MH1960PLC011764.

The Company is primarily engaged in the business of construction, development and sale of residential real estate projects. The core business activities are carried out under various business model likes own development, through joint ventures and joint development and other arrangements with third parties.

A. Basis of preparation and measurement :-

(a) Statement of Compliance :

These Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the relevant provisions and amendments, as applicable. The Standalone Financial Statements have been prepared on accrual basis under the historical cost convention except certain financial instruments, defined benefit plans and share based payments measured at fair value.

These standalone financial statements were authorised for issue by the Company's Board of Directors on 27 May 2019.

(b) Functional and presentation currency :

These standalone financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All financial information have been presented in Indian rupess (INR) all amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

(c) Basis of measurement :

The standalone financial statements have been prepared on a historical cost basis, except for the following:

certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value; and defined benefit plans - plan assets measured at fair value

(d) Use of estimates and judgments :

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving critical estimates and judgements are:

(i) Estimation of total cost of construction of Project

(ii) Estimation of useful life of property, plant and equipment and intangibles

(iii) Estimation of recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used

(iv) Impairment of financial assets (i.e. expected credit loss on trade receivables and retention money receivable)

(v) Estimation on discounting of retention money payable

(e) Measurement of fair values :

The Company's accounting policies and disclosures require the measurement of fair values, for financial instruments:-

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

B. Significant accounting policies :-

1. Property, Plant and Equipment :-

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2015 as the deemed cost under IND AS. Hence regarded thereafter as historicalcost

All the items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period

Depreciation on additions / deletions is calculated pro-rata from the month of such addition / deletion, as the case maybe.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

2. Investment Properties :-

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided over it's useful life using the written down value method, in a manner similar to PPE.

Useful life considered for calculation of depreciation for assets class are as follows-

Non- Factory Building 60 years

3. Lease:-

<u>Operating Lease</u>

As a lessee:-

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

As a lessor:-

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

4. Cash and Cash Equivalents :-

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5. Inventories :-

Inventories of Finished Goods and Property under development are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and borrowing cost incurred related to project. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

6. Investments in subsidiaries, joint ventures and associates :-

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

7. Investments and other financial asset :-

(a) Classification :-

The Company classifies its financial assets in the following measurement categories:

(1) Those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

(2) Those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(b) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

(i) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

(1) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

(2) Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through statement of Profit and Loss. Interest income from these financial assets is included in other income.

(ii) Equity instruments:

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensiveincome (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss

(c) Impairment of financial assets:

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(d) Income recognition:

Interest income:-

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends:-

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

Share in Profit/(Loss) :-

Share of profit (Loss) from partnership firms/LLPs in which the Company is partner is recognized based on the financial information provided and confirmed by the respective firms.

8. Revenue recognition :-

(i) Construction Revenue :-

The company undertakes the business of construction of residential properties through joint venture. The ongoing contracts with customers are construction of residential properties.

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 01 April 2018. The Company has applied the following accounting policy for revenue recognition:

The Company recognises revenue from contracts with customers for ongoing contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. **Identify the contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. **Identify the performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. **Determine the transaction price:** The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

The Company satisfies a performance obligation and recognises revenue over time as company satisfies the following criteria.

1. The company's performance does not create an asset with an alternative use to the entity and

2. The company has an enforceable right to payment for performance completed to date

The Company Recognised the revenue using cost based input method. Revenue is recognised with respect to stage of completion, which assessed with reference to the proportion of contract cost incurred for work performed to the estimated total cost of completion of contract.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Advances from customers, progress payments, amount due from and due to customers and retention money receivable

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (costs plus attributable profits) for the contract work performed till date.

(ii) Dividend Income :-

Dividend Income is accounted when the right to receive the same is established

(iii) Interest Income or expenses:-

Interest income or expense is accounted basis effective interest rate (EIR).

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

9. Cost of Construction / Development :-

Cost of Construction/Development (including cost of land) includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses incurred . Cost of sales is charged to the statement of profit and loss in the proportionate to project area sold and revenue whereof is recognised. Costs incurred for projects which have not achieved reasonable level of development is carried over as construction work-in-progress.

10. Employee Benefits :

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing is determined using the projected unit credit method for which actuarial valuations are being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or a credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions on future contributions to the plans.

A liability for a termination benefit is recognized either when the entity can no longer withdraw the offer of the termination benefit or when the entity recognizes any related restructuring costs, whichever is earlier.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

11. Borrowing Cost :

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

12. Earnings Per Share :

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive

13. Current and Deferred Taxes : Current Tax :

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Deferred Tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

14. Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognised when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

15. Operating Cycle :-

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realisation of project into cash & cash equivalents and are in the range of 3 to 7 years. Accordingly, project related assets & liabilities have been classified into current & non-current based on operating cycle of the respective projects. All other assets and liabilities have been classified into current and non-current based on a period of twelve months

16. Trade receivables :-

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit loss.

17. Trade and other payables :-

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

18. Borrowings :-

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method (EIR). Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

19. Dividends :-

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period

20. Standards issued but not effective

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature

The accounting by lessors under the new standard is substantially unchanged from today's accounting in Ind AS 17. Lessors classify all leases using the same classification Principle as in IAS 17 and distinguish between two types of leases: operating and finance leases

The Company predominantly has taken on leases its office space and the implementation of this Standard would have negligible effect in the financials of the company.

On March 30, 2019, the Ministry of Corporate Affairs has notified the following amendments in IND AS

The Company does not expect any significant impact of the following amendment on its financial statements.

1. Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty overincome tax treatments)

2. Ind AS 109 – Prepayment Features with Negative Compensation

3. Ind AS 19 – Plan Amendment, Curtailment or Settlement

4. Ind AS 23 – Borrowing Costs

Notes forming part of the standalone financial statements

(All amounts are in INR unless otherwise stated)

Note 2 - Investments : Non-Current

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Investments Carried at:		
A) Cost		
Investments in Partnership Firm		
Shree Swami Samarth Builders & Developers	33.39	10.20
	33.39	**10.20**

Note 3 - Deferred Tax Assets / (Liabilities)

(Rs. in Lakhs)

Significant components of deferred tax assets and liabilities for the year / Period ended	As at 31-Mar-19	As at 31-Mar-18
Deferred tax assets on:		
(a) carry forward unused tax losses & unabsorbed depreciation	59.62	64.29
MAT Credit Entitlement		
(a) Carry forward unused Tax credit (MAT)	142.80	140.51
Net Deferred tax assets/(liabilities)	**202.42**	**204.80**

Note 4 - Inventories

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(At lower of cost and net realizable value)		
(a) Land and Plots	36.21	36.21
(b) Construction work-in-progress	234.07	238.24
Total	**270.28**	**274.45**

Note 5 - Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) Balances with banks		
- In current accounts	0.73	4.11
(b) Cash in hand	0.14	0.06
Total	**0.87**	**4.17**

Note 6 - Other Balances with Banks

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
a) Earmarked accounts		
- Unclaimed dividend	3.53	1.81
Total	**3.53**	**1.81**

Note 7 - Loans :- Current

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured, Considered good		
(a) Loans to related parties	1,801.66	1,629.84
Total	**1,801.66**	**1,629.84**

Note 8 - Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) Prepaid expenses	5.38	11.24
(b) Other receivable	6.34	-
Total	**11.72**	**11.24**

Note 9A - Equity Share Capital

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Authorised:		
2,00,00,000 Equity shares of Rs. 10/- each	2,000.00	2,000.00
(as at 31 March 2018: 2,00,00,000 Equity Shares of Rs.10/- each)		
3,00,000 0% Redeemable Preference Shares of Rs.100/-each		
(as at 31 March 2018: 3,00,000 0% Redeemable Preference Shares of Rs.100/-each)	300.00	300.00
	2,300.00	**2,300.00**
Issued, Subscribed and Fully Paid:		
75,19,974 Equity Shares of Rs.10/- each	752.00	752.00
[as at 31 March 2018 75,19,974 Equity Shares of Rs.10/- each]		
Total	**752.00**	**752.00**

Note 9.1:- Terms, rights & restrictions attached to

a. Equity Shares:-

The Company has only one class of equity shares having a face value of Rs .10 per share [PY: Rs. 10 per share] . Accordingly, all equity shares rank equally with regards to dividends & share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Preference Shares:-

The company has one class of preference shares having face value of Rs. 100/- each. The preference shares rank ahead of equity shares in the event of liquidation.

Note 9.2:- Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

(Rs. in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Shares at the beginning of the year	75,19,974	752.00	35,74,500	357.45
<u>**Movement during the year**</u>				
<u>Shares issued during the year</u>	-	-		
Conversion of Preference shares			1,85,487	18.55
Issue of Bonus Shares			37,59,987	376.00
Shares extinguished on buy back	-	-	-	
Outstanding at the end of the year	**75,19,974**	**752.00**	**75,19,974**	**752.00**

Note 9.3:- Shares held by Holding Company, its Subsidiaries and Associates

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
By Holding company		
38,41,764 equity shares of Rs. 10/- each (March 31,2018: 38,41,764 equity shares of Rs. 10/- each) are held by Marathon Realty Private Limited	384.18	384.18

Note 9.4:- Details of Shareholders holding more than 5% share in the company:-

Particulars	**As at March 31, 2019**		**As at March 31, 2018**	
	% holding	**No. of Shares**	**% holding**	**No. of Shares**
Marathon Realty Private Limited	51.09%	38,41,764	51.09%	38,41,764

Note 9.5:- Equity shares movement during the 5 years preceding March 31, 2019.

(a) Issued of shares without payment being received in cash:-

During the FY 2017-18, on approval of shareholders, the Allotment Committee at its meeting held on November 24, 2017, has allotted 1,85,487 Equity Shares of Rs. 10/- each at premium of Rs. 57.39/- on conversion of Preference Share and said shares are listed on BSE w.e.f. January 08, 2018.

(b) Equity shares issued as bonus:-

In FY 2017-18, the Company allotted 37,59,987 number of equity shares as fully paid up bonus shares by capitalisation of Security premium amounting Rs. 376.00/- lakhs pursuant to an ordinary resolution passed after taking the consent of shareholders by postal ballots March 14, 2018.

(c) The Company has not undertaken any buy-back of shares.

Note 9B - Shares Pending Issuance

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
Pending Issuance		
1,86,112 Equity Share of Rs.. 10/- each (Refer Note 9.6)	125.44	-
Total	**125.44**	**-**

Note 9.6:- Fibre Box India Pvt Ltd, the holder of Compulsorily Converted Debenture (CCD's) have opted to convert the 12,544 CCD's into 1,86,112 Equity Shares of Rs.10/- each at a premium of Rs.57.40/- . The allotment is pending approval of BSE Ltd . The shares so allotted would also be eligible for Bonus shares in the ratio of one share of Rs. 10/- each for every shares so converted.

Note 10 - Instruments entirely equity in nature

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
0% Compulsorily Convertible preference Shares		
Opening Balance		
Add:- issued during the year	-	125.00
Less:- converted during the year (Refer Note 9.5(a))	-	(125.00)
Closing Balance	**-**	**-**
0% Compulsorily Convertible Debentures		
Opening Balance	125.44	125.44
Add:- issued during the year	-	-
Less:- converted during the year (Refer Note 9.6)	125.44	-
Closing Balance	**-**	**125.44**
	-	**125.44**

Note 11 - Other Equity

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) Securities Premium Account		
Opening balance	243.96	513.51
Add : Additions on account of conversion of Preference Share	-	106.45
Less:- Capitalisation for issue of Bonus Shares (Refer Note 9.5(b))	-	376.00
Closing Balance	**243.96**	**243.96**
(b) Surplus in Statement of Profit and Loss		
Opening balance	(235.41)	(272.17)
Add : Profit for the year	49.49	79.78
Less: Allocations/Appropriations		
(i) Dividend paid (Including Dividend Distribution tax)	45.23	43.02
Closing Balance	**(231.15)**	**(235.41)**
Total	**12.81**	**8.55**

Note 12 - Other Financial Liabilities : Non Current

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) Deposits (as per term of Joint venture agreement) (Refer Note 31)	10.00	10.00
Total	**10.00**	**10.00**

Note 13 - Borrowings : Current

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured Borrowings		
Loan Repayable on demand		
(a) Loan from Related party (Refer Note 31)	1,330.23	1,190.73
Total	**1,330.23**	**1,190.73**

Note 14 - Other Financial Liabilities : Current

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) Unclaimed dividends	3.53	1.81
Total	**3.53**	**1.81**

Note 15 - Current Tax Liabilities (Net)

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) Income Tax Payable (Net off Advance Tax & TDS credit Rs. 7.00/- lakhs as at 31-Mar-2019]	4.58	13.59
Total	**4.58**	**13.59**

Note 16 - Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) Advances received from customers	-	5.27
(b) Expenses Payable	0.85	3.14
(c) Statutory dues (Withhold Tax, GST)	9.04	2.10
(d) Advance Income	-	19.50
(e) Interest accrued but not due	75.39	4.38
Total	**85.28**	**34.39**

Note 17 - Revenue from Operations

(Rs. in Lakhs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Sale of Properties/Flats (Residential units)	10.28	122.66
(b) Other Development charges	19.50	19.50
Total	**29.78**	**142.16**

Note 18 - Other Income

(Rs. in Lakhs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Interest Income		
(i) On Loans & Advances given	193.77	187.53
(b) Share in profit from partnership firm		
(i) Share of Profit from Shree Swami Samarth Builders and Developers	23.19	-
(c) Other gain & loss		
(i) Sundry Balances Written Back	-	4.08
Total	**216.96**	**191.61**

Note 19 - Change in Inventory

(Rs. in Lakhs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Opening Inventory		
Work in Progress	238.24	288.15
Stock in Trade (Land & Plots)	36.21	36.21
Total opening Inventory	**274.45**	**324.36**
(b) Closing Inventory		
Work in Progress	234.06	238.24
Stock in Trade (Land & Plots)	36.21	36.21
Total Closing Inventory	**270.27**	**274.45**
Total (Change in Inventory = a-b)	**4.18**	**49.91**

Note 20 - Finance Cost

(Rs. in Lakhs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Interest expense on borrowings	148.92	136.21
Total	**148.92**	**136.21**

Note 21 - Other Expenses **(Rs. in Lakhs)**

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Rent (office)	2.12	2.11
(b) Insurance	1.03	0.62
(c) Rates and Taxes	1.73	2.60
(d) Printing & Stationery (incl. Postage charges)	4.72	4.24
(e) Travelling and Conveyance	0.09	0.15
(f) Legal and professional fees	5.34	9.49
(g) Payment to Auditors (Refer Note 21.1)	0.96	1.07
(h) Listing fees	3.33	2.88
(i) Ex-Workman Compensation expenses	-	1.75
(j) Director Sitting fees	9.00	9.00
(k) Share issue expenses	5.85	4.64
(l) Miscellaneous Expenses	0.50	2.55
(m) Interest on delayed payment of statutory dues	0.25	-
Total	**34.92**	**41.10**

Note 21.1:- Payment to Auditors (net off service tax & GST) towards **(Rs. in Lakhs)**

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Statutory Audit Fees including fees for quarterly limited reviews	0.81	0.62
Tax Audit Fees	0.15	0.15
Other Services	-	0.30
Total	**0.96**	**1.07**

Note 22 - Tax Expenses

Tax expense/(credit) recognized in the Statement of Profit and Loss **(Rs. in Lakhs)**

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Current tax		
Current Tax on taxable income for the year	6.84	20.19
Total current tax expense	**6.84**	**20.19**
(b) Deferred tax		
Deferred tax charge/(credit)	4.67	13.13
MAT Credit (taken)/utilised	(2.28)	(6.80)
Total deferred income tax expense/(credit)	**2.39**	**6.33**
(c) Adjustment of Tax related to earlier period	**-**	0.25
Total tax expense (a+b+c)	**9.23**	**26.77**

A) Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	Year Ended 31st Mar 2019	Year Ended 31st Mar 2018
Enacted income tax rate in India applicable to the Company	26.00%	25.75%
Profit before tax	**58.72**	**106.55**
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	15.27	27.44
Tax effect on exempt income	**(6.14)**	(0.45)
Mat credit utilised/ availed	(2.28)	(6.80)
Total income tax expense/(credit)	**6.84**	**20.19**

Note 23 - Earning Per Equity Share

Earnings per Share ('EPS') is determined based on the net profit attributable to the shareholder's of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number potential equity shares outstanding during the year, except where the result would be anti-dilutive. Weighted average number of equity shares includes impact of buy back of equity shares in FY 2017-18.

(Rs. in Lakhs except no. of Shares)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Earnings Per Share has been computed as under:		
Profit for the year	49.49	79.79
Weighted average number of equity shares outstanding	75.20	74.00
Earnings Per Share (Rs.) - Basic (Face value of Rs. 10 per share)	**0.66**	**1.08**
Add: Weighted average number of potential equity shares on account	75.20	74.00
conversion of Compulsorily Convertible Debenture	1.86	0.65
Weighted average number of Equity shares	**77.06**	**74.65**
(including dilutive shares) outstanding		
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 10 per share)	**0.64**	**1.07**

Note 24 :- Disputed Tax Liabilities

AY 2005-06

The Company was in appeal before Income Tax Appellate Tribunal (ITAT) regarding the re-opening of the Assessments u/s 148 of Income Tax Act, 1961for both the assessment years. The ITAT has in its order quashed the reopening. The Income Tax Department is yet to give effect to the order of the ITAT. For AY 2006-07 the Income Tax Department has filed an appeal against the order of the ITAT before the Hon. Bombay High Court.

Note No. 25:- Lease

The Company has been operating from the premises owned by group Company Marathon Realty Private Limited. During the year, Company had entered into formal agreement for payment of rent on the premises occupied by it. The rental payable per month has been Rs. 0.90/- lakhs per annum. The lease does not have any non-cancellable portion. Tenure of the lease agreement is valid till 31st March 2019.

Note No. 26:- Segment Reporting

The Company is engaged in Real Estate. The operations of the company do not qualify for reporting as separate business segments as per the criteria set out under Indian Accounting Standard 108 (IND AS-108) on "Operating Segments". The Company is operating in India hence there is no reportable geographic segment. Accordingly no disclosure is required under IND AS - 108.

Note 27:- Disclosure as per Ind AS 115:-

(a) The Company is primarily engaged in the business of construction, development and sale of residential real estate projects. The core business activities are carried out under various business models likes own development, through joint ventures and joint development and other suitable arrangements with third parties.

(b) The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' effective 1 April 2018. The Company has elected the option of the modified retrospective approach and there is no material impact on the measurement of revenue and retained earnings as of 1 April 2018. The presentation of certain contract related balances have been changed for the current year only and the previous year balances continues to be disclosed as done in the previous year, in compliance with the requirements of Ind AS 115.

As on 31 March 2019, revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is INR NIL

(c) Performamce obligation

The Company undertakes Construction business. The ongoing contracts with customers are for construction of residential buildings and it contained single performance obligation. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service.

The company recognises contract revenue over time as company's perfomance does not create an assets with alternative use to the compay and entity has an enforceable rights to payment for perfomance completed to date as per criteria given under para no. 35(c) of Ind As 115.

The Company Recognised the revenue using cost based input method. Revenue is recognised with respect to stage of completion, which assessed with reference to the proportion of contract cost incurred for work performed to the estimated total cost of completion of contract.

Note 28:- Corporate Social Responsibility (CSR) expenditure

As per section 135 of the Companies Act, 2013, company need to spent 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) on fulfiling the criteria given under section 135 (1) of the Companies Act,2013. CSR is not applicable to the company as company does not fulfil the criteria given.

Financial instrument Disclosure:-

Note 29:- Capital Risk Management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern

- to maximize the return to stakeholders through the optimization of the debt and equity balance

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

a) Gearing Ratio:

The Gearing ratio at the end of the reporting period are as follows:

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
Debt* (A)	1,330.23	1,190.73
Cash and bank balances (B)	0.87	4.17
Net Debt C=(A-B)	**1,329.36**	**1,186.56**
Total Equity (D)	890.25	885.99
Net debt to equity ratio (C/D)	1.49	1.34

*Debt is defined as long-term and short-term borrowings including interest accrued on borrowings

b) Dividend Paid

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
Equity shares		
Final dividend for the year ended 31 March 2018 of Rs. 0.50/-	37.60	
(31 March 2017 – Rs. 0.50/-l) per fully paid share of Rs. 10/- has been distributed		35.74
based on approval by the shareholders at the AGM held on 10th August, 2018		
Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 0.50/- per fully paid equity share (31 March 2018 – Rs. 0.50/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	37.60	37.60

The Board of Directors has recommended a Final Dividend of 5% (per share of Re. 0.50/-) on the enhanced equity share capital on pari passu basis in their meeting held on 8 May 2018 for the financial year 2017-18 subject to the approval of shareholders in the ensuing Annual General Meeting. The proposed dividend of Rs. 37.60/- lakhs and dividend distribution tax thereon, of Rs.7.65 lakhs have not been recognised as liabilities.

Financial risk management

a) The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

(Rs. in Lakhs)

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value
Assets:				
Cash and cash equivalents	-	-	0.87	0.87
Other balances with banks	-	-	3.53	3.53
Investments (Other than investment in equity instruments of Subsidiaries)	-	-	33.39	33.39
Loans	-	-	1,801.66	1,801.66
Total	-	-	**1,839.46**	**1,839.46**
Liabilities:				
Trade and other payables	-	-	-	-
Borrowings	-	-	1,330.23	1,330.23
Other financial liabilities	-	-	3.53	3.53
Total	-	-	**1,333.76**	**1,333.76**

b) The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value
Assets:				
Cash and cash equivalents	-	-	4.17	4.17
Other balances with banks	-	-	1.81	1.81
Investments (Other than investment in equity instruments of Subsidiaries)	-	-	10.20	10.20
Loans	-	-	1,629.84	1,629.84
Total	-	-	**1,646.01**	**1,646.01**
Liabilities:				
Trade and other payables	-	-	-	-
Borrowings	-	-	1,190.73	1,190.73
Other financial liabilities	-	-	1.81	1.81
Total	-	-	**1,192.54**	**1,192.54**

I) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Future specific market movements cannot be normally predicted with reasonable accuracy.

Currency risk: The Company does not have material foreign currency transactions. The company is not exposed to risk of change in foreign currency.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Profit or loss is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates. The company has borrowed the fund at fixed rate of interest and thus there is no risk of interest rates fluctuating.

Other price risk:

The Company is not exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

II) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit Risk management :-

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
A: Low credit risk	Investments, Other bank balances, trade receivables, cash and cash equivalents, loans and other financial assets	12 month expected credit loss/Life time expected credit loss
C: High credit risk	Trade receivables and loans & Advances	12 month expected credit loss/Life time expected credit loss/fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

III) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(a) Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at 31 March 2019:

(Rs. in Lakhs)

Financial liabilities	Carrying amount	Due in one Year	Due after one Year	Total contractual cash flows
(b) Borrowings and interest thereon (incl. current maturity of long term debt)				
- 31 March 2019	1,330.23	1,330.23	-	**1,330.23**
- 31 March 2018	1,190.73	1,190.73	-	**1,190.73**
(c) Other financial liabilities				
- 31 March 2019	3.53	3.53		**3.53**
- 31 March 2018	1.81	1.81		**1.81**
Total				
- 31 March 2019	1,333.76	1,333.76	-	**1,333.76**
- 31 March 2018	1,192.54	1,192.54	-	**1,192.54**

Note 30:- Joint venture

a) The company was hitherto jointly developing an area admeasuring 2159 sq. mtrs of slum property with Mr. Vaibhav Kokate. Company has entered into a partnership with Mr. Vaibhav Kokate in a firm named Shree Swami Samarth Builders and Developers (SSSBD) wherein the company has contributed to 50% of the capital to the partnership.

b) By virtue of a registered deed the company has transferred development rights pertaining to 2159 sq. mtrs owned by it to the partnership firm SSSBD. Mr. Vaibhav Kokate has also transferred land belonging to him into the partnership. In lieu of the company transferring the development rights it would be entitled to a percentage of the saleable area post the merger of the two land parcels which would be delivered to the company post obtaining the Occupation Certificate by SSSBD.

c) Further the company is entitled to 37.50% share in the profits of the firm SSSBD less what it would have received during the pendency of the project.

Note 31:- Related Part Transaction

List of Related Parties and Transactions during the year as per Ind AS-24 “Related Party Disclosures”

a) Holding Company

1. Marathon Realty Private Ltd (w.e.f. March 26, 2018)

b) Associates

1. Shree Swami Samarth Builders & Developers (Partnership Firm)
2. Fibre Box Bombay Private Ltd

c) Key Managerial Personnel

1. Mr. Veeraraghavan Ranganathan - Chairman
2. Mr. S. Ramamurthi – Director & C.E.O
3. Mr. Chetan R. Shah – Director
4. Ms. Sonal M. Shah - Director
5. Mr. Nilesh Dand – Director & CFO w.e.f. May 08,2018
6. Mr. Devendra Shrimankar – Director

d) Relatives of Key Management Personnel having transactions during the year

1. Ms. Ansuya R. Shah (Mother of Director)
2. Mr. Ramniklal Z. Shah (Father of Director)
3. Ms. Shailaja C. Shah (Wife of Chetan R Shah - Director)
4. Mr. Mayur R. Shah – (Brother of Chetan R. Shah - Director and husband of Ms Sonal Shah - Director)

Transactions with Related Parties (RP):

(Rs. in Lakhs)

Type of Transaction	Relationship	Particular	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Dividend paid on Equity Shares	Relatives of KMP	Shailalaja C Shah	1.35	-
	Director	Sonal M Shah	1.35	-
	Holding company	Marathon Realty Private Ltd	19.21	9.48
	Significant influence of KMP	Fibre Box India Private Ltd	1.85	-
	Director	Chetan R Shah	-	6.23
	Director	Mayur R Shah	-	6.20
Interest Income from Partnership Firm / LLP’s	Associates	Shree Swami Samarth Builders and Developers	193.77	163.33
	Holding company	Marathon Realty Private Ltd	-	24.20
Interest Expenses on Inter Corporate Deposits	Holding company	Marathon Realty Private Ltd	82.34	-
	Associates	Shree Swami Samarth Builders and Developers	66.58	135.59

Rent Expenses for corporate office	Holding company	Marathon Realty Private Ltd	2.12	2.11
Director Sitting Fees	Director	V. Ranganathan	2.30	1.90
	Director	S. Ramamurthi	2.20	2.20
	Director	Devendra Shrimankar	2.00	2.00
	Director	Chetan Shah	1.00	0.90
	Director	Nilesh Dand	1.10	1.30
	Director	Sonal Shah	0.40	0.70
Loan Given	Associates	Shree Swami Samarth Builders and Developers	-	780.70
Loans received back	Associates	Shree Swami Samarth Builders and Developers	21.94	-
Inter Corporate Deposits taken	Holding company	Marathon Realty Private Ltd	705.00	599.00
Loan Repaid	Associates	Shree Swami Samarth Builders and Developers	564.44	343.59
		Marathon Realty Private Ltd	-	0.25
Share of Profit from Partnership Firm	Associates	Shree Swami Samarth Builders and Developers	23.19	-
Closing Balance				
Loan Given	Associates	Shree Swami Samarth Builders and Developers	1,801.66	1,629.84
Inter Corporate Deposit taken	Holding company	Marathon Realty Private Ltd	836.67	131.67
	Associates	Shree Swami Samarth Builders and Developers	250.00	815.50
	Significant influence of KMP	Fibre Box India Private Ltd	243.56	243.56
Investment in Partnership Firm	Associates	Shree Swami Samarth Builders and Developers	33.39	10.20
Deposits for Project	Associates	Shree Swami Samarth Builders and Developers	10.00	10.00

Note 32:- Event occurring after balance sheet date

The Board of Directors has recommended Equity dividend of Rs. 0.50/- per share (Previous year Re. 0.50) for the financial year 2018-19.

Note 33:- Other Significant Notes:-

i. Pending litigations:- The Company's pending litigations comprise of claims by or against the Company primarily by the suppliers and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made adequate provision in the financial statements and appropriate disclosure for contingent liabilities is given in Note 24.

ii. **Foreseeable Losses:-** The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts has been made in the books of account. There are no derivatives.

iii. Previous Year's figure have been regrouped/rearranged, wherever necessary.

iv. In the opinion of the Management of the company, all current assets appearing in the Balance Sheet as at March 31, 2019 have a value on realisation in the ordinary course of the Company's business at least equal to the amount at which they are stated in the Balance Sheet.

v. Balance of trade receivables, other receivable, trade payables and loans and advances are subject to confirmation from respective parties and reconciliation, if any.

vi. The share of profit / (loss) in the Firm is accounted in the books of the Company as and when the same is credited / debited to the Partners' Capital Account.

In terms of our report attached
For Bipin Shah & Co.
Chartered Accountants
(Firm's Registration No. 101511W)

Bipin Shah
Proprietor
Membership No. 013191

Place :- Mumbai
Date :- May 27, 2019

For and on behalf of the Board of Directors

V.Ranganathan
Chairman
(DIN:- 0269682)

S.Ramamurthi
Director & CEO
(DIN:- 00135602)

Nilesh Dand
Director & CFO
(DIN:- 00199785)

Anuja Dube
Company Secretary
(ACS44198)

Place :- Mumbai
Date :- May 27,2019

INDEPENDENT AUDITORS' REPORT

To the Members of

Citadel Realty and Developers Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Citadel Realty and Developers Limited ("the Company") and its Joint Venture which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)

   The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The company is in the business of realty development and in line with the clarification of the Institute of Chartered Accountant's relating to paragraph 35 of IND AS 115 , has opted to follow the percentage completion method as and when its projects go on stream.

   Auditor's responds:-

   Our audit procedures on Revenue recognition included the following:

   - We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing .
   - We have reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the performance obligations will be satisfied. We have considered the clarification issued by the institute of Chartered Accountants regarding paragraph 35 if IND AS 115 and has observed that the company intends to follow the same method when its projects go on stream.

2. The assessment of recoverable amount of the Company's investment in and loans receivable from Associates involves significant judgement in respect of assumptions such as discount rates, current work in hand, future contract wins/ future business plan and the recoverability of certain receivables as well as economic assumption such as growth rate.

   Auditor's responds:-

   Our procedures included the following:

   - Evaluated the net worth and past performance of the Company to whom loans given or investments made. Compared the carrying amount of the investment with the expected value of the business

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management

Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any long- term contracts, including derivative contracts, for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For Bipin B. Shah & Co.
Firm Registration Number: 101511W
Chartered Accountants

Bipin B. Shah
Proprietor
Membership Number 013191.

Place:- Mumbai
Date :-May 27, 2019

Annexure "A" to the Independent Auditor's Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of CITADEL AND REALTY AND DEVELOPERS LIMITED ("the Holding Company") as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its Joint Venture has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Bipin B. Shah & Co.
Firm Registration Number: 101511W
Chartered Accountants

Bipin B. Shah
Proprietor
Membership Number 013191.

Place:- Mumbai
Date :-May 27, 2019

Consolidated Balance Sheet as at 31 March 2019

(Rs. in Lakhs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
1 Non-current assets			
(a) Financial Assets			
(i) Investments	2	57.31	37.59
(b) Deferred Tax Assets (Net)	3	202.42	204.80
Total Non - Current Assets		**259.73**	**242.40**
2 Current assets			
(a) Inventories	4	270.28	274.45
(b) Financial Assets			
(i) Cash and Cash Equivalents	5	0.87	4.17
(ii) Bank Balance other than (ii) above	6	3.53	1.81
(iii) Loans	7	1,801.66	1,629.84
(c) Other Current Assets	8	11.72	11.24
Total Current Assets		**2,088.06**	**1,921.51**
Total Assets (1+2)		**2,347.79**	**2,163.91**
EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	9A	752.00	752.00
(b) Shares pending issuance	9B	125.44	-
(c) Instruments entirely equity in nature	10	-	125.44
(d) Other Equity	11	36.73	35.95
Total Equity		**914.17**	**913.39**
LIABILITIES			
2 Non Current liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	12	10.00	10.00
Total Non - Current Liabilities		**10.00**	**10.00**
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	1,330.23	1,190.73
(ii) Other Financial Liabilities	14	3.53	1.81
(b) Current Tax Liabilities (Net)	15	4.58	13.59
(c) Other Current Liabilities	16	85.28	34.39
Total Current Liabilities		**1,423.62**	**1,240.52**
Total Equity and Liabilities (1+2+3)		**2,347.79**	**2,163.91**
See accompanying notes forming part of the financial statements			

In terms of our report attached
For Bipin Shah & Co.
Chartered Accountants
(Firm's Registration No. 101511W)

Bipin Shah
Proprietor
Membership No. 013191

Place :- Mumbai
Date :- May 27, 2019

For and on behalf of the Board of Directors

V.Ranganathan
Chairman
(DIN:- 0269682)

S.Ramamurthi
Director & CEO
(DIN:- 00135602)

Nilesh Dand
Director & CFO
(DIN:- 00199785)

Anuja Dube
Company Secretary
(ACS44198)

Place :- Mumbai
Date :- May 27, 2019

Consolidated Statement of Profit and Loss for the period ended 31 March 2019

(Rs. in Lakhs except Earnings Per Share)

Particulars		Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
I	Revenue from operations	17	29.78	142.16
II	Other Income	18	193.77	191.61
III	**Total Revenue (I + II)**		**223.55**	**333.77**
IV	**EXPENSES**			
	(a) Cost of construction/development, land, plots and development rights		-	-
	(b) Change in inventory	19	4.18	49.91
	(c) Finance costs	20	148.92	136.21
	(d) Other expenses	21	34.92	41.10
V	**Total Expenses (IV)**		**188.02**	**227.22**
VI	**Profit before tax (III - V)**		**35.53**	**106.55**
VII	Tax Expense			
	(1) Current tax	22a	6.84	20.19
	(2) Deferred tax	22b	2.39	6.33
	(3) Short provision of tax in earlier year	22c	-	0.25
VIII	**Total tax expense (VII)**		**9.23**	**26.77**
IX	**Profit after tax (VI - VII)**		**26.30**	**79.78**
X	Share in the Profit of the Firm		19.72	27.39
XI	**Profit for the year (IX+X)**		**46.02**	**107.17**
XII	Other comprehensive income		-	-
XIII	**Total Other Comprehensive Income (XII)**		**-**	**-**
XIV	**Total Comprehensive income for the year (XI + XIII)**		**46.02**	**107.17**
XV	**Profit for the year attributable to:**			
	(i) Owners of the Company		**46.02**	**107.17**
	(ii) Non-controlling interest		**-**	**-**
XVI	**Other Comprehensive Income for the year attributable to:**			
	(i) Owners of the Company		**-**	**-**
	(ii) Non-controlling interest		**-**	**-**
XVII	Earnings per equity share (Face Value Rs. 10)			
	(1) Basic	23	0.35	1.08
	(2) Diluted	23	0.34	1.07
	See accompanying notes forming part of the financial statements			

In terms of our report attached
For Bipin Shah & Co.
Chartered Accountants
(Firm's Registration No. 101511W)

Bipin Shah
Proprietor
Membership No. 013191

Place :- Mumbai
Date :- May 27, 2019

For and on behalf of the Board of Directors

V.Ranganathan
Chairman
(DIN:- 0269682)

S.Ramamurthi
Director & CEO
(DIN:- 00135602)

Nilesh Dand
Director & CFO
(DIN:- 00199785)

Anuja Dube
Company Secretary
(ACS44198)

Place :- Mumbai
Date :- May 27, 2019

Consolidated Cash Flow Statement for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax:	35.53	106.55
Adjustment for:		
Finance Cost	148.92	136.21
Interest Income	(193.77)	(187.53)
Share of profit from Firm	19.72	
Operating profit before Working Capital changes	**10.40**	**55.23**
Adjustments for changes in Working capital		
(Increase)/Decrease in Inventories	4.17	49.91
Increase/(Decrease) in Trade Payables and other Payable	43.62	(57.81)
Increase/(Decrease) in Trade Payables and other Receivable	(0.47)	89.90
Increase/(Decrease) in Provisions - Non current and current	-	(9.38)
Cash generated from/ (used in) operations	**57.72**	**127.85**
Income taxes (paid)	(6.84)	(20.44)
Net Cash from / (used in) operating activities	**50.88**	**107.41**
B CASH FLOW FROM INVESTING ACTIVITIES		
Share of profit from Firm	(19.72)	-
Other Bank Balances	(1.72)	(1.81)
Interest Income	193.77	187.53
Net Cash from/(used in) investing activities	**172.31**	**185.72**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceed /(Repayment) of Long term and short term borrowings	139.50	(18.33)
Dividend (Including Tax on Dividend) paid	(45.24)	(43.02)
Finance cost paid	(148.92)	(136.21)
Proceed /(Repayment) of Long term and short term Loan	(171.83)	(92.28)
Net Cash from/(used in) financing activities	**(226.49)**	**(289.84)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(3.29)**	**3.29**
Cash and Cash Equivalents (Opening balance)	4.17	0.88
Cash and Cash Equivalents (Closing balance) as per Note No. 5	0.87	4.17
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3.29)**	**3.29**

(Rs. in Lakhs)

Component of Cash & Cash Equivalent	Year ended 31 March 2019	Year ended 31 March 2018
Cash in hand	0.14	0.06
Balance With Bank	0.73	4.11
	0.87	**4.17**

Note A:- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Statement of Cash Flows"

Note B:- Previous year's figures have been regrouped /reclassified wherever necessary to corresponds with the current year's classification / disclosures.

The accompanying notes form an integral part of these consolidated financial statements.

In terms of our report attached
For Bipin Shah & Co.
Chartered Accountants
(Firm's Registration No. 101511W)

Bipin Shah
Proprietor
Membership No. 013191

Place :- Mumbai
Date :- May 27, 2019

For and on behalf of the Board of Directors

V.Ranganathan **Chairman** (DIN:- 0269682)	**S.Ramamurthi** **Director & CEO** (DIN:- 00135602)
Nilesh Dand **Director & CFO** (DIN:- 00199785)	**Anuja Dube** Company Secretary (ACS44198)

Place :- Mumbai
Date :- May 27,2019

Consolidated Statement of Changes in Equity

a) Equity Share Capital

(Rs. in Lakhs)

Particulars	Amount
Balance As at March 31, 2017	**357.45**
Change for the year	
(i) Conversion of Preference shares to equity shares (Refer Note 9.5(a))	18.55
(ii) Issue of Bonus shares (Refer Note 9.5 (b))	376.00
Balance As at March 31, 2018	**752.00**
Change for the year	-
Balance As at March 31, 2019	**752.00**

b) Other Equity

For FY 2017-18

(Rs. in Lakhs)

	Particulars	Securities Premium	Retained Earnings	Other comprehensive income	Total other Equity
i	Balance as at April 1, 2017	513.51	(272.17)	-	**241.34**
ii	Addition on account of conversion of preference shares	106.45	-	-	**106.45**
iii	capitalisation for issue of bonus shares (Refer note 9.5(b))	(375.99)	-	-	**(375.99)**
iv	Profit for the Year		107.17	-	**107.17**
v	Remeasurement of defined benefit plan (net of deferred tax)	-	-	-	**-**
vi	Dividend paid (Including Dividend Distribution Tax)	-	(43.02)	-	**(43.02)**
	Balance as at March 31, 2018	**243.97**	**(208.02)**		**35.95**

For FY 2018-19

(Rs. in Lakhs)

	Particulars	Securities Premium	Retained Earnings	Other comprehensive income	Total other Equity
i	Balance as at April 1, 2018	243.97	(208.02)	-	**35.95**
ii	Profit for the Year	-	46.02	-	**46.02**
iii	Remeasurement of defined benefit plan (net of deferred tax)	-	-	-	**-**
iv	Dividend paid (Including Dividend Distribution Tax)	-	(45.24)	-	**(45.24)**
	Balance as at March 31, 2019	**243.97**	**(207.25)**	**-**	**36.73**

The accompanying notes form an integral part of these consolidated financial statements.

In terms of our report attached
For Bipin Shah & Co.
Chartered Accountants
(Firm's Registration No. 101511W)

Bipin Shah
Proprietor
Membership No. 013191

Place :- Mumbai
Date :- May 27, 2019

For and on behalf of the Board of Directors

V.Ranganathan
Chairman
(DIN:- 0269682)

S.Ramamurthi
Director & CEO
(DIN:- 00135602)

Nilesh Dand
Director & CFO
(DIN:- 00199785)

Anuja Dube
Company Secretary
(ACS44198)

Place :- Mumbai
Date :- May 27,2019

Notes forming part of the consolidated financial statements

1 Corporate Information:-

Citadel Realty & Developers Limited ("the Company") formerly known as Rohit Pulp & Papers Mills Ltd is a Company registered under the Companies Act, 1956. The Company is a public limited company incorporated and domiciled in India and has its registered office at Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400 013.

The equity shares of the Company are listed on Bombay Stock Exchange of India Limited (BSE) . The Company is registered with the Ministry of Corporate Affairs under CIN L21010MH1960PLC011764.

The Company is primarily engaged in the business of construction, development and sale of residential real estate projects. The core business activities are carried out under various business model likes own development, through joint ventures and joint development and other arrangements with third parties.

The consolidated financial statement comprises financial statements of the Company together with its Associates (collectively referred to as the 'Group') for the year ended March 31,2019. The Group is engaged primarily in the business of real estate development.

A. Basis of preparation and measurement :-

(a) Statement of Compliance :

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the relevant provisions and amendments, as applicable. The Consolidated Financial Statements have been prepared on accrual basis under the historical cost convention except certain financial instruments, defined benefit plans and share based payments measured at fair value.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 27 May 2019.

(b) Functional and presentation currency :

These Conslidated financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All financial information have been presented in Indian rupess (INR) all amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

(c) Basis of measurement :

The Consolidated financial statements have been prepared on a historical cost basis, except for the following:

certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value; and defined benefit plans - plan assets measured at fair value

(d) Use of estimates and judgments :

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving critical estimates and judgements are:

(i) Estimation of total cost of construction of Project

(ii) Estimation of useful life of property, plant and equipment and intangibles

(iii) Estimation of recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used

(iv) Impairment of financial assets (i.e. expected credit loss on trade receivables and retention money receivable)

(v) Estimation on discounting of retention money payable

(e) Measurement of fair values :

The Group's accounting policies and disclosures require the measurement of fair values, for financial instruments:-

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

(f) Principles of consolidation and equity accounting

The consolidated financial statements comprise of financial statements of the Company and its subsidiaries, Associates and joint Venture for which the Company fulfils the criteria pursuant to Ind AS 110 and joint Venture within the scope of Ind AS 112.

Associates :-

Associates are entities over which group has significant influence but not control. Investment in associates are accounted for using the equity method of accounting as per IND AS 28. The investment is initially recognised at cost and carrying value is increased or decreased to recognised the investor's share of the profit or loss in the investee after acquisition date. The Group's investment in associates includes indentified on acquisition.

Entity considered for Consolidation

1. Citadel Realty and Developers Ltd - Holding Company
2. Shree Swami Samarth and Builders Developers - Associates

B. Significant accounting policies :-

1. Lease:-

Operating Lease

As a lessee:-

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases.

2. Cash and Cash Equivalents :-

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Inventories :-

Inventories of Finished Goods and Property under development are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and borrowing cost incurred related to project. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4. Investments in associates :-

Investments in associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

5. Investments and other financial asset :-

(a) Classification :-

The Group classifies its financial assets in the following measurement categories:

(1) Those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

(2) Those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

(i) Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

(1) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

(2) Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through statement of Profit and Loss. Interest income from these financial assets is included in other income.

(ii) Equity instruments:

The Group measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Group's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss

(c) Impairment of financial assets:

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(d) Income recognition:

Interest income:-

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends:-

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

6. Revenue recognition :-

(i) Construction Revenue :-

The Group undertakes the business of construction of residential properties through joint venture. The ongoing contracts with customers are construction of residential properties.

The Group has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 01 April 2018. The Company has applied the following accounting policy for revenue recognition:

The Group recognises revenue from contracts with customers for ongoing contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

The Group satisfies a performance obligation and recognises revenue over time as company satisfies the following criteria.

1. The Group's performance does not create an asset with an alternative use to the entity and
2. The Group has an enforceable right to payment for performance completed to date

The Group Recognised the revenue using cost based input method. Revenue is recognised with respect to stage of completion, which assessed with reference to the proportion of contract cost incurred for work performed to the estimated total cost of completion of contract.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Advances from customers, progress payments, amount due from and due to customers and retention money receivable

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (costs plus attributable profits) for the contract work performed till date.

(ii) Dividend Income :-

Dividend Income is accounted when the right to receive the same is established

(iii) Interest Income or expenses:-

Interest income or expense is accounted basis effective interest rate (EIR).

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

7. Cost of Construction / Development :-

Cost of Construction/Development (including cost of land) includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses incurred . Cost of sales is charged to the statement of profit and loss in the proportionate to project area sold and revenue whereof is recognised. Costs incurred for projects which have not achieved reasonable level of development is carried over as construction work-in-progress.

8. Borrowing Cost :

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

9. Earnings Per Share :

The Group reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive.

10. Current and Deferred Taxes : Current Tax :

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Deferred Tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively

11. Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognised when the Group has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

12. Operating Cycle :-

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realisation of project into cash & cash equivalents and are in the range of 3 to 7 years. Accordingly, project related assets & liabilities have been classified into current & non-current based on operating cycle of the respective projects. All other assets and liabilities have been classified into current and non-current based on a period of twelve months

13. Trade receivables :-

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit loss.

14. Trade and other payables :-

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

15. Borrowings :-

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method (EIR). Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

16. Dividends :-

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period

17. Standards issued but not effective

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature

The accounting by lessors under the new standard is substantially unchanged from today's accounting in Ind AS 17. Lessors classify all leases using the same classification Principle as in IAS 17 and distinguish between two types of leases: operating and finance leases

The Group predominantly has taken on leases its office space and the implementation of this Standard would have negligible effect in the financials of the company.

On March 30, 2019, the Ministry of Corporate Affairs has notified the following amendments in IND AS

The Group does not expect any significant impact of the following amendment on its financial statements.

1. Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty overincome tax treatments)

2. Ind AS 109 – Prepayment Features with Negative Compensation

3. Ind AS 19 – Plan Amendment, Curtailment or Settlement

4. Ind AS 23 – Borrowing Costs

Notes forming part of the consolidated financial statements

(All amounts are in INR unless otherwise stated)

Note 2 - Investments : Non-Current

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
Investments Carried at:		
A) Cost		
Investments in Partnership Firm		
Shree Swami Samarth Builders & Developers	57.31	37.59
	57.31	**37.59**

Note 3 - Deferred Tax Assets / (Liabilities)

(Rs. in Lakhs)

Significant components of deferred tax assets and liabilities for the year / Period ended	**As at 31-Mar-19**	**As at 31-Mar-18**
Deferred tax assets on:		
(a) carry forward unused tax losses & unabsorbed depreciation	59.62	64.29
MAT Credit Entitlement		
(a) Carry forward unused Tax credit (MAT)	142.80	140.51
Net Deferred tax assets/(liabilities)	**202.42**	**204.80**

Note 4 - Inventories

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
(At lower of cost and net realizable value)		
(a) Land and Plots	36.21	36.21
(b) Construction work-in-progress	234.07	238.24
Total	**270.28**	**274.45**

Note 5 - Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
(a) Balances with banks		
- In current accounts	0.73	4.11
(b) Cash in hand	0.14	0.06
Total	**0.87**	**4.17**

Note 6 - Other Balances with Banks

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
a) Earmarked accounts		
- Unclaimed dividend	3.53	1.81
Total	**3.53**	**1.81**

Note 7 - Loans :- Current

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured, Considered good		
(a) Loans to related parties	1,801.66	1,629.84
Total	**1,801.66**	**1,629.84**

Note 8 - Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) Prepaid expenses	5.38	11.24
(b) Other receivable	6.34	-
Total	**11.72**	**11.24**

Note 9A - Equity Share Capital

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Authorised:		
2,00,00,000 Equity shares of Rs. 10/- each	2,000.00	2,000.00
(as at 31 March 2018: 2,00,00,000 Equity Shares of Rs.10/- each)		
3,00,000 0% Redeemable Preference Shares of Rs.100/-each		
(as at 31 March 2018: 3,00,000 0% Redeemable Preference Shares of Rs.100/-each)	300.00	300.00
	2,300.00	**2,300.00**
Issued, Subscribed and Fully Paid:		
75,19,974 Equity Shares of Rs.10/- each	752.00	752.00
[as at 31 March 2018 75,19,974 Equity Shares of Rs.10/- each]		
Total	**752.00**	**752.00**

Note 9.1:- Terms, rights & restrictions attached to

a. Equity Shares:-

The Company has only one class of equity shares having a face value of Rs. 10 per share [PY: Rs. 10 per share]. Accordingly, all equity shares rank equally with regards to dividends & share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Preference Shares:-

The company has one class of preference shares having face value of Rs. 100/- each. The preference shares rank ahead of equity shares in the event of liquidation.

Note 9.2:- Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

(Rs. in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Shares at the beginning of the year	75,19,974	752.00	35,74,500	357.45
<u>Movement during the year</u>				
<u>Shares issued during the year</u>	-	-		
Conversion of Preference shares			1,85,487	18.55
Issue of Bonus Shares			37,59,987	376.00
Shares extinguished on buy back	-	-	-	
Outstanding at the end of the year	**75,19,974**	**752.00**	**75,19,974**	**752.00**

Note 9.3:- Shares held by Holding Company, its Subsidiaries and Associates

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
By Holding company		
38,41,764 equity shares of Rs. 10/- each (March 31,2018: 38,41,764 equity shares of Rs. 10/- each) are held by Marathon Realty Private Limited	384.18	384.18

Note 9.4:- Details of Shareholders holding more than 5% share in the company:-

Particulars	As at March 31, 2019		As at March 31, 2018	
	% holding	No. of Shares	% holding	No. of Shares
Marathon Realty Private Limited	51.09%	38,41,764	51.09%	38,41,764

Note 9.5:- Equity shares movement during the 5 years preceding March 31, 2019.

(a) Issued of shares without payment being received in cash:-

During the FY 2017-18, on approval of shareholders, the Allotment Committee at its meeting held on November 24, 2017, has allotted 1,85,487 Equity Shares of Rs. 10/- each at premium of Rs. 57.39/- on conversion of Preference Share and said shares are listed on BSE w.e.f. January 08, 2018.

(b) Equity shares issued as bonus:-

In FY 2017-18, the Company allotted 37,59,987 number of equity shares as fully paid up bonus shares by capitalisation of Security premium amounting Rs. 376.00/- lakhs pursuant to an ordinary resolution passed after taking the consent of shareholders by postal ballots March 14, 2018.

(c) The Company has not undertaken any buy-back of shares.

Note 9B - Shares Pending Issuance

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Pending Issuance		
1,86,112 Equity Share of Rs. 10/- each (Refer Note 9.6)	125.44	-
Total	**125.44**	**-**

Note 9.6:- Fibre Box India Pvt Ltd, the holder of Compulsorily Converted Debenture (CCD's) have opted to convert the 12,544 CCD's into 1,86,112 Equity Shares of Rs. 10/- each at a premium of Rs. 57.40/-. The allotment is pending approval of BSE Ltd . The shares so allotted would also be eligible for Bonus shares in the ratio of one share of Rs. 10/- each for every shares so converted.

Note 10 - Instruments entirely equity in nature

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
0% Compulsorily Convertible preference Shares		
Opening Balance		
Add:- issued during the year	-	125.00
Less:- converted during the year (Refer Note 9.5(a))	-	(125.00)
Closing Balance	**-**	**-**
0% Compulsorily Convertible Debentures		
Opening Balance	125.44	125.44
Add:- issued during the year	-	-
Less:- converted during the year (Refer Note 9.6)	125.44	-
Closing Balance	**-**	**125.44**
	-	**125.44**

Note 11 - Other Equity

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
(a) Securities Premium Account		
Opening balance	243.97	513.51
Add : Additions on account of conversion of Preference Share	-	106.45
Less:- Capitalisation for issue of Bonus Shares (Refer Note 9.5(b))	-	375.99
Closing Balance	**243.97**	**243.97**
(b) Surplus in Statement of Profit and Loss		
Opening balance	(208.02)	(272.17)
Add : Profit for the year	46.02	107.17
Less: Allocations/Appropriations		
(i) Dividend paid (Including Dividend Distribution tax)	45.24	43.02
Closing Balance	**(207.24)**	**(208.02)**
Total	**36.73**	**35.95**

Note 12 - Other Financial Liabilities : Non Current

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
(a) Deposits (as per term of Joint venture agreement) (Refer Note 31)	10.00	10.00
Total	**10.00**	**10.00**

Note 13 - Borrowings : Current

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
Unsecured Borrowings		
Loan Repayable on demand		
(a) Loan from Related party (Refer Note 31)	1,330.23	1,190.73
Total	**1,330.23**	**1,190.73**

Note 14 - Other Financial Liabilities : Current

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
(a) Unclaimed dividends	3.53	1.81
Total	**3.53**	**1.81**

Note 15 - Current Tax Liabilities (Net)

(Rs. in Lakhs)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
(a) Income Tax Payable (Net off Advance Tax & TDS credit Rs. 7.00/- lakhs as at 31-Mar-2019]	4.58	13.59
Total	**4.58**	**13.59**

Note 16 - Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) Advances received from customers	-	5.27
(b) Expenses Payable	0.85	3.14
(c) Statutory dues (Withhold Tax, GST)	9.04	2.10
(d) Advance Income	-	19.50
(e) Interest accrued but not due	75.39	4.38
Total	**85.28**	**34.39**

Note 17 - Revenue from Operations

(Rs. in Lakhs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Sale of Properties/Flats (Residential units)	10.28	122.66
(b) Other Development charges	19.50	19.50
Total	**29.78**	**142.16**

Note 18 - Other Income

(Rs. in Lakhs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Interest Income		
(i) On Loans & Advances given	193.77	187.53
(b) Other gain & loss		
(i) Sundry Balances Written Back	-	4.08
Total	**193.77**	**191.61**

Note 19 - Change in Inventory

(Rs. in Lakhs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Opening Inventory		
Work in Progress	238.24	288.15
Stock in Trade (Land & Plots)	36.21	36.21
Total opening Inventory	**274.45**	**324.36**
(b) Closing Inventory		
Work in Progress	234.06	238.24
Stock in Trade (Land & Plots)	36.21	36.21
Total Closing Inventory	**270.27**	**274.45**
Total (Change in Inventory = a-b)	**4.18**	**49.91**

Note 20 - Finance Cost

(Rs. in Lakhs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Interest expense on borrowings	148.92	136.21
Total	**148.92**	**136.21**

Note 21 - Other Expenses **(Rs. in Lakhs)**

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Rent (office)	2.12	2.11
(b) Insurance	1.03	0.62
(c) Rates and Taxes	1.73	2.60
(d) Printing & Stationery (incl. Postage charges)	4.72	4.24
(e) Travelling and Conveyance	0.09	0.15
(f) Legal and professional fees	5.34	9.49
(g) Payment to Auditors (Refer Note 21.1)	0.96	1.07
(h) Listing fees	3.33	2.88
(i) Ex-Workman Compensation expenses	-	1.75
(j) Director Sitting fees	9.00	9.00
(k) Share issue expenses	5.85	4.64
(l) Miscellaneous Expenses	0.50	2.55
(m) Interest on delayed payment of statutory dues	0.25	-
Total	**34.92**	**41.10**

Note 21.1:- Payment to Auditors (net off service tax & GST) towards **(Rs. in Lakhs)**

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Statutory Audit Fees including fees for quarterly limited reviews	0.81	0.62
Tax Audit Fees	0.15	0.15
Other Services	-	0.30
Total	**0.96**	**1.07**

Note 22 - Tax Expenses

Tax expense/(credit) recognized in the Statement of Profit and Loss **(Rs. in Lakhs)**

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
(a) Current tax		
Current Tax on taxable income for the year	6.84	20.19
Total current tax expense	**6.84**	**20.19**
(b) Deferred tax		
Deferred tax charge/(credit)	4.67	13.13
MAT Credit (taken)/utilised	(2.28)	(6.80)
Total deferred income tax expense/(credit)	**2.39**	**6.33**
(c) Adjustment of Tax related to earlier period	**-**	0.25
Total tax expense (a+b+c)	**9.23**	**26.77**

A) Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	Year Ended 31st Mar 2019	Year Ended 31st Mar 2018
Enacted income tax rate in India applicable to the Company	26.00%	25.75%
Profit before tax	**35.53**	**106.55**
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	9.24	27.44
Tax effect on exempt income	(0.12)	(0.45)
Mat credit utilised/ availed	(2.28)	(6.80)
Total income tax expense/(credit)	**6.83**	**20.19**

Note 23 - Earning Per Equity Share

Earnings per Share ('EPS') is determined based on the net profit attributable to the shareholder's of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number potential equity shares outstanding during the year, except where the result would be anti-dilutive. Weighted average number of equity shares includes impact of buy back of equity shares in FY 2017-18.

(Rs. in Lakhs except no. of Shares)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Earnings Per Share has been computed as under:		
Profit for the year	26.30	79.79
Weighted average number of equity shares outstanding	75.20	74.00
Earnings Per Share (Rs.) - Basic (Face value of Rs. 10 per share)	**0.35**	**1.08**
Add: Weighted average number of potential equity shares on account	75.20	74.00
conversion of Compulsorily Convertible Debenture	1.86	0.65
Weighted average number of Equity shares (including dilutive shares) outstanding	**77.06**	**74.65**
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 10 per share)	**0.34**	**1.07**

Note 24 :- Disputed Tax Liabilities

AY 2005-06

The Company was in appeal before Income Tax Appellate Tribunal (ITAT) regarding the re-opening of the Assessments u/s 148 of Income Tax Act, 1961for both the assessment years.. The ITAT has in its order quashed the reopening. The Income Tax Department is yet to give effect to the order of the ITAT. For AY 2006-07 the Income Tax Department has filed an appeal against the order of the ITAT before the Hon. Bombay High Court.

Note No. 25:- Lease

The Company has been operating from the premises owned by group Company Marathon Realty Private Limited. During the year, Company had entered into formal agreement for payment of rent on the premises occupied by it. The rental payable per month has been Rs. 0.90/- lakhs per annum. The lease does not have any non-cancellable portion. Tenure of the lease agreement is valid till 31st March 2019.

Note No. 26:- Segment Reporting

The Group is engaged in Real Estate. The operations of the company do not qualify for reporting as separate business segments as per the criteria set out under Indian Accounting Standard 108 (IND AS-108) on "Operating Segments". The Company is operating in India hence there is no reportable geographic segment. Accordingly no disclosure is required under IND AS - 108.

Note 27:- Disclosure as per Ind AS 115:-

(a) The Group is primarily engaged in the business of construction, development and sale of residential real estate projects. The core business activities are carried out under various business models likes own development, through joint ventures and joint development and other suitable arrangements with third parties.

(b) The Group has adopted Ind AS 115 'Revenue from Contracts with Customers' effective 1 April 2018. The Company has elected the option of the modified retrospective approach and there is no material impact on the measurement of revenue and retained earnings as of 1 April 2018. The presentation of certain contract related balances have been changed for the current year only and the previous year balances continues to be disclosed as done in the previous year, in compliance with the requirements of Ind AS 115.

As on 31 March 2019, revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is INR NIL

(c) Performamce obligation

The Group undertakes Construction business. The ongoing contracts with customers are for construction of residential buildings and it contained single performance obligation. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service.

The Group recognises contract revenue over time as company's perfomance does not create an assets with alternative use to the compay and entity has an enforceable rights to payment for perfomance completed to date as per criteria given under para no. 35(c) of Ind As 115.

The Group Recognised the revenue using cost based input method. Revenue is recognised with respect to stage of completion, which assessed with reference to the proportion of contract cost incurred for work performed to the estimated total cost of completion of contract.

Note 28:- Corporate Social Responsibility (CSR) expenditure

As per section 135 of the Companies Act, 2013, company need to spent 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) on fulfiling the criteria given under section 135 (1) of the Companies Act,2013. CSR is not applicable to the company as company does not fulfil the criteria given.

Financial instrument Disclosure:-

Note 29:- Capital Risk Management

The Group's capital management objectives are:

- to ensure the company's ability to continue as a going concern

- to maximize the return to stakeholders through the optimization of the debt and equity balance

The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

a) Gearing Ratio:

The Gearing ratio at the end of the reporting period are as follows:

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Debt* (A)	1,330.23	1,190.73
Cash and bank balances (B)	0.87	4.17
Net Debt C=(A-B)	**1,329.36**	**1,186.56**
Total Equity (D)	914.17	913.39
Net debt to equity ratio (C/D)	1.45	1.30

*Debt is defined as long-term and short-term borrowings including interest accrued on borrowings

b) Dividend Paid

(Rs. in Lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Equity shares		
Final dividend for the year ended 31 March 2018 of Rs. 0.50/-	37.60	
(31 March 2017 – Rs. 0.50/-l) per fully paid share of Rs. 10/- has been distributed		35.74
based on approval by the shareholders at the AGM held on 10th August, 2018		
Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 0.50/- per fully paid equity share (31 March 2018 – Rs. 0.50/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	37.60	37.60

The Board of Directors has recommended a Final Dividend of 5% (per share of Rs.0.50/-) on the enhanced equity share capital on pari passu basis in their meeting held on 8 May 2018 for the financial year 2017-18 subject to the approval of shareholders in the ensuing Annual General Meeting. The proposed dividend of Rs. 37.60/- lakhs and dividend distribution tax thereon, of Rs. 7.65 lakhs have not been recognised as liabilities.

Financial risk management

a) The carrying value of financial instruments by categories as of March 31, 2019 is as follows: **(Rs. in Lakhs)**

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value
Assets:				
Cash and cash equivalents	-	-	0.87	0.87
Other balances with banks	-	-	3.53	3.53
Investments (Other than investment in equity instruments of Subsidiaries)	-	-	57.31	57.31
Loans	-	-	1,801.66	1,801.66
Total	-	-	**1,863.37**	**1,863.37**
Liabilities:				
Trade and other payables	-	-	-	-
Borrowings	-	-	1,330.23	1,330.23
Other financial liabilities	-	-	3.53	3.53
Total	-	-	**1,333.76**	**1,333.76**

b) The carrying value of financial instruments by categories as of March 31, 2018 is as follows: **(Rs. in Lakhs)**

Particulars	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value
Assets:				
Cash and cash equivalents	-	-	4.17	4.17
Other balances with banks	-	-	1.81	1.81
Investments (Other than investment in equity instruments of Subsidiaries)	-	-	37.59	37.59
Loans	-	-	1,629.84	1,629.84
Total	-	-	**1,673.40**	**1,673.40**
Liabilities:				
Trade and other payables	-	-	-	-
Borrowings	-	-	1,190.73	1,190.73
Other financial liabilities	-	-	1.81	1.81
Total	-	-	**1,192.54**	**1,192.54**

I) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Future specific market movements cannot be normally predicted with reasonable accuracy.

Currency risk: The Group does not have material foreign currency transactions. The Group is not exposed to risk of change in foreign currency.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Profit or loss is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates. The company has borrowed the fund at fixed rate of interest and thus there is no risk of interest rates fluctuating.

Other price risk:

The Group is not exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

II) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk.

Credit Risk management :-

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
A: Low credit risk	Investments, Other bank balances, trade receivables, cash and cash equivalents, loans and other financial assets	12 month expected credit loss/Life time expected credit loss
C: High credit risk	Trade receivables and loans & Advances	12 month expected credit loss/Life time expected credit loss/fully provided for

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

III) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(a) Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at 31 March 2019:

(Rs. in Lakhs)

Financial liabilities	Carrying amount	Due in one Year	Due after one Year	Total contractual cash flows
(b) Borrowings and interest thereon (incl. current maturity of long term debt)				
- 31 March 2019	1,330.23	1,330.23	-	**1,330.23**
- 31 March 2018	1,190.73	1,190.73	-	**1,190.73**
(c) Other financial liabilities				
- 31 March 2019	3.53	3.53		**3.53**
- 31 March 2018	1.81	1.81		**1.81**
Total				
- 31 March 2019	1,333.76	1,333.76	-	**1,333.76**
- 31 March 2018	1,192.54	1,192.54	-	**1,192.54**

Note 30:- Joint venture

a) The company was hitherto jointly developing an area admeasuring 2159 sq. mtrs of slum property with Mr. Vaibhav Kokate. Company has entered into a partnership with Mr. Vaibhav Kokate in a firm named Shree Swami Samarth Builders and Developers (SSSBD) wherein the company has contributed to 50% of the capital to the partnership.

b) By virtue of a registered deed the company has transferred development rights pertaining to 2159 sq. mtrs owned by it to the partnership firm SSSBD. Mr. Vaibhav Kokate has also transferred land belonging to him into the partnership. In lieu of the company transferring the development rights it would be entitled to a percentage of the saleable area post the merger of the two land parcels which would be delivered to the company post obtaining the Occupation Certificate by SSSBD.

c) Further the company is entitled to 37.50% share in the profits of the firm SSSBD less what it would have received during the pendency of the project.

Note 31:- Related Part Transaction

List of Related Parties and Transactions during the year as per Ind AS-24 "Related Party Disclosures"

a) Holding Company

1. Marathon Realty Private Ltd (w.e.f. March 26, 2018)

b) Associates

1. Shree Swami Samarth Builders & Developers (Partnership Firm)
2. Fibre Box Bombay Private Ltd

c) Key Managerial Personnel

1. Mr. Veeraraghavan Ranganathan - Chairman
2. Mr. S. Ramamurthi – Director & C.E.O
3. Mr. Chetan R. Shah – Director
4. Ms. Sonal M. Shah - Director
5. Mr. Nilesh Dand – Director & CFO w.e.f. May 08,2018
6. Mr. Devendra Shrimankar – Director

d) Relatives of Key Management Personnel having transactions during the year

1. Ms. Ansuya R. Shah (Mother of Director)
2. Mr. Ramniklal Z. Shah (Father of Director)
3. Ms. Shailaja C. Shah (Wife of Chetan R Shah - Director)
4. Mr. Mayur R. Shah – (Brother of Chetan R. Shah - Director and husband of Ms Sonal Shah - Director)

Transactions with Related Parties (RP): **(Rs. in Lakhs)**

Type of Transaction	Relationship	Particular	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Dividend paid on Equity Shares	Relatives of KMP	Shailalaja C Shah	1.35	-
	Director	Sonal M Shah	1.35	-
	Holding company	Marathon Realty Private Ltd	19.21	9.48
	Significant influence of KMP	Fibre Box India Private Ltd	1.85	-
	Director	Chetan R Shah		6.23
	Director	Mayur R Shah		6.20
Interest Income from Partnership Firm / LLP's	Associates	Shree Swami Samarth Builders and Developers	193.77	163.33
	Holding company	Marathon Realty Private Ltd	-	24.20
Interest Expenses on Inter Corporate Deposits	Holding company	Marathon Realty Private Ltd	82.34	-
	Associates	Shree Swami Samarth Builders and Developers	66.58	135.59

Rent Expenses for corporate office	Holding company	Marathon Realty Private Ltd	2.12	2.11
Director Sitting Fees	Director Director Director Director Director Director	V. Ranganathan S. Ramamurthi Devendra Shrimankar Chetan Shah Nilesh Dand Sonal Shah	2.30 2.20 2.00 1.00 1.10 0.40	1.90 2.20 2.00 0.90 1.30 0.70
Loan Given	Associates	Shree Swami Samarth Builders and Developers	-	780.70
Loans received back	Associates	Shree Swami Samarth Builders and Developers	21.94	-
Inter Corporate Deposits taken	Holding company	Marathon Realty Private Ltd	705.00	599.00
Loan Repaid	Associates	Shree Swami Samarth Builders and Developers Marathon Realty Private Ltd	564.44 -	343.59 0.25
Share of Profit from Partnership Firm	Associates	Shree Swami Samarth Builders and Developers	23.19	-
Closing Balance Loan Given	Associates	Shree Swami Samarth Builders and Developers	1,801.66	1,629.84
Inter Corporate Deposit taken	Holding company Associates Significant influence of KMP	Marathon Realty Private Ltd Shree Swami Samarth Builders and Developers Fibre Box India Private Ltd	836.67 250.00 243.56	131.67 815.50 243.56
Investment in Partnership Firm	Associates	Shree Swami Samarth Builders and Developers	33.39	10.20
Deposits for Project	Associates	Shree Swami Samarth Builders and Developers	10.00	10.00

Note 32 : Particulars of Consolidation

i. Entity considered for Consolidation

Sr. No.	Name of the Entity	% of ownership as on		Nature of Interest	Principal Activities
		31-Mar-19	31-Mar-18		
1	Shree Swami Samarth Builders & Developers	37.50%	37.50%	Associates	Real Estate

ii. Disclosure as required under Ind AS 112

Reconciliation of carrying amount of investment in associates :-

Particulars	As at 31-Mar-19	As at 31-Mar-18
Cost of investment mesured using Equity method	37.59	10.20
Share of group in the profit of the firm	19.72	27.39
Value of Investment in Balance sheet as per note no. 2	**57.31**	**37.59**

Note 33:- Additional Information, as required under Schedule III to the Companies Act, 2013, of Consolidated Entities

(a) Statement of Net Assets and Profit/Loss and Other Comprehensive Income considered in Consolidated Financial Statements

Name of the entity in the Group	Net Asset i.e.total assets minus total liablities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consoli-dated net assets	As at 31st March 2019	As % of consoli-dated profit or loss	Year ended 31st March 2019	As % of consoli-dated OCI	Year ended 31st March 2019	As % of total comp-rehensive income	Year ended 31st March 2019
Parent								
Citadel Realty and Developers Ltd	97.84%	894.45	57.15%	26.30	-	-	57.15%	26.30
Associates (as per Equity Method)								
Shree Swami Samarth Builders and Developers	2.16%	19.72	42.85%	19.72	-	-	42.85%	19.72
	100.00%	914.17	100.00%	46.02	-	-	100.00%	46.02

Note 34:- Event occurring after balance sheet date

The Board of Directors has recommended Equity dividend of Re. 0.50/- per share (Previous year Re. 0.50) for the financial year 2018-19.

Note 35:- Other Significant Notes:-

i. **Pending litigations:-** The Group's pending litigations comprise of claims by or against the Group primarily by the suppliers and proceedings pending with tax and other government authorities. The Group has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Group has made adequate provision in the financial statements and appropriate disclosure for contingent liabilities is given in Note 24

ii. **Foreseeable Losses:-** The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts has been made in the books of account. There are no derivatives.

iii. Previous Year's figure have been regrouped/rearranged, wherever necessary.

iv. In the opinion of the Management of the Group, all current assets appearing in the Balance Sheet as at March 31, 2019 have a value on realisation in the ordinary course of the Company's business at least equal to the amount at which they are stated in the Balance Sheet.

v. Balance of trade receivables, other receivable, trade payables and loans and advances are subject to confirmation from respective parties and reconciliation, if any.

vi. The share of profit / (loss) in the Firm is accounted in the books of the Company as and when the same is credited / debited to the Partners' Capital Account.

In terms of our report attached
For Bipin Shah & Co.
Chartered Accountants
(Firm's Registration No. 101511W)

Bipin Shah
Proprietor
Membership No. 013191

Place :- Mumbai
Date :- May 27, 2019

For and on behalf of the Board of Directors

V.Ranganathan
Chairman
(DIN:- 0269682)

S.Ramamurthi
Director & CEO
(DIN:- 00135602)

Nilesh Dand
Director & CFO
(DIN:- 00199785)

Anuja Dube
Company Secretary
(ACS44198)

Place :- Mumbai
Date :- May 27,2019

CITADEL REALTY AND DEVELOPERS LIMITED

Regd. Off.: Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai
Tel.: 022 6158 8484 · Fax: 022 6158 8410 E-mail: citadel@marathonrealty.com
Website: www.citadelrealty.in CIN: L21010MH1960PLC011764

Form No. MGT - 11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s):
Registered address:
E-mail Id:
Folio No/Client Id:
DP ID:

I/We, being the member(s) of __________ shares of the above named company, hereby appoint

1. Name _______________ Address: ______________ E-mail Id: ______________ Signature: ___________ or failing him
2. Name _______________ Address: ______________ E-mail Id: ______________ Signature: ___________ or failing him
3. Name _______________ Address: ______________ E-mail Id: ______________ Signature: ___________ or failing him

proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 59th Annual General Meeting of the Company to be held on Friday, September 27, 2019 at 3.00 P.M. at Kilachand Conference Room, 2nd floor, Indian Merchant Chambers, Churchgate, Mumbai 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against
Ordinary Business			
1	To receive, consider and adopt the Standalone and Consolidated Audited Profit and Loss Account for the year ended 31st March, 2019 and the Balance Sheet as at that date and the Report of the Board of Directors and the Auditors thereon.		
2	To declare Dividend, if any, for the financial year ended on 31st March 2019		
3	To appoint a Director in place of Ms. Sonal Shah, who retires by rotation and being eligible, offers herself for reappointment.		
Special Business			
4	To appoint Mr. V. Ranganathan (DIN 00269682) as an Independent Director (Special Resolution)		

Signed this ________ day of ____________, 2019

Affix Re. 1 Revenue Stamp

Signature of Proxy Holder

Signature of shareholder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting

CITADEL REALTY AND DEVELOPERS LIMITED

Regd. Off.: Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai
Tel.: 022 6158 8484 · Fax: 022 6158 8410 E-mail: citadel@marathonrealty.com
Website: www.citadelrealty.in CIN: L21010MH1960PLC011764

ATTENDANCE SLIP

59TH ANNUAL GENERAL MEETING

Name of the member(s):

Registered address:

I certify that I am a registered shareholder / Proxy for the registered shareholder of the Company. I hereby accord my presence at the 59th Annual General Meeting of the Company at Kilachand Conference Room, 2nd floor, Indian Merchant Chambers, Churchgate, Mumbai 400020 on Friday, September 27, 2019 at 3.00 P.M.

Members Name: ________________________________

Proxy's Name: ________________________________ ________________

Note:

Members / Proxy's signature

1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members / Proxy Holders / Authorized Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorized Representatives of Corporate Members shall produce authorization issued in their favour.

NOTES

NOTES

Citadel Realty and Developers Limited
802, Marathon Max,
Jn. of Mulund-Goregaon Link Road,
Mulund (W), Mumbai - 400 080.