

# Vision, Mission, Reality.

Annual Report 2011 - 12

rodium<sup>TM</sup>  
reality ltd.



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**BOARD OF DIRECTORS (As on 29th August, 2012)**

Mr. Deepak Chheda	Chairman and Managing Director
Mr. Harish Nisar	Executive Director
Mr. Rohit Dedhia	Executive Director
Mr. Shailesh Shah	Executive Director
Mr. Yogesh Shah	Non-Executive, Independent Director
Mr. Vatsal Shah	Non-Executive, Independent Director
Mr. Sudhir Mehta	Non-Executive, Independent Director
Mr. Nilesh Vikamsey	Non-Executive, Independent Director

**COMPANY SECRETARY**

Mr. Brijesh Thakkar

**CHIEF FINANCIAL OFFICER**

Mr. Mehul Nisar

**AUDITORS**

M/s. M.M. Nissim & Co., Chartered Accountants

**SOLICITORS & ADVOCATES**

M/s. Lilani Shah & Co.

**BANKERS**

Indian Overseas Bank  
Kotak Mahindra Bank Limited  
Deutsche Bank  
State Bank of Hyderabad

**REGISTERED OFFICE**

Plot No. 636, 501, X'cube, Off New Link Road,  
Andheri (West), Mumbai - 400 053.  
Tel: 022-4231 0800, Fax : 022-4231 0855  
Email id (General info): info@rodium.net  
Email id (Investor Grievance): cs@rodium.net

**REGISTRARS & TRANSFER AGENTS**

Cameo Corporate Services Limited,  
Subramanian Buildings,  
No. 1 Club House Road,  
Chennai - 600 002.  
Phone : 044-2846 0390  
Email : investor@cameoindia.com

## NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of Rodium Realty Limited will be held on Saturday, September 29, 2012 at 10.00 a.m. Ground Floor, X'Trium, C.T.S. No. 291, Andheri – Kurla Road, Near Holy Family Church, Andheri (East), Mumbai - 400069 to transact the following businesses:-

### ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as on March 31, 2012 and the Profit and Loss Account for the financial year ended March 31, 2012 and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Yogesh Shah, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Vatsal Shah, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint M/s M.M. Nissim & Co., Chartered Accountants, as the Statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to consent of the members and permission of the Central Government and all other necessary permissions, sanctions and approvals as may be required, the re-appointment of Mr. Deepak Chheda as Managing Director designated as Chairman and Managing Director of the Company for a further period of 3 (Three) years with effect from November 14, 2012 be and is hereby approved on such terms and conditions as set out below, with liberty to the Board of Directors to alter or vary the terms and conditions of the said re-appointment or any statutory modification or re-enactment thereof:

- (a) Basic Salary: Board of Directors (which expression shall include a Committee thereof) shall mutually determine the basic salary and shall also be authorised to revise basic salary from time to time taking into account the performance of the company, however subject to a ceiling of Rs.2,50,000/- per month, provided that such ceiling shall not exceed limits specified under Schedule XIII of the Companies Act, 1956.
- (b) Perquisites: In addition to the Salary, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise), in lieu thereof together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, club fees (subject to maximum of one club but excluding admission fees and life membership fees), leave travel concession/ allowance, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for himself and his family, medical/ accident insurance, Company maintained car with driver, telecommunication facilities at resident and such other perquisites and allowances in accordance with the Rules of the Company.

The above perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of such rules, the perquisites will be evaluated at actual cost.

- (c) Provision for car with driver for business of the Company and Telephone at residence shall not be treated as perquisites.
- (d) Minimum Remunerations: In the event of absence or inadequate profits in any financial year, Mr. Deepak Chheda shall be entitled to remuneration by way of salary, allowances and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956.
- (e) The aggregate of the remuneration and perquisites as mentioned in point no (a) in any financial year exceeding the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, shall be subject to approval by the Central Government.

Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of all business related expenses actually and properly incurred for the business of the Company.

Other Material terms:

- i. Subject to superintendence, control and directions of the Board of Directors, the Managing Director shall have a general conduct and management of the whole of business and affairs of the Company.
- ii. Managing Director shall not during his term of office as Managing Director, be liable to retire by rotation.
- iii. Managing Director will not be paid any sitting fees for attending the meetings of Board of Directors or Committees thereof.

**RESOLVED FURTHER THAT** any of the directors of the Company be and is hereby authorised to enter into agreement of re-appointment on behalf of the Board and to do all such acts, deed and take such steps as may be necessary, proper or expedient to give effect to the above resolution".

- 6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to consent of the members and permission of the Central Government and all other necessary permissions, sanctions and approvals as may be required, the re-appointment of Mr. Harish Nisar as Executive Director of the Company, on Whole time basis for a further period of 3 (Three) years with effect from November 14, 2012, be and is hereby approved on such terms and conditions as set out below, with liberty to the Board of Directors to alter or vary the terms and conditions of the said re-appointment or any statutory modification or re-enactment thereof:

- (a) Basic Salary: Board of Directors (which expression shall include a Committee thereof) shall mutually determine the basic salary and shall also be authorised to revise basic salary from time to time taking into account the performance of the company, however subject to a ceiling of Rs.85,000/- per month, provided that such ceiling shall not exceed limits specified under Schedule XIII of the Companies Act, 1956.
- (b) Perquisites: In addition to the Salary, the Executive Director shall also be entitled to perquisites and

allowances like accommodation (furnished or otherwise), in lieu thereof together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, club fees (subject to maximum of one club but excluding admission fees and life membership fees), leave travel concession/ allowance, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for himself and his family, medical/ accident insurance, Company maintained car with driver, telecommunication facilities at resident and such other perquisites and allowances in accordance with the Rules of the Company.

The above perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of such rules, the perquisites will be evaluated at actual cost.

- (c) Provision for car with driver for business of the Company and Telephone at residence shall not be treated as perquisites.
- (d) Minimum Remunerations: In the event of absence or inadequate profits in any financial year, Mr. Harish Nisar shall be entitled to remuneration by way of salary, allowances and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956.
- (e) The aggregate of the remuneration and perquisites as mentioned in point no (a) in any financial year exceeding the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, shall be subject to approval by the Central Government.

Apart from the aforesaid remuneration, the Executive Director shall be entitled to reimbursement of all business related expenses actually and properly incurred for the business of the Company.

**RESOLVED FURTHER THAT** any of the directors of the Company be and is hereby authorised to enter into agreement for re-appointment on behalf of the Board and to do all such acts, deed and take such steps as may be necessary, proper or expedient to give effect to the above resolution”.

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to consent of the members and permission of the Central Government and all other necessary permissions, sanctions and approvals as may be required, the re-appointment of Mr. Rohit Dedhia as Executive Director, designated as Chief Operating Officer of the Company for a further period of 3 (Three) years with effect from November 14, 2012 be and is hereby approved on such terms and conditions as set out below, with liberty to the Board of Directors to alter or vary the terms and conditions of the said re-appointment or any statutory modification or re-enactment thereof:

- (a) Basic Salary: Board of Directors (which expression shall include a Committee thereof) shall mutually determine the basic salary and shall also be authorised to revise basic salary from time to time taking into account the performance of the company, however subject to a ceiling of Rs.85,000/- per month, provided that such ceiling shall not exceed limits specified under Schedule XIII of the Companies Act, 1956.
- (b) Perquisites: In addition to the Salary, the Executive Director shall also be entitled to perquisites and



allowances like accommodation (furnished or otherwise), in lieu thereof together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, club fees (subject to maximum of one club but excluding admission fees and life membership fees), leave travel concession/ allowance, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for himself and his family, medical/ accident insurance, Company maintained car with driver, telecommunication facilities at resident and such other perquisites and allowances in accordance with the Rules of the Company.

The above perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of such rules, the perquisites will be evaluated at actual cost.

- (c) Provision for car with driver for business of the Company and Telephone at residence shall not be treated as perquisites.
- (d) Minimum Remunerations: In the event of absence or inadequate profits in any financial year, Mr. Rohit Dedhia shall be entitled to remuneration by way of salary, allowances and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956.
- (e) The aggregate of the remuneration and perquisites as mentioned in point no (a) in any financial year exceeding the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, shall be subject to approval by the Central Government.

Apart from the aforesaid remuneration, the Executive Director shall be entitled to reimbursement of all business related expenses actually and properly incurred for the business of the Company.

**RESOLVED FURTHER THAT** any of the directors of the Company be and is hereby authorised to enter into agreement for re-appointment on behalf of the Board and to do all such acts, deed and take such steps as may be necessary, proper or expedient to give effect to the above resolution”.

- 8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to consent of the members and permission of the Central Government and all other necessary permissions, sanctions and approvals as may be required, the re-appointment of Mr. Shailesh Shah as Executive Director of the Company, on Whole time basis for a further period of 3 (Three) years with effect from November 14, 2012 be and is hereby approved on such terms and conditions as set out below, with liberty to the Board of Directors to alter or vary the terms and conditions of the said re-appointment or any statutory modification or re-enactment thereof:

- (a) Basic Salary: Board of Directors (which expression shall include a Committee thereof) shall mutually determine the basic salary and shall also be authorised to revise basic salary from time to time taking into account the performance of the company, however subject to a ceiling of Rs.35,000/- per month, provided that such ceiling shall not exceed limits specified under Schedule XIII of the Companies Act, 1956.

- (b) Perquisites: In addition to the Salary, the Executive Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise), in lieu thereof together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, club fees (subject to maximum of one club but excluding admission fees and life membership fees), leave travel concession/ allowance, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for himself and his family, medical/ accident insurance, Company maintained car with driver, telecommunication facilities at resident and such other perquisites and allowances in accordance with the Rules of the Company.

The above perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of such rules, the perquisites will be evaluated at actual cost.

- (c) Provision for car with driver for business of the Company and Telephone at residence shall not be treated as perquisites.
- (d) Minimum Remunerations: In the event of absence or inadequate profits in any financial year, Mr. Shailesh Shah shall be entitled to remuneration by way of salary, allowances and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956.
- (e) The aggregate of the remuneration and perquisites as mentioned in point no (a) in any financial year exceeding the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, shall be subject to approval by the Central Government.

Apart from the aforesaid remuneration, the Executive Director shall be entitled to reimbursement of all business related expenses actually and properly incurred for the business of the Company.

**RESOLVED FURTHER THAT** any of the directors of the Company be and is hereby authorised to enter into agreement for re-appointment on behalf of the Board and to do all such acts, deed and take such steps as may be necessary, proper or expedient to give effect to the above resolution”.

By order of the Board of Directors,

For **Rodium Realty Limited**

Company Secretary

Date: August 29, 2012.

Place: Mumbai



**NOTES :**

1. The information required to be provided under the Listing Agreement entered into with the Stock Exchange(s), regarding the Directors who are proposed to be re-appointed and the relative Explanatory Statement pursuant to Section 173[2] of the Companies Act, 1956 in respect of the business under items 2, 3 (Directors retiring by rotation) and items 5 to 8 (Reappointment of Directors) set out above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. IN ORDER TO BE EFFECTIVE, THE INSTRUMENT APPOINTING THE PROXY MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send, to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. 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.
6. The relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
7. Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.
8. Members, who hold shares in dematerialized form, are requested to bring their client ID and DP ID Nos. for easy identification of attendance at the meeting.
9. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, September 26, 2012 to Saturday, September 29, 2012 (Both days inclusive).

**Important Communication to Members.**

The Ministry of Corporate Affairs, (MCA) had taken a "Green Initiative in the Corporate Governance" and permitted the companies to serve the notice/documents through electronic mode. SEBI, vide its circular ref. No. CIF/CFD/DIL/2011 dated 5th October, 2011 has directed listed companies to furnish soft copies of full Annual Reports to all those shareholders who have registered their email addresses.

Your Company, being dedicated towards preserving and protecting environment, continuously seeks opportunities to reduce adverse impact on the planet. In order to continue our support towards "Green Initiative", your Company has decided to have paperless documentation to the maximum possible extent by forwarding the above referred documents to you through electronic mode. This will also ensure prompt receipt of communication and avoid loss in postal transit.

We therefore request you to register your e-mail address, in respect of electronic holdings with your Depository Participants, Members who hold shares in physical form are requested to register their e-mail address at investor@cameoindia.com or send a requisition letter to Cameo Corporate Services Ltd, "Subramanian Building", V Floor, 1, Club House Road, Chennai- 600 002 the Registrar and Share Transfer Agents of the Company.

## ANNEXURE FORMING PART OF THE NOTICE

(Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.)

### SPECIAL BUSINESS:

#### Item No. 5

The members of the Company at their Extra - Ordinary General Meeting held on January 27, 2010 had approved the appointment of Mr. Deepak Chheda, as Managing Director of the Company w.e.f November 14, 2009, for a period of 3 (Three) years. The period of 3 (Three) years is expiring on November 13, 2012.

Mr. Deepak Chheda is responsible for day to day operations of the Company under the overall superintendence, direction and control of the Board. In recognition of his excellent performance and to enable the Company to continue to benefit from his stewardship, the Remuneration Committee has recommended his re-appointment as Managing Director of the Company with such emoluments and for such term as provided in the resolution.

The Remuneration Committee along with the Board of Directors of the Company at their meeting held on August 29, 2012 approved the re-appointment of Mr. Deepak Chheda as Managing Director of the Company for a further period of 3 (Three) years w.e.f. November 14, 2012 on a remuneration of Rs.2,50,000/- per month, is subject to the approval of the members of the Company.

The details as required under proviso(iii) to Clause B of Part II of Schedule XIII of the Act are given hereunder:

#### I. GENERAL INFORMATION:

- 1) **Nature of the industry:** The Company is in the Real Estate and Project Management Consultancy business.
- 2) **Expected date of commencement of commercial production:** The Company has started its Real Estate activities from January, 2010 onwards.
- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
- 4) **Financial performance –** (Based on the Audited Account for the year ended 31st March, 2012)

#### (Rs. In Lacs)

Turnover	2787.74
Net Profit Before Tax	552.54
Total Expenditure	2369.92

- 5) **Export performance and net foreign exchange collections:** Rs.221.78 Lacs
- 6) **Foreign investments or collaborators, if any:** Nil

#### II. INFORMATION ABOUT THE APPOINTEE:

- 1) **Background details:** Mr. Deepak Chheda is Master of Architecture from California Polytechnic State University, San Luis Ibispo, CA, U.S.A. He has over 24 years of experience in the field of architecture, engineering and construction. He is skillfully steering the Company in excelling in Real Estate Business.

- 2) **Past remuneration:** The Total remuneration paid to Mr. Deepak Chheda during the financial year ended April 1, 2011 to March 31, 2012 was Rs.24,00,000/- (Twenty Four Lacs Only)
- 3) **Job profile and his suitability:** Subject to the superintendence, direction and control of the Board, the day to day management and administration of the Company are vested with the Managing Director.
- 4) **Remuneration proposed:** The Company proposes to pay remuneration of Rs.2,50,000/- p.m. to Mr. Deepak Chheda w.e.f November 14, 2012.
- 5) **Comparative remuneration profile:** Taking into consideration, the size of the Company, the profile of Managing Director and the responsibility shouldered by him and the industry benchmark, the remuneration proposed to be paid commensurate with the remuneration paid to similar senior level directors in other Companies.

The remuneration payable to Mr. Deepak Chheda is justified in comparison to remuneration paid in the industry and size of the Company.

- 6) **Pecuniary relationship:** Mr. Deepak Chheda has no pecuniary relationship with the Company except that he is one of the Promoter of the Company and remuneration payable to him as Managing Director. He is also among the major shareholder of the Company. He does not have any pecuniary relationship with the Company and its managerial personnel other than as already disclosed by the directors under the relevant provisions of the Companies Act, 1956.

### III. OTHER INFORMATION:

- 1) **Reason for loss or inadequate profits:** The Company managed to earn a profit of Rs.3,95,23,811/- during the financial year 2011-12. However, looking to the global meltdown and lull in the real estate business, there is likely to be impact on the operations of the Company which may bring down the margins to some extent in future till the economy recovers.
- 2) **Steps taken or proposed to be taken for improvement:** The Company is focusing on long term business models and emerging opportunities to reinforce its fundamentals such as renegotiation of old and new land deals and taking efforts on implementing marketing strategies to help increase the sale and thereby increasing the profits of the Company.
- 3) **Expected increase in productivity and profits measurable terms:** Since the Company is focusing on a prudent mix, which includes traditional platforms as well as emerging opportunities, it is difficult to quantify the increase.

The above may be treated as an abstract of the terms of appointment in terms of Section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolutions as set out at item No. 5 for members' approval. Except Mr. Deepak Chheda, no other Director is interested in this Resolution.

### Item no. 6

The members of the Company at their Extra- ordinary General Meeting held on January 27, 2010 had approved the appointment of Mr. Harish Nisar, as Executive Director of the Company on Whole time basis w.e.f. November 14, 2009, for a period of 3 (Three) years. The period of 3 (Three) years is expiring on November 13, 2012.

Mr. Harish Nisar is responsible for liaising with Government agencies, business development and other day to day affairs of the Company under the overall superintendence, direction and control of the Board. In recognition of his vast experience and managerial skills, the Remuneration Committee has recommended his re-appointment as Executive Director of the Company with such emoluments and for such term as provided in the resolution.

The Remuneration Committee along with the Board of Directors of the Company at their meeting held on August 29, 2012 approved the re-appointment of Mr. Harish Nisar as Executive Director of the Company, for a further period of 3 (Three) years on w.e.f. November 14, 2012 on remuneration of Rs.85,000/- per month is subject to the approval of the members of the Company.

The details as required under proviso(iii) to Clause B of Part II of Schedule XIII of the Act are given hereunder:

#### I. GENERAL INFORMATION:

- 1) **Nature of the industry:** The Company is in the Real Estate and Project Management Consultancy business.
- 2) **Expected date of commencement of commercial production:** The Company has started its Real Estate activities from January, 2010 onwards.
- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
- 4) **Financial performance** – (Based on the Audited Account for the year ended 31st March, 2012)

#### (Rs. In Lacs)

Turnover	2787.74
Net Profit Before Tax	552.54
Total Expenditure	2369.92

- 5) **Export performance and net foreign exchange collections:** Rs.221.78 Lacs
- 6) **Foreign investments or collaborators, if any:** Nil

#### II. INFORMATION ABOUT THE APPOINTEE:

- 1) **Background details:** He is a science graduate from Mumbai University. He is the promoter director of the Company and has more than 21 years of experience in manufacturing and business for industrial safety products and over 16 years of experience in redevelopment of properties.
- 2) **Past remuneration:** The Total remuneration paid to Mr. Harish Nisar during the financial year April 1, 2011 to March 31, 2012 is Rs.7,50,000/- (Seven Lacs and fifty thousand only).
- 3) **Job profile and his suitability:** Taking into consideration his qualification and experience in relevant field, the Executive Director is best suited for the responsibilities currently assigned to him by the Board of Directors.
- 4) **Remuneration proposed:** The Company proposes to pay remuneration of Rs.85,000/- p.m. to Mr. Harish Nisar w.e.f November 14, 2012.

- 5) **Comparative remuneration profile:** Taking into consideration, the size of the Company, the profile of Executive Director, the responsibility shouldered by him and the industry benchmark, the remuneration proposed to be paid commensurate with the remuneration paid to similar senior level directors in other Companies.
- 7) **Pecuniary relationship:** Mr. Harish Nisar has no pecuniary relationship with the Company except that he is one of the Promoter of the Company and remuneration payable to him as Executive Director. He is also among the major shareholder of the Company. He does not have any pecuniary relationship with the Company and its managerial personnel other than as already disclosed by the directors under the relevant provisions of the Companies Act, 1956.

### III. OTHER INFORMATION:

- 1) **Reason for loss or inadequate profits:** The Company managed to earn a profit of Rs. 3,95,23,811/- during the financial year 2011-12. However, looking to the global meltdown and lull in the real estate business, there is likely to be impact on the operations of the Company which may bring down the margins to some extent in future till the economy recovers.
- 2) **Steps taken or proposed to be taken for improvement:** The Company is focusing on long term business models and emerging opportunities to reinforce its fundamentals such as renegotiation of old and new land deals and taking efforts on implementing marketing strategies to help increase the sale and thereby increasing the profits of the Company.
- 3) **Expected increase in productivity and profits measurable terms:** Since the Company is focusing on a prudent mix, which includes traditional platforms as well as emerging opportunities, it is difficult to quantify the increase.

The above may be treated as an abstract of the terms of appointment in terms of Section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolutions as set out at item No.6 for members' approval. Except Mr. Harish Nisar, no other Director is interested in this Resolution.

#### Item no. 7

The members of the Company at their Extra-ordinary General Meeting held on January 27, 2010 had approved the appointment of Mr. Rohit Dedhia, as Executive Director of the Company designated as Chief Operating Officer w.e.f. November 14, 2009, for a period of 3 (Three) years. The period of 3 (Three) years is expiring on November 13, 2012.

Mr. Rohit Dedhia is responsible for project execution and other operational aspect of the Company under the overall superintendence, direction and control of the Board. In recognition of his vast experience and managerial skills, the Remuneration Committee has recommended his re-appointment as Executive Director of the Company with such emoluments and for such term as provided in the resolution.

The Remuneration Committee along with the Board of Directors of the Company at their meeting held on August 29, 2012 approved the re-appointment of Mr. Rohit Dedhia as Executive Director of the Company for a further period of 3 (Three) years on w.e.f. November 14, 2012 on remuneration of Rs.85,000/- per month is subject to the approval of the members of the Company.

The details as required under proviso(iii) to Clause B of Part II of Schedule XIII of the Act are given hereunder:

## I. GENERAL INFORMATION:

- 1) **Nature of the industry:** The Company is in the Real Estate and Project Management Consultancy business.
- 2) **Expected date of commencement of commercial production:** The Company has started its Real Estate activities from January, 2010 onwards.
- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
- 4) **Financial performance –** (Based on the Audited Account for the year ended 31st March, 2012)

### (Rs. In Lacs)

Turnover	2787.74
Net Profit before Tax	552.54
Total Expenditure	2369.92

- 5) **Export performance and net foreign exchange collections:** Rs.221.78 Lacs
- 6) **Foreign investments or collaborators, if any:** Nil

## II. INFORMATION ABOUT THE APPOINTEE:

- 1) **Background details:** He is a commerce graduate from Mumbai University. He is the Chief Operating Officer of Company. He has over 16 years of experience in project execution, Operation and financial management services
- 2) **Past remuneration:** The Total remuneration paid to Mr.Rohit Dedhia during the period April 1, 2011 to March 31, 2012 is Rs. 7,50,000/- (Seven Lacs and fifty thousand only).
- 3) **Job profile and his suitability:** Taking into consideration his qualification and experience in relevant field, the Executive Director is best suited for the responsibilities currently assigned to him by the Board of Directors.
- 4) **Remuneration proposed:** The Company proposes to pay remuneration of Rs.85000/- p.m. to Mr. Rohit Dedhia w.e.f. November 14, 2012
- 5) **Comparative remuneration profile:** Taking into consideration, the size of the Company, the profile of Executive Director, the responsibility shouldered by him and the industry benchmark, the remuneration proposed to be paid commensurate with the remuneration paid to similar senior level directors in other Companies.
- 6) **Pecuniary relationship:** Mr. Rohit Dedhia has no pecuniary relationship with the Company except that he is one of the Promoter of the Company and remuneration payable to him as Executive Director. He is also among the major shareholder of the Company. He does not have any pecuniary relationship with the Company and its managerial personnel other than as already disclosed by the directors under the relevant provisions of the Companies Act, 1956.



### III. OTHER INFORMATION:

- 1) **Reason for loss or inadequate profits:** The Company managed to earn a profit of Rs.3,95,23,811/- during the financial year 2011-12. However, looking to the global meltdown and lull in the real estate business, there is likely to be impact on the operations of the Company which may bring down the margins to some extent in future till the economy recovers.
- 2) **Steps taken or proposed to be taken for improvement:** The Company is focusing on long term business models and emerging opportunities to reinforce its fundamentals such as renegotiation of old and new land deals and taking efforts on implementing other marketing strategies to help increase the sale and thereby increasing the profits of the Company.
- 3) **Expected increase in productivity and profits measurable terms:** Since the Company is focusing on a prudent mix, which includes traditional platforms as well as emerging opportunities, it is difficult to quantify the increase.

The above may be treated as an abstract of the terms of appointment in terms of Section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolutions as set out at item No. 7 for members' approval. Except Mr. Rohit Dedhia, no other Director is interested in this Resolution.

#### Item no. 8

The members of the Company at their Extra- ordinary General Meeting held January 27, 2010 had approved the appointment of Mr. Shailesh Shah, as Executive Director of the Company on Whole time basis w.e.f. November 14, 2009, for a period of 3 (Three) years. The period of 3 (Three) years is expiring on November 13, 2012.

Mr. Shailesh Shah is responsible for business development and related day to day operations of the Company under the overall superintendence, direction and control of the Board. In recognition of his vast experience, the Remuneration Committee has recommended his re-appointment as Executive Director of the Company with such emoluments and for such term as provided in the resolution.

The Remuneration Committee along with the Board of Directors of the Company at their meeting held on August 29, 2012 approved the re-appointment of Mr. Shailesh Shah as Executive Director of the Company for a further period of 3 (Three) years on w.e.f. November 14, 2012 on remuneration of Rs.35,000/- per month is subject to the approval of the members of the Company

The details as required under proviso(iii) to Clause B of Part II of Schedule XIII of the Act are given hereunder:

#### I. GENERAL INFORMATION:

- 1) **Nature of the industry:** The Company is in the Real Estate and Project Management Consultancy business.
- 2) **Expected date of commencement of commercial production:** The Company has started its Real Estate activities from January, 2010 onwards.
- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

4) **Financial performance** – (Based on the Audited Account for the year ended 31st March, 2012)

	(Rs. In Lacs)
Turnover	2787.74
Net Profit before Tax	552.54
Total Expenditure	2369.92

5) **Export performance and net foreign exchange collections:** Rs.221.78 Lacs

6) **Foreign investments or collaborators, if any:** Nil

**II. INFORMATION ABOUT THE APPOINTEE:**

- 1) **Background details:** Mr. Shailesh Shah is a Commerce Graduate from Bombay University and an associate member of the Institute of Chartered Accountants of India. He has more than 16 years of experience in the garment industry. He has also diversified into real estate sector.
- 2) **Past remuneration:** The Total remuneration paid to Mr. Shailesh Shah during the financial year April 1, 2011 to March 31, 2012 was Rs. 3,00,000/- (Three Lacs only).
- 3) **Job profile and his suitability:** Taking into consideration his qualification and experience in relevant field, the Executive Director is best suited for the responsibilities currently assigned to him by the Board of Directors.
- 4) **Remuneration proposed:** The Company proposes to pay remuneration of Rs.35,000/- p.m. to Mr. Shailesh Shah w.e.f November 14, 2012
- 5) **Comparative remuneration profile:** Taking into consideration, the size of the Company, the profile of Executive Director, the responsibility shouldered by him and the industry benchmark, the remuneration proposed to be paid commensurate with the remuneration paid to similar senior level directors in other Companies.
- 6) **Pecuniary relationship:** Mr. Shailesh Shah has no pecuniary relationship with the Company except that he is one of the Promoter of the Company and remuneration payable to him as Executive Director. He is also among the major shareholder of the Company. He does not have any pecuniary relationship with the Company and its managerial personnel other than as already disclosed by the directors under the relevant provisions of the Companies Act, 1956.

**III. OTHER INFORMATION:**

- 1) **Reason for loss or inadequate profits:** The Company managed to earn a profit of Rs.3,95,23,811/- during the financial year 2011-12. However, looking to the global meltdown and lull in the real estate business, there is likely to be impact on the operations of the Company which may bring down the margins to some extent in future till the economy recovers.
- 2) **Steps taken or proposed to be taken for improvement:** The Company is focusing on long term business models and emerging opportunities to reinforce its fundamentals such as renegotiation of old and new land deals and taking efforts on implementing other marketing strategies to help increase the sale and thereby increasing the profits of the Company.

- 3) **Expected increase in productivity and profits measurable terms:** Since the Company is focusing on a prudent mix, which includes traditional platforms as well as emerging opportunities, it is difficult to quantify the increase.

The above may be treated as an abstract of the terms of appointment in terms of Section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolutions as set out at item No.8 for members' approval. Except Mr. Shailesh Shah, no other Director is interested in this Resolution.

Brief Resume of Managing Director and Executive Directors seeking re-appointment at this Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

<b>Name of the Director</b>	<b>Mr. Deepak Chheda</b>	<b>Mr. Harish Nisar</b>	<b>Mr. Rohit Dedhia</b>	<b>Mr. Shailesh Shah</b>
Age	47years	57 years	46 years	44 years
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on Board	14th November, 2009	14th November, 2009	14th November, 2009	14th November, 2009
Shareholding in the Company	9,30,351	3,10,784	3,10,784	5,88,521
Qualification	M. Arch	B.Sc	B.Com	Chartered Accountant
Expertise in Specific functional area	Rich experience in Architecture, Engineering and Construction work	Rich experience in liasoning with Governmental Authorities and Department and operational activities	Rich experience in Project execution and operational activities	Rich experience in in structuring vital business plans and advising on key financial issues.
Directorship held in other Companies	(i) Sigma Fiscals Private Limited (ii) Vinit Realities Private Limited	Nil	Nil	(i) S.D.S. Enterprises Private Limited
Chairmanship/ Membership of Committees in other Companies	Nil	Nil	Nil	Nil

Brief Resume of Retiring Directors seeking re-appointment at this Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement).

Name of the Director	Mr. Yogesh Shah	Mr. Vatsal Shah
Age	51 years	45 years
Nationality	Indian	Indian
Date of Appointment on Board	4th August, 2009	4th August, 2009
Shareholding in the Company	Nil	Nil
Qualification	Chartered Accountant	B.Com., LL.B.
Expertise in Specific functional area	Rich experience in Accounts, Finance and Income Tax, etc	Rich experience in Commercial and Company law
Directorship held in other Companies	Nil	(i) Mint Capital Market Private Limited
Chairmanship/ Membership of Committees in other Companies	Nil	Nil

By order of the Board of Directors  
For **Rodium Realty Limited**

Company Secretary

Date: August 29, 2012  
Place: Mumbai

## DIRECTORS' REPORT

**Dear Shareholders,**

Your Directors are pleased to present the Nineteenth Annual Report and the Audited Statements of Account of your Company for the year ended March 31, 2012.

### Financial Results

The financial performance of the Company for the year ended March 31, 2012 is summarised below:

(Rs. in Lacs)

Particulars	Year Ended 31.03.2012		Year Ended 31.03.2011	
Profit Before Depreciation, Interest and Tax		787.20		785.15
Less: Interest	222.00		216.44	
Depreciation	12.67		10.62	
Profit before tax		552.53		558.09
Current Tax		92.11		53.30
MAT Credit Entitlement		(92.11)		(53.30)
Provision for Deferred Tax		141.12		171.32
Income Tax adjustments of earlier years		16.17		(0.10)
Profit after tax		395.23		386.87
Add: Balance brought forward		(279.95)		(564.17)
Amount Available for Appropriation		115.29		(177.30)
<u>Appropriations:</u>				
Proposed Dividend on Preference Shares		126.00		88.32
Dividend Distribution Tax		20.44		14.33
Surplus Carried to Balance Sheet		(31.14)		(279.95)

### Review of Operations

During the Financial Year ended March 31, 2012, the total revenue of the Company amounted to Rs. 2,922.45 lacs as against the previous year's revenue of Rs. 2,548.21 lacs. Your Company has registered the profit before tax of Rs. 552.53 lacs as compared to Rs. 558.09 lacs during the previous year.

### Business

The year was full of challenges for the real estate sector and your Company was also impacted by the adverse market conditions. Mumbai's residential market was characterised by slowdown in sales, inventory pile up, cautious investor activity and hardening home loan interest rates. As a result, residential property registrations in the city – a key indicator to assess demand – recorded a considerable drop in sales. The slowdown was also attributed to changes in Development Control Regulations and other major policy changes. The real estate activity in Mumbai has remained stagnant for a substantial part of the year. Your Company's on-going

residential project at Juhu, Mumbai was held up during the year due to delay in permissions from the regulatory authorities for carrying on further development. Your Company is also awaiting clearances from the regulators for commencing construction work at its other two planned projects in Matunga (Central Mumbai) and in Kandivali (Mumbai), for which the underlying land agreement/development agreement are already in place. The Company is also poised for sale of its ready inventory in its completed commercial project "Xtrium" in Andheri, Mumbai. While your Company presently has presence predominantly in the city of Mumbai, it is actively looking for opportunities to expand its operations in other towns and cities also.

### **Dividend**

With a view to conserve resources for the Company's growth, your Directors do not recommend any dividend on its equity capital for the year ended March 31, 2012. The Directors recommend payment of dividend aggregating to Rs. 126 lakhs on the Cumulative Redeemable Preference Shares at the fixed rate (9%) each for the years ended March 31, 2011 and for the year ended March 31, 2012. This dividend, together with the dividend distribution tax and education cess thereon will involve an outgo of Rs. 146.44 lakhs and has been provided for appropriation out of the profits of the Company for the year as permitted under Section 205 of the Companies Act, 1956.

### **Rights Issue**

Your Company had filed a fresh draft Letter of Offer with SEBI for its proposed Rights Issue of equity shares in the month of August, 2011. The Company has received final clearance from SEBI for the Rights Issue of equity shares in February, 2012. Your Directors will fix the rights issue size, price, record date, etc. for the Rights Issue at the appropriate time considering the market conditions.

### **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement, is presented in a separate section forming part of the Directors' Report.

### **Auditors**

M/s. M. M. Nissim & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. As required under the provisions of Section 224 (1B) of the Companies Act, 1956, the Company has obtained written confirmation from M/s. M. M. Nissim & Co. that their appointment, if made, would be in conformity with the Companies Act, 1956. The Board of Directors upon the recommendation of the Audit Committee proposes the re-appointment of M/s. M. M. Nissim & Co., Chartered Accountants as the statutory auditors of the Company.

### **Directors**

As on date, the Board of Directors of the Company comprise of eight directors of which four are independent directors. The Board of Directors of the Company comprises of eminent, experienced and reputed individuals from different industries and professions.

Pursuant to Section 255 and 256 of the Companies Act, 1956 and Article of Association of the Company, Mr. Yogesh Shah and Mr. Vatsal Shah, Directors retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The Board of Directors, on recommendation of the Remuneration Committee in their meeting held on August 29, 2012 has approved the reappointment (with effect from November 14, 2012) of Mr. Deepak Chheda as Managing Director, Mr. Harish Nisar as Executive Director, Mr. Rohit Dedhia as Executive Director and Mr. Shailesh Shah as Executive Director of the Company subject to approval at the ensuing Annual General Meeting for a further term of 3 years.



The above appointments form part of the Notice of the ensuing Annual General Meeting and the respective resolutions are recommended for your approval.

The particulars of the directors retiring by rotation and proposed to be reappointed as required under Clause 49 of the Listing Agreement is part of the Explanatory Statement to the Notice of the ensuing Annual General Meeting, forming part of the Annual Report.

#### **Company Secretary and Compliance Officer**

Ms. Kalpita Keluskar, Company Secretary and Compliance Officer of the Company has resigned with effect from August 23, 2012 due to other pre-occupation.

As required under Section 383A of the Companies Act, 1956 read with the relevant provisions of the Listing Agreement, Mr. Brijesh Thakkar, member of the Institute of Company Secretaries of India, has been appointed as the Company Secretary and Compliance Officer of the Company with effect from August 23, 2012.

#### **Deposits**

The Company has not accepted or invited any deposits from the public in terms of the provisions of Section 58A of the Companies Act, 1956, during the year under review.

#### **Dematerialization**

Your Company's equity shares are available for dematerialisation through National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2012, 97.14% of the equity shares of your Company were held in dematerialized form.

#### **Corporate Governance**

As required by Clause 49 of the Listing Agreement entered into with the stock exchange, a detailed Report on Corporate Governance together with the Management Discussion and Analysis Report is included in the Annual Report. The certificate from the Statutory Auditors of the Company regarding the compliance of Corporate Governance as per Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

#### **Re-Appointment of Directors**

- 1) During the meeting held on August 29, 2012, Mr. Deepak Chheda, Managing Director and Chairman of the company was re-appointed by the Board for a further period of 3 (Three) years with effect from November 14, 2012.

Pursuant to Clause B, Part II of Schedule XIII disclosure relating to the remuneration package of Mr. Deepak Chheda, Managing Director and Chairman is same as disclosed in the Notice of the Annual General Meeting.

- 2) During the meeting held on August 29, 2012, Mr. Harish Nisar, Executive Director of the company, working on whole time basis, was re-appointed by the Board for a further period of 3 (Three) years with effect from November 14, 2012.

Pursuant to Clause B, Part II of Schedule XIII disclosure relating to the remuneration package of Mr. Harish Nisar, Executive Director is same as disclosed in the Notice of the Annual General Meeting.

- 3) During the meeting held on August 29, 2012, Mr. Rohit Dedhia, Executive Director of the company, working on whole time basis, was re-appointed by the Board for a further period of 3 (Three) years with effect from November 14, 2012.

Pursuant to Clause B, Part II of Schedule XIII disclosure relating to the remuneration package of Mr. Rohit Dedhia, Executive Director is same as disclosed in the Notice of the Annual General Meeting.

- 4) During the meeting held on August 29, 2012, Mr. Shailesh Shah, Executive Director of the company, working on whole time basis, was re-appointed by the Board for a further period of 3 (Three) years with effect from November 14, 2012.

Pursuant to Clause B, Part II of Schedule XIII disclosure relating to the remuneration package of Mr. Shailesh Shah, Executive Director is same as disclosed in the Notice of the Annual General Meeting.

### **Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo**

In terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo, are given as an Annexure to this Report.

### **Disclosure of Employees**

There are no employees within the purview of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 during the year.

### **Directors' Responsibility Statement**

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

1. In the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 have been followed and there are no material departures from the same;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of financial year March 31, 2012 and of profit and loss of the Company for the year ended on that date;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The Directors have prepared the annual accounts of the Company on a going concern basis.

### **Acknowledgments**

Your Directors express and place on record their gratitude for the faith reposed in, and co-operation extended to, and interest shown in the operations of the Company by the Financial Institutions, Banks, Government Authorities, Customers, Business Associates and Shareholders. Your Directors also wish to place on record their sincere appreciation of the employees at all levels for their hard work, dedication and commitment throughout the year.

By order of the Board of Directors  
For **Rodium Realty Limited**

Date: August 29, 2012  
Place: Mumbai

Deepak Chheda  
Chairman and Managing Director

## ANNEXURE A

### A. CONSERVATION OF ENERGY

Not applicable

### B. TECHNOLOGY ABSORPTION

Not applicable

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lacs)

Particulars	Year ended 2011-12	Year ended 2010-11
Total foreign exchange used	10.01	11.33
Total foreign exchange earned	221.78	457.67

By order of the Board of Directors  
For **Rodium Realty Limited**

Date: August 29, 2012  
Place: Mumbai

Deepak Chheda  
Chairman and Managing Director

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Overview**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

### **ECONOMIC OUTLOOK**

The year under review was a challenging year for the Indian economy. After two successive years of fairly robust growth of 8.4 percent, the economy witnessed sharp fall in the GDP growth rate. India registered a modest GDP of 6.9 percent during 2011-12, as compared to an impressive 8.4 percent in the previous fiscal. India witnessed varied challenges during the fiscal year 2011-12 both externally as well as internally. On the external front there were pressures on account of Euro zone crisis, slow down in China and the US, whereas internally factors like high double digit inflation, rupee depreciation, higher interest rates, constant political inaction and deceleration in GDP growth prevailed. During the current fiscal year the Reserve Bank of India hiked repo rates more frequently to combat inflation. The Indian economy witnessed a constant double digit inflation rate and remained at a level close to 10 percent during the major part of the year. However, the Reserve Bank of India has reduced repo rates by 50 bps in April 2012, expecting growth and increased investments due to improvement in liquidity. In spite of these challenges, the Indian economy is showing good amount of resilience and the momentum of growth has remained intact.

### **REAL ESTATE SECTOR OVERVIEW**

The Indian real estate industry has been on a roller coaster ride since 2007, riding through many highs and lows. The industry reached new heights with increased development activity during 2007 and early 2008, characterised by growth in demand and increased foreign investments. However, by mid-2008, this scenario took a U turn, as the industry witnessed a decline due to the ripple effect of the global economic slowdown. The Indian real estate industry showed some vibrancy and upbeat market sentiments after the steep corrections during the global financial crisis in 2008-09, however the real estate industry continued to remain subdued in 2011-12. Numerous interest rate hikes, lack of political reform, and the unfolding European debt crisis were among the significant macroeconomic headwinds faced by the sector. The sector witnessed slowing demand due to reduction in affordability, increase in asset prices and cumbersome government regulations leading to delays in project execution and new launches.

Recently, the Central bank announced surprise CRR cut of 1.25 percent which was followed by reduction of Repo rate by 0.5 percent. Thus, 2012-13 is expected to witness a falling interest rate regime and a moderate inflation scenario. This should lead to a considerable change in sentiment for the sector as a whole. The improvement in housing demand will be the major catalyst for the overall performance of the sector.

The residential segment makes up most of the real estate industry in the country. Growth in this segment is primarily driven by increasing urbanisation, rise in the number of white-collar professionals and rising incomes,

etc. The residential segment is again witnessing growth in demand for luxury and super premium homes among the globe-trotting executives, new and successful businessmen, non-resident Indians (NRIs), etc. However, this sub-segment is currently experiencing low volumes due to steep price rise and hike in interest rates; this may be a short-term lull and with minor corrections, the segment may continue to grow.

The commercial real estate segment (primarily office space) is growing in tandem with the country's booming economy. The demand for office space is driven by the influx of multinational companies and growth in services sector. Overall, on pan-India basis, the demand for office space is expected to total 180 million sqft by 2013, with seven major cities (Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, the NCR and Pune) catering to 75 percent of the total demand.

## **REAL ESTATE OUTLOOK – MUMBAI**

### **Residential Real Estate**

It is expected that market will bottom out by the third quarter of 2012 and the sector will see the beginning of a recovery in the city's residential real estate fortunes by the second half of the year. Meanwhile, there is very little scope for appreciation in under-construction projects. In fact, unsold under-construction stock will increase significantly.

Currently, buyers are not expressing any interest in projects that are perceived to be overpriced, and this trend will continue throughout the first half of 2012. In this period, the city's residential market will be more or less sustained by the sale of affordably priced mid-income apartments. This absorption is likely to be driven by both end users and HNI investors. However, completed high-end projects will become costlier by mid-year, largely because of reduced supply in this segment. The new DCR regulations would further impact new launches in the first half.

The reduction of interest rates expected by the second half of the year will help kick-start a generalized – though cautious - recovery in demand for residential property, leading to an increase in launches.

### **Commercial Real Estate**

Demand in 2012 is likely to be marginally lower than in 2011, with IT and ITES companies becoming even more cautious on account of the expected reduction in IT spend by US and European companies. The uncertain economic environment will continue, leading to reduced employment growth and therefore lower fresh commercial space absorption. Tighter lending standards for commercial construction will not help, either.

On the brighter side, these market conditions will continue to favour tenants in most of Mumbai's micro-markets by ways of a larger bouquet of options, rational pricing and various concessions. The market conditions are optimal for consolidation and relocation, and many Mumbai-based occupiers will avail of this option throughout 2012.

Office space is likely to show a further - though marginal - drop in the first half of the year as infusions of additional stock lead to higher vacancies. One direct result of this will be a sharp reduction in speculative commercial projects. The continued yield compression will cause a number of HNIs to become active buyers of rent-producing and vacant office spaces in the city.

## OVERVIEW OF THE BUSINESS

The Company's business model or strategy is to undertake real estate development projects on property development basis and project management basis. Property Development includes activities starting from conceptualization stage to completion stage. Project Management includes understanding the needs of the customer, project planning and feasibility, project assessment studies, geological and soil investigation, architectural/ engineering/ interior designs, construction management, Build to Suit solutions, etc. The Company has a well trained and experienced in-house design and architectural team. They have the experience and expertise required to undertake large developments.

This year was a lackluster year with full of challenges for the real estate sector. The real estate activity in Mumbai has remained stagnant and at a standstill for the substantial part of the year, your Company's on-going residential project X'Czar at Juhu, Mumbai, offering premium residential apartments based on the concept of green building with a plot area of over 8,000 sq. ft, the project is a 12 storeyed domicile with one private apartment on each floor, was held up during the year due to delay in permissions from the regulatory authorities for carrying on further development. Your Company expects to receive the necessary permissions to progress with the construction shortly. Your Company is awaiting clearances from the regulator for starting the construction work at its other two planned projects, Matunga, Central Mumbai and in Kandivali, Mumbai for which the land agreement/ development agreement are already in place. The Company is waiting for the right opportunity to dispose off its ready inventory in its completed commercial project "X'trium" in Andheri, Mumbai. While your Company presently has presence predominantly in city of Mumbai, it is actively exploring opportunities to expand its operations in other towns and cities also.

In the present economic scenario, the Company has been able to hold its head high due to its pre-eminent strengths in quality construction, project execution capabilities, transparent and honest dealings, aggressive marketing strategy and above all a strong customer-centric approach.

While the entire real estate industry has been starved of adequate funding for their operations, the Company has continued to prudently manage its finance, focused on a low gearing ratio and controlled growth. The Company's operating cash flow continues to be positive.

### **Company's Competitive Strengths:**

- Experience of the Promoters
- Strong in-house design and architectural capabilities
- Emphasis on quality construction
- Land identification at attractive pricing and strategic locations
- Good relationships with contractors and financiers
- Strong and stable management team with proven ability

### **Business Strategy:**

- Maintain high standards of quality
- Increase Scale of Operations in a controlled manner
- Expand into new geographical areas besides Mumbai
- Continue focus on a diversified business model
- Flexible approach to project development
- Marketing strategy aimed to satisfying customer expectations



## **FINANCIAL POSITION**

### **Sources of Funds**

#### **1. Share Capital**

At present, we have two classes of shares, viz. equity shares and preference shares. Our authorized share capital is Rs. 13.00 crores, divided into 60,00,000 (Sixty Lacs) equity shares of Rs. 10/- each and 70,00,000 (Seventy Lacs) cumulative redeemable preference shares of Rs. 10/- each. The issued, subscribed and paid up capital as at March 31, 2012 was Rs. 10.44 crores, divided into 32,47,900 (Thirty Two Lacs Forty Seven Thousand Nine Hundred) equity shares of Rs. 10/- each, fully paid up and 3,03,000 (Three Lacs Three Thousand) forfeited equity shares at Rs 5 per share and 1,82,400 (One Lac Eighty Two Thousand Four Hundred) forfeited equity shares at Rs 2.50 per share amounting to Rs. 19,70,750 (Nineteen Lacs Seventy Thousand Seven Hundred Fifty) and 70,00,000 (Seventy Lacs) 9% Cumulative redeemable preference shares of Rs. 10/- each, fully paid up.

#### **2. Reserves and Surplus**

##### **2.a Capital Reserve**

The balance as at March 31, 2012 amounted to Rs. 3.96 crores (Rs. 3.96 crores as at March 31, 2011).

##### **2.b Capital Subsidy**

The balance as at March 31, 2012 amounted to Rs. 0.25 crores (Rs. 0.25 crores as at March 31, 2011).

##### **2.c Shareholders' Funds**

The total Shareholders' Funds increased to Rs. 14.34 crores as at March 31, 2012 from Rs. 11.85 crores as at the end of the previous year (after adjusting the debit balance in the Profit and Loss Account).

#### **3 Loan Funds**

##### **3.a Secured Loans**

During the year under review, the Company has drawn Rs. 5.17 crores from Indian Overseas Bank out of the total Term Loan of Rs. 18 crores sanctioned by the bank for Company's residential project at Juhu (X'Czar). The Company didn't avail of the balance amount of the loan as the project was delayed on account of permissions from the regulatory for carrying on further development.

Your Company has also been sanctioned with a working capital line of credit from Indian Overseas Bank Limited as well as from Kotak Mahindra Bank Limited against mortgage of the Company's unsold stock as well as against Fixed Deposits.

##### **3.b Unsecured Loans**

The aggregate Unsecured Loans from Directors and Others stood at Rs. 28.28 crores as at March 31, 2012 as against Rs. 28.35 crores as at the end of the previous year. The Unsecured Loans have been taken over from the erstwhile partnership firm Rodium Properties, which has become a division of the Company with effect from April 1, 2010.

## **Application of Funds**

### **4. Fixed Assets**

As at March 31, 2012, the net block of Company's Fixed Assets stood at Rs. 1.06 crores (Rs. 1.16 crores as at March 31, 2011).

### **5. Investments**

As at March 31, 2012, the Company's total investments stood at Rs. 1.97 crores as against Rs. 2.64 crores mainly consisting of investment in the high quality private equity funds.

### **6. Deferred Tax Asset**

As at March 31, 2012, the deferred tax asset of Rs. 0.36 crores was recognized (Rs. 1.77 crores as at March 31, 2011). We assess the likelihood that our deferred tax asset will be recovered from future taxable income and believe that it is more probable than not that we will realize the benefits of these deductible timing tax differences.

### **7. Inventories**

As at March 31, 2012, the value of Company's inventory stood at Rs. 38.12 crores, (Rs. 46.11 crores as at March 31, 2011). The value of finished stock (constructed units) stood at Rs. 14.24 crores and work in progress stood at Rs. 22.88 crores as at the year end.

### **8. Sundry Debtors**

The sundry debtors amounted to Rs. 5.90 crores as at March 31, 2012, compared to Rs. 1.77 crores as at March 31, 2011.

### **9. Cash and Cash Equivalents**

Cash and Cash Equivalents include balance of cash in hand and the balances in current/ fixed deposit/ margin accounts maintained with various banks. The balance as at March 31, 2012 stood at Rs. 13.22 crores, compared to Rs. 7.76 crores as at March 31, 2011.

### **10. Current Assets, Loans and Advances**

The balance of Current Assets, Loans and Advances as at March 31, 2012 stood at Rs. 7.38 crores, compared to Rs. 1.58 crores as at March 31, 2011. It includes Advance payment of Income Tax / Tax Deducted at Source (after adjusting provision) Rs. 0.08 crores, Advances Recoverable in cash or in kind Rs. 1.03 crores, MAT credit entitlement Rs. 1.45 crores and Other Current Assets of Rs. 4.82 crores.

### **11. Current Liabilities and Provisions**

The balance of Current Liabilities and Provisions as at March 31, 2012 stood at Rs. 7.84 crores, compared to Rs. 7.03 crores as at March 31, 2011. Current Liabilities and provisions includes Advances from customers Rs. 2.81 crores, Sundry Creditors Rs. 1.65 crores, Interest Accrued but not due Rs. 1.85 crores. Provision for Dividend on Preference Shares Rs. 1.26 crores, Dividend Distribution Tax Rs. 0.20 crores, Income Tax (net of advance tax paid) Rs. 0.01 crores and provision for retirement benefit Rs. 0.04 crores.

## **Results of Operations**

### **1. Total Revenue**

The Company has achieved total revenue of Rs. 29.22 crores for the year ended March 31, 2012 as against Rs. 25.48 crores for the year ended March 31, 2011. The Income from Operations consists of Rs. 27.56 crores from real estate development activity and Rs. 0.31 crores from real estate consultancy fees. The Company earned Rs. 1.35 crores by way of other income during the year.

### **2. Total Expenditure**

The Company incurred a total expenditure of Rs. 23.70 crores for the year ended March 31, 2012 as against Rs. 19.90 crores for the previous year ended March 31, 2011 mainly on account of Construction costs, Interest and other Administrative Expenses.

### **3. Profit Before Tax**

The Profit Before Tax for the year is Rs. 5.53 crores as against Rs. 5.58 crores in the previous year.

### **4. Provision For Tax**

Since the Company has carried forward losses in the books, no provision has been made for current income tax liability, however the Company has provided for Rs. 0.92 crores as Minimum Alternate Tax which will be set off against the future tax liabilities in subsequent ten years. The Company has provided Rs. 1.41 crores towards deferred tax during the year.

### **5. Profit After Tax**

The Company achieved Profit After Tax of Rs. 3.95 crores for the year under review as against Rs. 3.87 crores for the previous year.

### **6. Appropriations**

During the year, there has been an appropriation of Rs. 1.46 crores towards unpaid dividend and corporate dividend tax thereon. The Company has proposed a dividend of Rs. 1.26 crores, being the dividend on the cumulative redeemable preference shares for the year 2010-11 and for the current year 2011-12. The corporate dividend tax payable thereon is Rs. 0.20 crores.

### **7. Earnings Per Share (EPS)**

Our basic EPS for the year is Rs. 9.91 as compared to Rs. 9.80 for the corresponding previous year. There has been no change in the outstanding shares used in computing basic EPS.

## **OPPORTUNITIES**

### **1. Rising urbanization offering opportunities for real estate development**

According to a United Nations report, India will have the highest growth in urban population among all BRIC nations, a rate many expect to remain above 2% per annum for the next three decades. India will add another 497 million to its urban population between 2010 and 2050. This rapid urbanization will offer large-scale opportunities for real estate development in Indian cities.

2. Young population presents possibilities of rich demographic dividend

India has growing young population as nearly 64% of the Indian population is between the age group of 15-64 years and 35% is in 15-34 years age group. Looking at the current scenario, the growth opportunities available with the country shall provide more disposable income leading to increase in consumption which will further drive the growth of manufacturing, retail, residential and commercial sector.

3. High savings rate coupled with increasing availability of credit with spur housing demand.

The Indian households are relatively deleveraged having household saving rates of 21 to 24% which is higher than in other nations. Nowadays more credit is available through the proliferation of credit cards and availability of easy loans.

4. Subsidizing Regulatory Changes

On account of various regulatory reforms, especially the recent reform i.e. Mumbai Development Corporation rules are reviving Investors confidence. The new DCR rules are intended to eliminate the ambiguity and discretion that was prevalent earlier with respect to the constructed and saleable area. After the announcement of the new DCR, the approval machinery in the BMC has commenced active consideration of the development proposal.

5. Increased Private Equity (PE) Funding

Real estate in India, over the last decade, has seen tremendous growth and transformation. A wider participation of Institutional Private Equity (PE) in the capital intensive business in addition to traditional debt finance has played a critical part in this change. The entry of PE participants has also brought in a more disciplined approach towards construction and delivery of projects along with better transparency to the market. With PE players' understanding of the Indian market now increasing, and limited global real estate investment opportunities, PE investments into Indian real estate are set to grow.

## THREATS

1. Unfavorable changes in government policies and the regulatory environment

There are substantial procedural delays with regard to land acquisition, land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks (like introduction of VAT on developers retrospectively, levy of Service Tax on Real Estate transactions, etc.) may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

2. Commercial oversupply and muted rental growth

The subdued economic scenario and continuing high vacancies have resulted in tenants being locked in at existing rents rather than being pushed for incremental rents. Slower growth in the economy, oversupply and slowdown in the BFSI sector reduces the need for office space expansion and will continue to impact commercial real estate.

3. Slowdown in residential sales

Residential sales have slowed across markets due to weak buyer sentiment. Sharp price appreciation over the last several years has impacted investor-led demand and depressed absorption volumes.

4. Liquidity concerns

Tighter lending norms, longer approval processes, and lower absorption have resulted in a liquidity crunch for the sector as a whole. Managing liquidity is an important challenge in 2012-13 given huge scheduled loan repayment for developers over the next 3-4 years. As operational support dries up, developers are trying to service debt through asset divestment. Cash flow management will continue to be a challenging task for developers with falling operating cash flows, rising interest costs and impending debt repayment schedules. The domestic construction industry has been impacted with a steep rise in prices of inputs including cement, steel, and bricks. With rise in the cost of production and stagnant price for sales, the profit margins have reduced across the sector.

**CAUTIONARY STATEMENT**

Some of the statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a down trend in industry, significant changes in political and economic environment in India and abroad, tax laws, import duties, litigation and labour relations.

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Corporate Governance:

Corporate Governance is set of a standard which aims to improve the Company's image, efficiency and effectiveness. It is the road map, which guides and directs the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to all Shareholders, the Creditors, the Government and the Society at large.

The Company has adhered to the principles of Corporate Governance over the years. The Company believes that the essence of good Corporate Governance is to conduct the Company's business and deal with its stakeholders in an ethical and transparent manner. The Company continuously endeavors to improve - upon on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources in order to accelerate the progress of the Company. Keeping in view the Company's size, complexity of operations and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Strategic supervision by the Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities;
- Ensuring timely flow of information of the Board and its committees for meaningful and focused discussion in the meeting;
- A sound system of internal control to mitigate the risks;
- Timely and balanced disclosure of all material information to all the stakeholders;
- Compliance with applicable laws, rules, guidelines and regulations;
- Transparency and accountability; and
- Equitable and fair treatment to all its stakeholders including employees, customers, vendors, shareholders and investors.

### A. MANDATORY REQUIREMENTS

#### 1. BOARD OF DIRECTORS

##### Composition of Board and Particulars of Directors

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and law.

The Board of Directors represents the interest of the Company's shareholders, in optimizing long term value by providing the management with guidance and strategic direction on the shareholder's behalf. The Board's mandate is to oversee the Company's strategic operations, review corporate performances, authorise and monitor strategic investments, ensure regulatory compliances and safeguard interest of the stakeholders.

The Independent Directors are professionals, with expertise and experience in general corporate management, legal, public policy, finance and other allied fields. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic directions.

Independent Directors play a key role in the decision - making process of the Board by participating in framing the strategy of the Company. The Independent Directors are committed in their act and beliefs to contribute their efforts in the best interest of the Company and for its Stakeholders.



**Composition of the Board and category of the Directors are as follows:**

The Board represents an optimum mix of professionalism, knowledge and experience. As of March 31, 2012, the total strength of Board comprises of 8 directors.

The present composition of the Board is as provided below:

Sr. No.	Name of Director	Status / Designation	Category
1.	Mr. Deepak Chheda	Chairman and Managing Director	Promoter and Executive Director
2.	Mr. Harish Nisar	Executive Director	Promoter and Executive Director
3.	Mr. Rohit Dedhia	Executive Director	Promoter and Executive Director
4.	Mr. Shailesh Shah	Executive Director	Promoter and Executive Director
5.	Mr. Yogesh Shah	Director	Non Executive & Independent Director
6.	Mr. Vatsal Shah	Director	Non Executive & Independent Director
7.	Mr. Sudhir Mehta	Director	Non Executive & Independent Director
8.	Mr. Nilesh Vikamsey	Director	Non Executive & Independent Director

As per the Articles of Association of the Company the Managing Director is not liable to retire by rotation. Mr. Harish Nisar, Mr. Rohit Dedhia and Mr. Shailesh Shah are Executive Directors working on whole time basis and shall not be liable to retire by rotation. All other Directors are liable to retire by rotation. One - third of the said directors are liable to retire every year and if eligible, offer themselves for reappointment. Accordingly, Mr. Vatsal Shah and Mr. Yogesh Shah will retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment.

**Board Meetings, Board Committee Meetings and Procedures**

The policy formulation, evaluation of performance and the control function vest with the Board, while the Board Committees oversee operational issues.

The Board has met once in every quarter to consider among other businesses, quarterly performance of the Company and the financial results. Additional meetings are held as and when necessary. The Board meetings were mostly held at the Registered Office of the Company. In addition, to the matter which statutorily require Board's approval. The following matter as required under Code on Corporate Governance are also regularly placed before the Board:

- Minutes of Audit and Investor Grievance Committee Meetings, as well as abstracts of circular resolutions passed
- General Notice of Interest of Directors
- Quarterly/ half yearly/ annual financial results
- Quarterly disclosure of related party transactions
- Materially important litigations, show cause notices, demand, prosecution and penalty notices
- Compliance with Regulatory and Statutory requirements including listing requirements as well as shareholders services
- Review of the procedures for risk assessment and minimization
- Information on recruitment of senior officer, just below the Board level including appointment or removal of General Managers and Company Secretary
- Any other transactions having material bearing for the shareholders.

The Board of the Company is presented with all information under the above heads, whenever applicable. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

The Board provides and evaluates the strategic decisions of the Company, management policies, their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman and Managing Director are assisted by the Executive Directors/ Senior Managerial Personnel in administering the functional matters of the Company.

The Members of the Board have complete freedom to express their opinion and the decisions are taken after detailed discussion. In case of business exigencies or urgency, resolutions are passed by circulation which is then ratified at the Board meeting.

A Compliance Certificate confirming the due compliance with the statutory requirements is placed at the Board meeting for the review by the Board of Directors on quarterly basis. A system of ensuring material compliance with the applicable laws, orders, regulations and other legal requirements concerning the business and affairs of the Company are in place. Instances of non-compliance, if any, are also separately reported to the Board.

During the financial year 2011-12, Four Board Meetings were held on May 10, 2011, August 11, 2011, November 14, 2011 and February 9, 2012.

Currently, there are four Board Committees - Audit Committee, Remuneration Committee, Shareholders'/ Investors Grievance Committee and Committee for Rights Issue.

The terms of reference of the Committees are determined by the Board from time to time. The Committee meetings facilitate the decision making process at the meetings of the Board in an informed and efficient manner. Meeting of each committee are convened by the respective Committee Chairman. Minutes of the Committee meetings are approved by the respective Committee and thereafter noted and confirmed by the Board.

The Company has an effective post meeting follow up, review and reporting mechanism for the decisions taken by the Board/ Committees.

The Composition of Board and number of Directorship and Chairmanship/ Membership of Committee of each director in various other companies as on August 29, 2012 as follows:

Name	Designation	Indian Listed Companies	All companies in India (Listed/ Unlisted)	In Listed Companies Committees	
		As Director		Member	Chairman
Mr. Deepak Chheda	Chairman and Managing Director	-	2	-	-
Mr. Harish Nisar	Executive Director	-	-	-	-
Mr. Rohit Dedhia	Executive Director	-	-	-	-
Mr. Shailesh Shah	Executive Director	-	1	-	-
Mr. Yogesh Shah	Non Executive and Independent Director	-	-	-	-
Mr. Vatsal Shah	Non Executive and Independent Director	-	1	-	-
Mr. Sudhir Mehta	Non Executive and Independent Director	-	-	-	-
Mr. Nilesh Vikamsey	Non Executive and Independent Director	4	4	1	3

The attendance of the Directors at the Board Meeting and Annual General Meeting held during the financial year end 2011-12 is given below:

Name of the Director	Designation	Number of Meeting		Attendance at the Last AGM
		Held	Attended	
Mr. Deepak Chheda	Chairman and Managing Director	4	4	Yes
Mr. Harish Nisar	Executive Director	4	4	Yes
Mr. Rohit Dedhia	Executive Director	4	4	Yes
Mr. Shailesh Shah	Executive Director	4	4	Yes
Mr. Yogesh Shah	Non Executive and Independent Director	4	4	Yes
Mr. Vatsal Shah	Non Executive and Independent Director	4	3	Yes
Mr. Sudhir Mehta	Non Executive and Independent Director	4	4	Yes
Mr. Nilesh Vikamsey	Non Executive and Independent Director	4	3	Yes

## BOARD COMMITTEES

Details of the Committees of the Board and other related information are provided hereunder:

### AUDIT COMMITTEE:

The Audit Committee was constituted in terms of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement entered with the Stock Exchange(s). The terms of reference of the Audit Committee are in conformity with the provisions of Clause 49 of the Listing Agreement entered with Bombay Stock Exchange Limited.

The Audit Committee comprises of three (3) Non Executive and Independent Directors. Members of the Audit Committee are eminent professional and with expertise in the field of Taxation, Accounting and Corporate Laws. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Audit Committee meetings are mostly held at the Registered Office of the Company and are attended by Chief Financial Officer. A representative of Statutory Auditor is invited, whenever required.

### MEETING OF AUDIT COMMITTEE:

During the year 2011-12, 4 meetings of the Audit Committee were held on May 10, 2011, August 11, 2011, November 14, 2011 and February 9, 2012. The composition of Audit Committee and attendance at its meeting is given hereunder:

Sr. No.	Name of the Director	Designation	Status	No. of Meetings held	No. of Meetings attended
1.	Mr. Yogesh Shah	Chairman	Non Executive and Independent Director	4	4
2.	Mr. Sudhir Mehta	Member	Non Executive and Independent Director	4	4
3.	Mr. Nilesh Vikamsey	Member	Non Executive and Independent Director	4	3

The Audit Committee monitors and provides reassurance to the Board on existence of an effective internal control environment by supervising the financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The purpose of the Audit Committee is to ensure objectivity, attended by the Audit Committee, credibility and correctness of the Company's financial reporting and disclosure processes, internal control, risk management policies and processes, tax policies, compliance and legal requirement and associated matters.

The management is responsible for the Company's internal control and financial reporting process.

The statutory auditors are responsible for performing the quarterly (if any) and yearly statutory audit of the Company's financial statements in accordance with the prevailing accounting and auditing standards and for issuing a report thereon.

The Committee is responsible for overseeing the processes related to (i) financial reporting, (ii) its dissemination, (iii) monitoring these processes, (iv) ensuring that the financial statements are true and fair, and (v) recommending the appointment of the Company's internal and statutory auditors to the Board.

The power, role and terms of reference of the Audit Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges that inter-alia include this:

The Audit Committee while exercising its functions has powers including, but not limited to the following:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary;

The Audit Committee of the Company performs the following functions:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and fixation of audit fees.
3. Approval of payment for any services rendered by the statutory auditors.
4. Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on exercise of judgment by the management.
  - d. Significant adjustments made in financial statements arising out of the audit findings.
  - e. Compliance with the listing agreement and other legal requirements relating to financial statements.
  - f. Disclosures of any related party transactions, and
  - g. Qualifications in the draft audit report, if any.

5. Reviewing with the management the quarterly financial statements before submission to the board for approval.
6. Reviewing with the management performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure, reporting structure coverage and frequency of the internal audit.
8. Reviewing with the management the statement of use/ application of funds raised through an issue (public issue/ rights issue/ preferential issue, etc.), the statement of fund utilised for purpose other than those stated in the offer document/ prospectus/ notice and the report submitted by monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board of Directors to take up step in this matter.
9. Discussion with internal auditors any significant finding and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern.
12. To look into the reason for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non – payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee
  - Management Discussion and Analysis of financial condition and result of the operations;
  - Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
  - Management letters/ letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Internal Auditor.

**Explanation:**

- i. The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by the Institute of Chartered Accountants of India.
- ii. If the Company has set up an Audit Committee pursuant to provision of the Companies Act, 1956 the said audit committee shall have such additional functions/ features as is contained in this clause.

The Company has appointed M/s. Ashar & Co., Chartered Accountants as Internal Auditor to review the internal control systems of the Company and to report thereon. The Audit committee reviews the report of the Internal Auditors.

## SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Shareholders'/Investor Grievances Committee consist of three members, chaired by a Non Executive and Independent Director.

### Meeting of Shareholders'/Investors' Grievance Committee:

During the year 2011-12, 7 meetings of the Shareholder's / Investor Grievance Committee were held on April 13, 2011, June 3, 2011, August 18, 2011, November 9, 2011, December 22, 2011, January 23, 2012 and February 20, 2012.

The composition of Shareholders'/ Investors' Grievance Committee and attendance at its meeting is given hereunder:

Sr. No.	Name of the Director	Designation	Status	No. of Meetings held	No. of Meetings attended
1.	Mr. Yogesh Shah	Chairman	Non Executive and Independent Director	7	7
2.	Mr. Vatsal Shah	Member	Non Executive and Independent Director	7	6
3.	Mr. Harish Nisar	Member	Non Executive and Independent Director	7	7

## TERMS OF REFERENCE

In compliance with clause 49 of the listing agreement, the Shareholders/ Investor Grievance Committee have been constituted by the Board for speedy disposal of grievances/ complaints relating to shareholders/ investors. The Committee specifically looks into the redressal of shareholder and investor complaints on matters relating to transfer of shares, dematerialization/ rematerialization, sub-division, consolidation of share certificates, issue of duplicate share certificates, non- receipt of balance sheet etc. It is also responsible for reviewing the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of redressal of investor grievances. The Committee oversees performance of the Registrar and Transfer Agent of the Company. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

During the year under review the Company has replied/ resolved all the complaints to the satisfaction of the investors and no complaints were outstanding.

At the Board Meeting held on November 14, 2009 the Board of Director had approved the Conduct for prevention of Insider Trading applicable to the Directors and the Senior Management personnel. This code was further amended at Board Meeting held on May 15, 2012 to incorporate the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 1992.

## COMPANY SECRETARY

Ms. Kalpita Keluskar, Company Secretary, was responsible for complying with the requirements of SEBI Regulations and Listing Agreement, entered with the Stock Exchange for the financial year end March 31, 2012. Ms. Kalpita Keluskar has resigned as the Company Secretary of the Company w.e.f. August 23, 2012.

Mr. Brijesh Thakkar, possessing the required qualification was appointed as the Company Secretary of the Company with effect from August 23, 2012 and is now responsible for complying with the requirements of Companies Act, 1956, SEBI Regulations and Listing Agreement, entered with the Stock Exchange.

## INVESTOR GRIEVANCE REDRESSAL

The Company addresses all complaints, suggestions and grievances expeditiously. The Company endeavors to implement suggestion as and when received from investors. There were no pending complaints and/ or requests for share transfer, dematerialisation, etc. as on March 31, 2012.

## DIRECTOR'S SHAREHOLDING

The details of Shareholding of directors in the Company as on March 31, 2012 was as under:

Name of Directors	No. of Equity Shares
Mr. Deepak Chheda	9,30,351
Mr. Harish Nisar	3,10,784
Mr. Rohit Dedhia	3,10,784
Mr. Shailesh Shah	5,88,521
Mr. Yogesh Shah	Nil
Mr. Sudhir Mehta	Nil
Mr. Vatsal Shah	Nil
Mr. Nilesh Vikamsey	Nil

## REMUNERATION COMMITTEE:

The Remuneration Committee had been constituted by the Board at its meeting held on September 29, 2009. It comprises of three directors, all of whom are Non Executive and Independent directors.

## TERMS OF REFERENCE

The terms of reference of Remuneration Committee include review, determination, increase and approval of remuneration, determination of terms of appointment, Company's policy for specific remuneration packages etc. for the Managing Director and Executive Directors, etc. and sitting fees payable to Directors other than the Executive Directors. Remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining high caliber management talent by evaluating their performance based on their leadership skills and actual performance during the year considering the prevailing internal and external business environment and at the same time considering the existing competitive market practices.

The remuneration package of the Executive Director(s) is determined by the Remuneration Committee within the permissible limits, as approved by the shareholders in the general meeting, and as per applicable provisions of the Companies Act, 1956. The remuneration comprises basic salary, allowances and perquisites as approved by the shareholders.

Remuneration Committee Meeting was held on August 29, 2012 to consider re-appointment of Mr. Deepak Chheda, Managing Director and Mr. Harish Nisar, Mr. Rohit Dedhia and Mr. Shailesh Shah, Executive Directors of the company for a period of 3 years as per the remuneration and terms & conditions agreed by the committee members and respective directors.

## NON EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

Apart from sitting fess for attending Board/ Committee meetings to the Non Executive and Independent Directors, no other fees/ commission were paid during the period under review. No transactions have been entered into by the Company with the Non Executive and Independent Directors.

There was no meeting of Remuneration Committee held during the financial year end March 31, 2012

Sr. No.	Name of the Director	Designation	Status
1	Mr. Sudhir Mehta	Chairman	Non Executive and Independent Director
2	Mr. Yogesh Shah	Member	Non Executive and Independent Director
3	Mr. Vatsal Shah	Member	Non Executive and Independent Director

Details of remuneration paid to Executive Directors of the Company in the financial year end 2011-12 is as follows:

Name of the Directors	Salary and Allowance (Rs.)	Perquisites (Rs.)	Stock Option (Rs.)	Sitting Fees (Rs.)
Mr. Deepak Chheda Chairman and Managing Director	24,00,000/-	Nil	Nil	Nil
Mr. Harish Nisar Executive Director	7,50,000/-	Nil	Nil	Nil
Mr. Rohit Dedhia Chief Operating Officer & Executive Director	7,50,000/-	Nil	Nil	Nil
Mr. Shailesh Shah Executive Director	3,00,000/-	Nil	Nil	Nil

The Company does not have stock option scheme for grant of stock options either to the Executive Directors or employees.

**Details of sitting fees paid to Non -Executive Directors in the financial year end 2011-12 as follows:**

Name of the Directors	Salary and Allowance (Rs.)	Perquisites (Rs.)	Stock Option (Rs.)	Sitting Fees (Rs.)
Mr. Nilesh Vikamsey Non Executive and Independent Director	Nil	Nil	Nil	70,000
Mr. Vatsal Shah Non Executive and Independent Director	Nil	Nil	Nil	70,000
Mr. Yogesh Shah Non Executive and Independent Director	Nil	Nil	Nil	80,000
Mr. Sudhir Mehta Non Executive and Independent Director	Nil	Nil	Nil	80,000



## **RIGHTS ISSUE COMMITTEE:**

The Board of Directors at its meeting held on August 11, 2011 revised the terms of reference of Rights Issue Committee. The Rights Issue Committee comprises of the following:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Status</b>
1	Mr. Vatsal Shah	Chairman	Non Executive and Independent Director
2	Mr. Deepak Chheda	Member	Chairman and Managing Director
3	Mr. Harish Nisar	Member	Executive Director
4	Mr. Rohit Dedhia	Member	Executive Director
5	Mr. Shailesh Shah	Member	Executive Director

## **TERMS OF REFERENCE**

The Committee has been constituted to do all such acts, matters, deeds and things and to execute all such deeds, documents, agreements etc. as may be necessary for the purpose of the proposed rights issue including but not limited to the following:

1. To obtain the requisite approvals, consents and sanctions from SEBI, stock exchange, RBI, Registrar of Companies, Government of India, Foreign Investment Promotion Board ("FIPB"), lenders of the Company etc;
2. To file necessary certificates/ returns /forms with SEBI, stock exchange, RBI, Registrar of Companies, Government of India and other authorities;
3. To issue public advertisements and notices as may be required ;
4. To apply to the stock exchange for obtaining in-principle approval for listing and, for permission to trade the equity on Bombay Stock Exchange with power to settle any query difficulty or doubt that may arise in regard to the rights issue;
5. To apply to the concerned depositories for the admission of the equity shares into the depository system; and
6. To incur necessary expenses such as fees of various agencies, filing fees, stamp duty etc.

No meetings of the Rights Issue Committee were held during the financial year ended March 31, 2012.

## **RISK MANAGEMENT FRAMEWORK**

The Company has in place mechanisms to inform board members about the risk assessment and minimization procedures and periodical reviews to ensure that risk is controlled by the executive management through the means of the properly defined framework.

## **CODE OF ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT**

At the Board Meeting held 14th November, 2009, the Board of Directors has approved the Code of Conduct applicable to the Directors and the Senior Management personnel. This code was further amended at Board Meeting held on 15th May, 2012. This Code of Conduct is available at Company's website: [www.rodium.net](http://www.rodium.net)

The Code of Ethics for Directors and Senior Management ("the Code"), as adopted by the Board, is a comprehensive Code applicable to all Directors and Management Personnel. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers on the following theme:

"The Company's Board members and senior management personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit."

A copy of the Code has been put on the Company's website.

The Code has been circulated to all the members of the Board and senior management personnel and the compliance of the same is affirmed by them annually. A declaration signed by the Chairman and Managing Director is as follows:

I, Deepak Chheda, Chairman and Managing Director of Rodium Realty Limited, hereby confirm pursuant to clause 49 (1) (d) of the listing agreement that the Company has, in respect of financial year ended March 31, 2012, received from the senior management personnel of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them have, in letter and spirit and to the best of my knowledge and belief, complied with the provisions of **Code of Ethics for Directors and Senior Management** during the financial year ended March 31, 2012.

**Deepak Chheda**

**Chairman and Managing Director**

#### **Disclosure on legal proceedings pertaining to shares**

There are no pending cases pertaining to shares as on March 31, 2012.

#### **CEO and CFO certification**

The CEO and CFO of the Company have certified to the Board in relation to reviewing financial statements and other information as mentioned in para V of clause 49 of the listing agreement and the required certificate is appended.

#### **GENERAL BODY MEETINGS**

##### **Annual General Meeting:**

Annual General Meetings of the Company during the preceding 3 years were held at:

Financial Year	Venue
2010-11	291, X'Trium, Ground Floor, Andheri – Kurla Road, Near Chakala Junction, Andheri(East), Mumbai – 400 069.
2009-10	291, X'Trium, Ground Floor, Andheri – Kurla Road, Near Chakala Junction, Andheri(East), Mumbai – 400 069.
2008-09	No. 17, 1st Floor, 1st Cross, 5t 'A' Block, Koramangala, Bengaluru- 560095.

Date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

Date	Time	Special Resolution
September 28, 2011	9.15 a.m.	Appointment of Mr. Sudhir Mehta as Independent Director of the Company under Section 257 of Companies Act, 1956  Appointment of Mr. Nilesh Vikamsey as Independent Director of the Company under Section 257 of Companies Act, 1956
August 2, 2010	9.15 a.m.	To approve reclassification of Preference Share as Equity Shares Capital and Increase in Authorized Share Capital of the Company. To approve revision of salary of Managing Director and executive Director. To approve revision of Salary of Mr. Mehul Nisar as Chief Financial Officer. To appoint Ms. Grima Dedhia as Consultant and decided terms and conditions of appointment. To appoint Ms. Krupa Chheda as Consultant and decided terms and conditions of appointment  To consider change of name of the Company
August 1, 2009	10.00 a.m	Nil

#### **Extra-Ordinary General Meeting:**

During Last 3 years two Extra-Ordinary General meeting held.

Date	Time	Venue
27th January, 2010	10.30 a.m	1st Floor, 2nd Main, 4th Cross, Gavipuram Extension, Basavanagudi, Bengaluru -560 019
14th November, 2008	12.00 noon	S-916, Manipal Centre, 47 Dickenson Road, Bengaluru – 42

#### **DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY**

Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Note 26F to the Accounts as stipulated under Accounting Standard 18 (AS-18), with the Promoters, Directors or the Management or relatives etc. that may have potential conflict with the interest of the Company at large. None of the transactions with the related parties is in conflict with the interest of the Company.

#### **DISCLOSURE OF ACCOUNTING TREATMENT**

The Company follows accounting standards prescribed by the Companies Accounting Standard Rules, 2006 and relevant provisions of the Companies Act, 1956 and in preparation of financial statements; the Company has not adopted a treatment different from that prescribed in the Accounting Standard(s).

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

Company had submitted compounding application under Section 297 of the Companies Act, 1956 for transaction of sale of machinery by the Company to erstwhile promoters/ directors group company Vinod Marketing Pvt. Ltd. where Mr. Balkrishan Boob and Mr. Ramanujdas Boob (erstwhile directors of the Company) were common directors.

Regional Director had issued order dated September 14, 2011 for compounded the offences on the payment of fee of Rs.4,000/- on Company and Rs.4,000/- on other Director/ Officers in defaults. Compounding fees had been paid to the ROC, Mumbai on August 8, 2011.

Order passed by the Regional Director, Western Region Ministry of Corporate Affairs (MCA) was filed with ROC Mumbai, Maharashtra on September 17, 2011.

Company had submitted compounding application under Section 295 of the Act for loan advanced by the Company to the erstwhile promoters/directors group company Vinod Marketing Pvt. Ltd. where Mr. Balkrishan Boob and Mr. Ramanujdas Boob (erstwhile directors of the Company) were common directors.

Order passed by CLB; Western Region was filed with ROC Mumbai, Maharashtra on November 22, 2011.

Both the aforesaid offenses are related to the period prior to acquisition by the present promoters/ directors of the Company.

The Company has received a letter dated September 8, 2011 from the investigation department of SEBI, wherein the Company had been called upon to furnish for certain information, viz. names, addresses and shareholding of directors, promoters, top 50 shareholders, details of purchases and/or sales made by the directors/ promoters and persons coming under the category of persons acting in concert between August 1, 2009 to October 30, 2010, details of shareholding pattern of the company between June 30, 2009 to December 31, 2010, details of loan/financial assistance extended to the Company's promoters/ directors/ associates by pledge of their shareholding in the Company, corporate developments and announcements made, etc., pertaining to the investigation into trading in the scrip of the Company for the period June 30, 2009 to December 31, 2010.

The Company has already furnished the requisite information to SEBI along with the relevant supporting documents to SEBI; vide its letters dated 17th October, 2011.

## **MEANS OF COMMUNICATION**

### **Quarterly Results:**

Pursuant to clause 41 of Listing Agreement, Quarterly Results of the Company are published in 'Free Press Journal' and 'Navshakti' and are displayed on the Company's website [www.rodium.net](http://www.rodium.net)

### **News Releases, Presentations, etc:**

Official news releases and media releases etc. are displayed on the Company's website [www.rodium.net](http://www.rodium.net) and are also sent to the Stock Exchange.

### **Website:**

The Company's website [www.rodium.net](http://www.rodium.net) contains a separate dedicated section 'Investor Corner' where information useful to shareholders is available. The Annual Report of the Company is also available on the website and can be easily downloaded.

### **Annual Report:**

Annual Report containing, inter-alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

**Designated Exclusive email ID:**

The Company has following designated email-ids exclusively for investor servicing:

For queries on Annual Report – info@rodium.net

For queries in respect of shares in physical mode - kandhimathi@cameoindia.com

**GENERAL SHAREHOLDER INFORMATION**

**Company Registration Details**

The Company is registered in the State of Maharashtra, India.

Annual General Meeting (Day, Date, Time and Venue)

Date : Saturday, September 29, 2012

Time : 10.00 a.m.

Venue : Ground Floor, X'Trium, C.T.S. No. 291, Andheri – Kurla Road,  
Near Holy Family Church, Andheri (East), Mumbai - 400069

**Date of Book Closure**

September 26, 2012 to September 29, 2012

**Listing on Stock Exchanges**

**Equity Shares**

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

**Scrip Code** : 531822

**Scrip ID** : RODIUM

**ISIN** : INE513E01024

**Payment of Listing Fees**

Annual listing fee for the year 2012-13 (as applicable) has been paid by the Company to BSE.

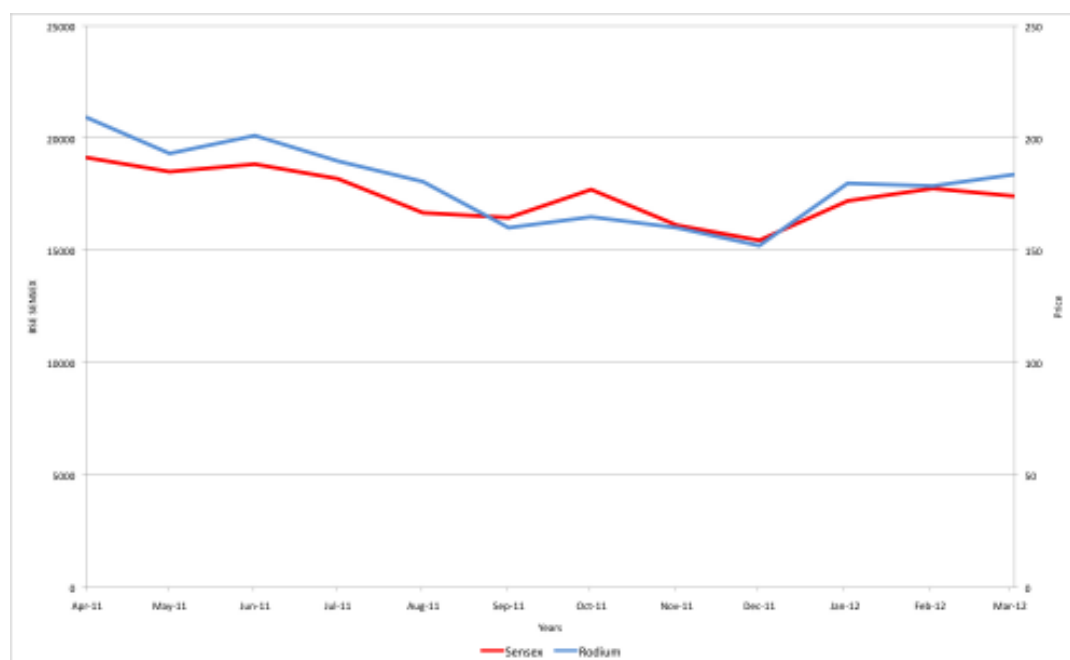
**Payment of Custodial Fees**

Annual custodial fee of CDSL and NSDL for the year 2012-13 has been paid by the Company.

## Stock Market Price Data

Month	Bombay Stock Exchange (BSE) (in Rs. per share)	
	Month's High Price	Month's Low Price
April, 2011	214.85	194.00
May, 2011	214.40	175.00
June, 2011	218.80	191.00
July, 2011	201.40	189.25
August, 2011	203.80	160.00
September, 2011	194.70	156.25
October, 2011	195.00	156.00
November, 2011	179.95	148.00
December, 2011	166.00	125.25
January, 2012	190.10	146.35
February, 2012	186.25	175.35
March, 2012	186.00	170.00

Share price performance in comparison to broad based index – BSE Sensex as on March 31, 2012.



### **Registrars and Transfer Agents**

Cameo Corporate Services Limited

Subramanian Buildings, No. 1

Club House Road,

Chennai 600002

Phone: 044 – 28460390

Email id: investor@cameoindia.com

Website: www.cameoindia.com

### **Share Transfer System**

Shares lodged for transfer at the Registrar's address are normally processed and approved on a fortnightly basis. All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 15 days. Grievances received from members and other miscellaneous correspondences on change of address, bank / ECS mandates, etc. are processed by the Registrars within 30 days.

Share Transfers and other communications regarding share certificates, change of address, demat and other matter, please write to or contact Share Transfer Agent of the Company at Cameo Corporate Services Limited.

### **Disclosure under Clause 5A of the Listing Agreement in respect of unclaimed shares**

In terms of clause 5A of the Listing Agreement, the Company shall credit the shares to the demat suspense account, with NSDL, which are unclaimed and lying in escrow account.

The details thereof as required to be disclosed in the Annual Report are given below:

<b>Particulars</b>	<b>No. of Shareholders</b>	<b>No. of Shares</b>
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2011	30	10005
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2012	30	10005

The voting rights on the shares outstanding in the suspense account as on March 31, 2012 shall remain frozen till the rightful owner of such shares claims the shares.

### Shareholding Pattern as on March 31, 2012

Category Code	Category of Shareholder	No. of Shareholders	Total number of Shares	As a Percentage of Total (A+ B + C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
(a)	Indian	4	21,40,440	65.90%
(b)	Foreign	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>4</b>	<b>21,40,440</b>	<b>65.90%</b>
<b>(B)</b>	<b>Public Shareholding</b>			
(a)	Institutions	-	-	-
(b)	Non-Institutions	664	11,07,460	34.10%
	<b>Total Public Shareholding</b>	<b>668</b>	<b>32,47,900</b>	<b>100.00%</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depositories Receipts have been issued</b>	-	-	-
	<b>Total (A + B + C)</b>	<b>668</b>	<b>32,47,900</b>	<b>100.00%</b>

### Distribution of Shareholding as on March 31, 2012

Sr. No.	Category	Holders	% of Total Holders	Shares	% of Total Shares
1.	1 – 100	174	26.05%	9,227	0.28 %
2.	101 – 500	295	44.16%	81,731	2.52%
3.	501 – 1000	59	8.83%	44,329	1.36%
4.	1001 – 2000	52	7.79%	70,193	2.16%
5.	2001 – 3000	29	4.34%	72,919	2.25%
6.	3001 – 4000	10	1.50%	37,298	1.15%
7.	4001 – 5000	7	1.05%	33,309	1.03%
8.	5001 – 10000	19	2.84%	1,46,920	4.52%
9.	10001 – and above	23	3.44%	27,51,974	84.73%
	<b>Total</b>	<b>668</b>	<b>100.00%</b>	<b>32,47,900</b>	<b>100.00%</b>



## **CORPORATE BENEFITS TO INVESTORS**

### **Bonus Issues of Fully Paid-up Equity Shares**

Not Applicable

### **Dividend Declared for the last 10 Years**

No dividend has been declared in the last ten years to the Equity Shareholders of the Company.

### **Dematerialization of Shares**

<b>Electronic / Physical Mode</b>	<b>Percentage</b>
NSDL	20.30%
CDSL	76.84%
Physical	2.86%
<b>Total</b>	<b>100.00%</b>

### **Transfer of unpaid/ unclaimed amounts to Investor Education and Protection Fund**

During the year under review, the Company has no unpaid / unclaimed amounts to be transferred to Investor Education and Protection Fund.

### **Compliance Certificate of the Auditors**

Certificate from the Auditor of the Company, M/s. M. M. Nissim And Co. Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is attached to the Directors' Report forms part of this Annual Report.

This Certificate has also been forwarded to the Stock Exchanges where the securities of the Company are listed.

By order of the Board of Directors  
For **Rodium Realty Limited**

Date: August 29, 2012  
Place: Mumbai

Deepak Chheda  
Chairman and Managing Director

## CEO and CFO Certification

We to the best of our knowledge and belief, certify that

- i. We have reviewed the financial statements and cash flow statement of Rodium Realty Limited for the financial year ended March 31, 2012 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- ii. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- iii. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal control, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- iv. We have indicated to the auditors and the Audit Committee:
  - a. Significant changes in internal control over financial reporting during the year;
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. There are no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Rodium Realty Ltd**

Deepak Chheda  
Chairman and Managing Director

Mehul Nisar  
Chief Financial Officer

Place: Mumbai  
Date: August 29, 2012

**M. M. NISSIM AND CO. (Regd.)**  
**CHARTERED ACCOUNTANTS**

Barodawala Mansion,  
B-Wing, 3rd Floor,  
81, Dr. Annie Besant Road,  
Worli, Mumbai 400 018.  
Tel. : 2494 9991 Fax : 2494 9995  
E-mail : mail@mmnissim.com  
Website : www.mmnissim.com

**To the Members of Rodium Realty Limited**

We have examined the compliance of conditions of Corporate Governance by Rodium Realty Limited, for the financial year end 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company

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

We 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.

For M. M. NISSIM AND CO.  
Chartered Accountants  
FRN No. (ICAI Reg. No.107122W)

August 29, 2012  
Mumbai

(N. Kashinath)  
Partner  
Mem. No. 36490

**M. M. NISSIM AND CO. (Regd.)**  
**C H A R T E R E D A C C O U N T A N T S**

Barodawala Mansion,  
B-Wing, 3rd Floor,  
81, Dr. Annie Besant Road,  
Worli, Mumbai 400 018.  
Tel. : 2494 9991 Fax : 2494 9995  
E-mail : mail@mmnissim.com  
Website : www.mmnissim.com

### TO THE MEMBERS OF RODIUM REALTY LIMITED

We have audited the attached Balance Sheet of Rodium Realty Limited as at 31st March 2012, and also the Statement of Profit and Loss and the cash flow statement for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act') we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

Further to our comments referred to above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
3. The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
5. On the basis of written representations received from the Directors as on 31st March 2012 and taken on record by the Board of Directors and on the basis of examination and records of the company, we report and certify that none of the Directors is disqualified as on 31 March, 2011 from being appointed

as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;

6. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2012;
  - b) in the case of the statement of Profit and Loss, of the Profit for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For M. M. NISSIM AND CO.  
Chartered Accountants  
FRN No. (ICAI Reg. No.107122W)

August 29, 2012  
Mumbai

(N. Kashinath)  
Partner  
Mem. No. 36490

**M. M. NISSIM AND CO. (Regd.)**  
**CHARTERED ACCOUNTANTS**

Continuation Sheet

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in our report of even date to the members of **RODIUM REALTY LIMITED** as at and for the year ended 31st March, 2012).

- i) In respect of its Fixed Assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
  - b) As explained to us, the assets have been physically verified by the management, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and discrepancies noticed on such physical verification have been properly dealt with in the books of account;
  - c) The company has not disposed off any part of its Fixed Assets during the year.
- ii) In respect of its inventories:
  - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable;
  - b) The procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the company and nature of its business;
  - c) The company is maintaining proper records of inventory. As informed, no material discrepancies were noticed on such physical verification.
- iii)
  - a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the clauses 4(iii) (b) to (d) of the Order are not applicable;
  - b) The company has taken unsecured loans from 10 parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance of loans taken from such parties were Rs. 208,749,547/- and Rs. 165,083,889/- respectively.
  - c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms & conditions are not prima facie prejudicial to the interest of the company.
  - d) The principal and interest payments in respect of the said loans were regular.
- iv) In our opinion there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal

control system, in respect of these areas.

- v) a) Based on the audit procedure applied by us and according to the information, explanations and representation given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register maintained under that section have been so entered.
- b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rs.5 lakhs in respect of each party, the transactions have been made at prices which are, prima facie, reasonable having regard to the prevailing market prices at the relevant time, where comparable market price exists.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of section 58 A and 58 AA of the Companies Act, 1956 and Rules framed there under.
- vii) The Company has appointed a firm of Chartered Accountants to carry out the internal audit of its operations. In our opinion, the company's internal audit system is commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Act, and are of the opinion that prima facie the prescribed accounts and records have generally been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) a) The company is generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with appropriate authorities, where applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Sales tax, Income tax, Custom duty, Wealth tax, Service Tax, Excise duty and Cess that have not been deposited on account of any dispute.
- x) The accumulated losses at the end of the financial year are less than fifty percent of the net worth of the Company. Further, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi) The company has not defaulted in repayment of its dues to banks. The company does not have any borrowings from financial institutions or by way of debentures.
- xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

- xiii) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the company.
- xiv) According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures or other investments except for investments in mutual funds, where the company has maintained proper records, timely entries have been made and the investments are held in the name of the company.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) On the basis of the records examined by us we have to state that, the company has, prima facie, applied the Hire Purchase loans for the purposes for which they were obtained. The company does not have any other term loans.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long-term investments.
- xviii) The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
- xix) The company has not issued any debentures during the year.
- xx) The company has not raised any money by way of public issue during the year.
- xxi) On the basis of our examination and according to the information and explanations given to us, no fraud on or by the company, has been noticed or reported during the year.

For M. M. NISSIM AND CO.  
Chartered Accountants  
FRN No. (ICAI Reg. No.107122W)

August 29, 2012  
Mumbai

(N. Kashinath)  
Partner  
Mem. No. 36490



## BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	Rupees As at 31st March 2012	Rupees As at March 31, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	104,449,750	104,449,750
Reserves & Surplus	4	39,026,709	14,146,933
		<b>143,476,459</b>	<b>118,596,683</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	6,700,000	697,009
Long-Term Provisions	6	433,891	199,768
		<b>7,133,891</b>	<b>896,777</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	405,736,574	352,030,864
Trade Payables	8	161,817	4,881,438
Other Current Liabilities	9	108,889,160	141,024,724
Short-Term Provisions	6	14,775,644	10,580,311
		<b>529,563,195</b>	<b>508,517,337</b>
<b>TOTAL</b>		<b>680,173,545</b>	<b>628,010,797</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	10	10,467,987	11,597,823
Intangible Assets		174,686	-
		<b>10,642,673</b>	<b>11,597,823</b>
Non-Current Investments	11	19,700,933	26,400,933
Deffered tax Asset	12	3,618,414	17,730,920
Long-Term Loans & Advances	13	15,325,791	7,503,101
Other Non-Current Assets	14	584,063	584,063
		<b>49,871,874</b>	<b>63,816,840</b>
<b>Current Assets</b>			
Inventories	15	381,206,314	461,136,473
Trade Receivables	16	58,985,062	17,722,086
Cash & Bank Balances	17	132,151,562	77,595,327
Short-Term Loans & Advances	13	10,323,933	3,284,136
Other Current Assets	14	47,634,800	4,455,935
		<b>630,301,671</b>	<b>564,193,957</b>
<b>TOTAL</b>		<b>680,173,545</b>	<b>628,010,797</b>
Significant Accounting Policies	2		
The Notes are an integral part of these financial statement			

This is the Balance Sheet referred to in our report of even date.

For M. M. NISSIM AND CO.  
Chartered Accountants  
FRN. No. (ICAI Reg. No.107122W)  
(N. Kashinath)  
Partner  
Membership No. 36490

For and on behalf of the Board of Directors  
Deepak Chheda Chairman & Managing Director  
Harish Nisar Director  
Mehul Nisar CFO  
Brijesh Thakkar Company Secretary

Date : 29th August, 2012  
Place : Mumbai

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

	Note	Rupees Year Ended 31st March 2012	Rupees Year Ended 31st March 2011
<b>INCOME</b>			
Revenue from operations	18	278,774,115	242,231,437
Other income	19	13,470,943	12,589,083
<b>Total Revenue</b>		<b>292,245,058</b>	<b>254,820,520</b>
<b>EXPENSES</b>			
Cost of Development and Construction	20	93,996,863	593,806,256
Changes in Inventory	21	79,930,159	(461,136,473)
Employee benefits expense	22	5,381,276	5,055,938
Finance costs	23	22,199,741	21,644,480
Depreciation & Amortisation expense	24	1,266,762	1,062,218
Other expenses	25	34,216,729	38,579,379
<b>Total Expenses</b>		<b>236,991,530</b>	<b>199,011,798</b>
<b>PROFIT BEFORE TAX</b>		<b>55,253,528</b>	<b>55,808,722</b>
Tax Expense			
Current tax		9,210,917	5,330,375
MAT Credit entitlement		(9,210,917)	(5,330,375)
Deferred tax		14,112,506	17,131,511
Short / (Excess) Provision of Tax written back		1,617,211	(9,947)
		<b>15,729,717</b>	<b>17,121,564</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>39,523,811</b>	<b>38,687,158</b>
Earnings per equity share:			
Basic & diluted	26 (D)	<b>9.91</b>	<b>9.80</b>
<b>Significant Accounting Policies</b>	2		
The Notes are an integral part of these financial statements			

This is the Profit & Loss Account referred to in our report of even date.

For M. M. NISSIM AND CO.  
Chartered Accountants  
FRN. No. (ICAI Reg. No.107122W)

(N. Kashinath)  
Partner  
Membership No. 36490

Date : 29th August, 2012  
Place : Mumbai

For and on behalf of the Board of Directors

Deepak Chheda  
Harish Nisar  
Mehul Nisar  
Brijesh Thakkar

Chairman & Managing Director  
Director  
CFO  
Company Secretary

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

	Year Ended 31st March 2012 Rupees	Year Ended 31st March 2011 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT / (LOSS) BEFORE TAX</b>	<b>55,253,528</b>	<b>55,808,722</b>
<b>Adjustment for :</b>		
Depreciation	1,266,762	1,062,218
Interest	48,387,414	42,405,528
Interest & Dividend Income	(11,467,274)	(8,472,780)
Loss / (Gain) on fixed assets sold/discarded (Net)		840,450
Profit on sale of investment	(1,424,379)	-
	<b>36,762,523</b>	<b>35,835,416</b>
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>92,016,051</b>	<b>91,644,138</b>
Decrease / (increase) in Trade Receivables, Short / Long Term Loans & Advances, Other Non-Current / Current Assets	(86,578,092)	30,843,446
Non Current Bank Deposits	(56,060,122)	(75,385,355)
Decrease / (increase) in Inventories	79,930,159	33,082,897
Increase / (decrease) in Trade Payable, Long Term / Current Liabilities & Long / Short Term Provisions.	(6,732,198)	(23,458,868)
	<b>(69,440,253)</b>	<b>(34,917,880)</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>22,575,798</b>	<b>56,726,258</b>
Direct Taxes paid	(9,625,284)	(4,533,734)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>12,950,514</b>	<b>52,192,524</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible / Intangible Assets, Capital Work in Progress & Capital Advances	(311,612)	(3,125,065)
Adjustment on Acquisition of Partnership Firm		43,788,651
Purchase of Investment	(3,875,000)	(34,112,305)
Sale of Investment	11,999,379	56,370,309
Interest & Dividend income	6,563,728	6,374,695
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>14,376,495</b>	<b>69,296,285</b>

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



	Year Ended 31st March 2012 Rupees	Year Ended 31st March 2011 Rupees
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayments) / proceeds from Borrowings (Net)	54,371,420	98,273,072
Hire Purchase Credit	(2,413,197)	3,110,206
Proceeds from Term Loan	(32,300,000)	-
Proceed From unsecured loan	(665,710)	(207,043,245)
Proceed From Preference Share Capital		21,000,000
Interest paid	(37,558,542)	(35,401,209)
Dividend and Corporate Dividend Tax	(10,264,867)	-
NET CASH FROM FINANCING ACTIVITIES	(28,830,896)	(120,061,176)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,503,887)	1,427,633
CASH AND CASH EQUIVALENTS AS AT 31.3.2011	1,872,439	444,806
CASH AND CASH EQUIVALENTS AS AT 31.3.2012	368,552	1,872,439

This is the Cash Flow Statement referred to in our report of even date

For M. M. NISSIM AND CO.  
Chartered Accountants  
FRN. No. (ICAI Reg. No.107122W)

(N. Kashinath)  
Partner  
Membership No. 36490

Date : 29th August, 2012  
Place : Mumbai

For and on behalf of the Board of Directors

Deepak Chheda

Harish Nisar

Mehul Nisar

Brijesh Thakkar

Chairman & Managing Director

Director

CFO

Company Secretary

### NOTE 1 : NATURE OF OPERATIONS

Rodium Realty Limited the "Company" or "RRL", is primarily engaged in business of real estate development and services.

### NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The Financial Statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, on an accrual basis, in accordance with applicable Accounting Standards and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per criteria set out in the Schedule VI to the Companies Act, 1956.

#### Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

#### Revenue Recognition

The Company is following the "Percentage Completion Method" of accounting. As per this method, revenue from sale of properties is recognised in Profit and Loss Account in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company on transfer of significant risk and rewards to the buyer. If the actual project cost excluding cost of acquisition of land / development rights incurred is less than 20% of the total estimated project cost, no income is recognised in respect of that project in the relevant period.

The estimates relating to percentage of completion, costs to completion, area available for sale etc. being technical in nature are reviewed and revised periodically by the management and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognised prospectively in the period in which such changes are determined.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive the same is established

#### Fixed Assets

Tangible Fixed Assets are stated at cost less accumulated depreciation and provision for impairment, if any. The cost includes expenditure incurred in the acquisition and construction / installation and other related expenses in bringing the asset to working condition for its intended use. In respect of qualifying assets, related pre-operational expenses including borrowing costs are also capitalised.

Intangible Assets are stated at acquisition cost, net off accumulated amortisation and provision for impairment, if any.

#### Depreciation

Depreciation on Tangible Fixed Assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on prorata basis from the date of additions and/or disposal.

Intangible Assets, being computer software, are amortised on straight line basis over a period of three years.

## **Borrowing costs**

Interest and other borrowing costs, attributable to the acquisition of or construction of qualifying assets till the date of commercial use of the Assets are capitalised. Borrowing costs incurred for development of long term projects are capitalised as part of their costs. All other borrowing costs are charged to revenue, in the period in which they are incurred.

## **Impairment**

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and "Value in use" of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital.

## **Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost or fair value. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

## **Foreign Currency Transactions**

### **Initial Recognition**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions.

### **Subsequent Recognition**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

### **Forward Exchange Contracts**

The premium or discount arising at the inception of forward exchange contract entered into to hedge an existing asset / liability, is amortised as expense or income over the life of the contract. Exchange difference on such a contract is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are mark-to-market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

## **Inventory**

- i) Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.

Direct expenditure relating to construction activity is inventorised. Indirect expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the profit and loss account.

ii) Finished goods - Units: Valued at lower of cost and net realisable value.

## **Retirement & other employee benefits**

Short term employee benefits are accounted in the period during which the services have been rendered.

The Company contributes on a defined contribution basis to Employee's Provident Fund towards post employment benefits, all of which are administered by the Regional Provident Fund authorities, and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

The liability for the defined benefit plan of Gratuity is determined on the basis of the an acutural valuation by an independant actuary at the year end, which is calculated using projected unit credit method. Acutural gain and losses and the effects of the changes in acutural assumption is recognised in the Statement of Profit and Loss.

## **Income Taxes**

Tax expense comprises both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assests and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred Tax assets are recognised only to the extent there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

Mimimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Provision for Wealth tax liability is estimated and provided for.

## **Operating Lease**

Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

## **Provisions and Contingent Liabilities**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

# FOR THE YEAR ENDED 31ST MARCH 2012

	As at 31st March 2012 Rupees	As at 31st March 2011 Rupees
<b>NOTE 3: SHARE CAPITAL</b>		
<b>Authorised</b>		
60,00,000 Equity Shares of Rs. 10/- each	<b>60,000,000</b>	60,000,000
70,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each	<b>70,000,000</b>	70,000,000
	<b>130,000,000</b>	130,000,000
<b>Issued</b>		
37,33,300 Equity Shares of Rs. 10/- each	<b>37,333,000</b>	37,333,000
70,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each	<b>70,000,000</b>	70,000,000
	<b>107,333,000</b>	107,333,000
<b>Subscribed and Fully Paid-up</b>		
32,47,900 Equity Shares of Rs. 10/- each	<b>32,479,000</b>	32,479,000
Add: 4,85,400 Forfeited Shares	<b>1,970,750</b>	1,970,750
70,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each	<b>70,000,000</b>	70,000,000
	<b>104,449,750</b>	104,449,750

**(a) Rights, preferences and restrictions attached to shares;**

- The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- The company has 9% Cumulative Redeemable Preference Shares having par value of Rs. 10 per share. The voting rights of the persons holding the said shares shall be in accordance with section 87 of the Companies Act, 1956. The shares shall, in case of winding up are entitled to rank, as regards repayment of Capital and arrears of dividend, whether declared or not upto the commencement on the winding up, in priority of equity shares but shall not be entitled to any further participation in profits or assets. The shares are for a term of 20 Years from 31st March, 2008 being the date of allotment.

**(b) i Shareholders holding more than 5 percent of the equity shares**

Sr.	Name of Share Holders	31st March 2012		31st March 2011	
		No. of Shares Held	% Shares	No. of Shares Held	% Share
1	Mr. Deepak Dungarshi Chheda	930,351	28.64	929,351	28.61
2	Mr. Shailesh Damji Shah	588,521	18.12	587,521	18.09
3	Mr. Harish Damji Nisar	310,784	9.57	309,784	9.54
4	Mr. Rohit Keshavji Dedhia	310,784	9.57	309,784	9.54



## NOTE 3: SHARE CAPITAL (contd.)

(b) ii Shareholders holding more than 5 percent of the 9% Cumulative Redeemable Preference Shares

Sr. Name of Share Holders	31st March 2012		31st March 2011	
	No. of Shares Held	% Shares	No. of Shares Held	% Share
1 M/s. Sigma Fiscals Private Limited	3,045,000	43.50	3,045,000	43.50
2 Mr. Shailesh Damji Shah	1,925,000	27.50	1,925,000	27.50
3 Mr. Harish Damji Nisar	1,015,000	14.50	1,015,000	14.50
4 Mr. Rohit Keshavji Dedhia	1,015,000	14.50	1,015,000	14.50

## NOTE 4: RESERVES AND SURPLUS

(Rs.)

	As at 31st March 2012	As at 31st March 2011
<b>Capital Reserve</b>		
As per last Account	39,641,436	39,641,436
<b>Capital Subsidy</b>		
As per last Account	2,500,000	2,500,000
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Balance as per last financial statement	(27,994,503)	(56,416,794)
Profit for the year	39,523,811	38,687,158
<b>Less:- Appropriations</b>		
Proposed Dividend	12,600,000	8,832,082
Corporate Tax on Dividend	2,044,035	1,432,785
Closing Balance	(3,114,727)	(27,994,503)
	<b>39,026,709</b>	<b>14,146,933</b>

## NOTE 5: LONG-TERM BORROWINGS

(Rs.)

	Non-current		Current maturities	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
<b>Secured</b>				
<b>1 Working Capital Term Loans:</b>				
From Indian Overseas Bank	6,700,000	-	45,000,000	
From Kotak Mahindra Bank				84,000,000
<b>2 Hire Purchase Vehicle Loans:</b>				
From a Bank	-	697,009	697,009	2,413,197
Amounts disclosed under the head 'Other Current Liabilities' (Note 9)			(45,697,009)	(86,413,197)
	<b>6,700,000</b>	<b>697,009</b>	<b>-</b>	<b>-</b>

# FOR THE YEAR ENDED 31ST MARCH 2012

## a. Nature of Security

<b>1. Term Loan from Indian Overseas Bank is secured by ;</b> a. Equitable mortgage of all that piece of parcel of free hold land or ground admeasuring 901.06 Sq. Yards equivalent to 75.04 sq. metres bearing Plot No. 7 of the larger Plot No. 10 of the Azad Nagar Co-operative Society Limited, forming part of the Survey No. 287 of the village Vile Parle in Registration district of Mumbai Suburban District at Road No.1, Juhu Vile Parle Development Scheme, Vile Parle (West), Mumbai - 400 056 b. The said loan is further secured by Personal guarantee of the Directors.	<b>Terms of repayment</b> Repayable in 4 Quarterly Instalments starting from March, 2013. Interest is payable at Base Rate +5%.
<b>2 Term Loan from Kotak Mahindra Bank is secured by ;</b> a. Registered mortgage of First Floor and Eighth Floor of Project X Trium Located at Andheri Kurla Road, Andheri (E) admeasuring approximately 8545 Sq Feet. b. Lien on amount equal to three months interest to be kept in Term Deposit with the Bank. c. The loan is further secured by Personal Gurantee of Directors & Corporate Gurantee of a Shareholder.	<b>Terms of repayment</b> Loan has been repaid in 18 montly installments of Rs. 90,00,000/- each commencing from the 7th month from the month of disbursement. Interest Payable at HF PLR +0.50%.
<b>3. Hire Purchase Vehicle Loan</b> All Hire Purchase Vehicle Loans are secured against Motor Cars.	Loans are repaid in 36 monthly installments carrying interest rate ranging from 9.50% to 10.59%.

## NOTE 6 : PROVISIONS

(Rs.)

	Long Term		Short Term	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
<b>Provision for employee benefits</b>				
Gratuity	433,891	199,768	2,911	1,363
Income Tax (Net of advance Tax paid)	-	-	128,698	314,081
Proposed Dividend	-	-	12,600,000	8,832,082
Corporate Tax on Dividend	-	-	2,044,035	1,432,785
	<b>433,891</b>	199,768	<b>14,775,644</b>	10,580,311

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 7 : SHORT-TERM BORROWINGS

(Rs.)

	As at 31st March 2012	As at 31st March 2011
<b>Secured</b>		
Working Capital Facilities from Banks	122,897,525	68,526,105
<b>Unsecured</b>		
From Related Parties	165,083,889	154,249,599
From others	117,755,160	129,255,160
	<b>405,736,574</b>	<b>352,030,864</b>

#### Nature of Security:

	Particulars	Security Provided for	Interest Rate	31st March 2012	31st March 2011
1	Indian Overseas Bank Over Draft Facility	Secured against lien over term deposit	11.25%	37,356,058	-
2	Kotak Mahindra Bank Over Draft Facility	Secured against lien over term deposit	11.50%	9,242,008	-
3	Indian Overseas Bank Cash Credit Facility	Secured by equitable mortgage of ground floor, exclusive 1st and 11nd, store and upper basement of "X trium" Building & further Guaranteed by Directors	Base Rate + 5%	76,299,460	68,526,105

### NOTE 8 : TRADE PAYABLES

(Rs.)

	As at 31st March 2012	As at 31st March 2011
Trade Payable (refer to note 26 C)	161,817	4,881,438
	<b>161,817</b>	<b>4,881,438</b>

# FOR THE YEAR ENDED 31ST MARCH 2012

## NOTE 9 : OTHER CURRENT LIABILITIES

(Rs.)

	As at 31st March 2012	As at 31st March 2011
Current maturities of long term borrowings (Note 5)	45,697,009	86,413,197
Interest accrued and due on borrowings	18,538,197	7,709,325
Rent Income received in advance	144,409	-
Advance received from customers towards booking of units	28,103,616	38,384,898
Statutory dues :		
Withholding Taxes and other Statutory Payments	1,050,098	1,075,399
Service Tax	-	2,691,130
Other payables:		
Liabilities for expenses (refer note 26 C)	2,379,760	1,269,718
Customer Deposit towards Taxes and other outgoings	12,851,071	3,331,057
Security Deposits	125,000	150,000
Others	-	-
	<b>108,889,160</b>	<b>141,024,724</b>

There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

## NOTE 10 : FIXED ASSETS

(Rs.)

Nature of Fixed Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost Value As at 1st April, 2011	Addition	Cost Value As at 31st March, 2012	Upto 31st March, 2011	Provided during the year	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
<b>Tangible Assets</b>								
Furniture & Fixtures	2,922,057	-	2,922,057	96,910	185,472	282,382	2,639,675	2,825,147
Computer	2,161,027	-	2,161,027	274,870	351,262	626,132	1,534,895	1,886,157
Office Equipment	544,144	103,612	647,756	22,320	26,766	49,086	598,670	521,824
Vehicles	7,032,813	-	7,032,813	668,118	669,948	1,338,066	5,694,747	6,364,695
<b>Total Tangible Assets</b>	<b>12,660,041</b>	<b>103,612</b>	<b>12,763,653</b>	<b>1,062,218</b>	<b>1,233,448</b>	<b>2,295,666</b>	<b>10,467,987</b>	<b>11,597,823</b>
Previous year	-	12,660,041	12,660,041	-	1,062,218	1,062,218	11,597,823	-
<b>Intangible Assets</b>								
Computer Software	-	208,000	208,000	-	33,314	33,314	174,686	-
<b>Total Intangible Assets</b>	-	208,000	208,000	-	33,314	33,314	174,686	-
Previous year	-	-	-	-	-	-	-	-
<b>Grand Total</b>							<b>10,642,673</b>	<b>11,597,823</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 11 : NON - CURRENT INVESTMENTS

(Rs.)

	As at 31st March 2012	As at 31st March 2011
<b>Unquoted - Non Trade (At Cost)</b>		
<b>In Mutual Funds</b>		
4565.433 Units of IL & FS- Milestone Fund -I of Rs. 1,000/- each	4,565,433	4,565,433
3 Nifty Linked Debentures of Rs. 10,00,000/- each	-	3,075,000
250 Units of Kotak -India Growth Fund of Rs.1,00,000/- each (Partly paid Rs. 56,500/- per unit ) (P.year partly paid Rs. 38,000/- each)	15,125,000	11,250,000
219489.818 Units of HDFC Monthly Income Plan - Growth of Rs. 10/- each	-	5,000,000
11545.798 Units of HDFC Prudence Fund - Growth of Rs. 10/- each	-	2,500,000
<b>Others</b>		
National Savings Certificate	10,500	10,500
<b>TOTAL</b>	<b>19,700,933</b>	<b>26,400,933</b>

### NOTE 12 : DEFERRED TAX ASSETS (NET):

(Rs.)

	As at 31st March 2012	As at 31st March 2011
Arising on account of timing difference in:		
- Unabsorbed Depreciation and Business loss	3,476,694	17,661,304
- Accrued Expenses allowable on Actual Payments	141,720	69,616
Deferred Tax Assets (Net)	<b>3,618,414</b>	<b>17,730,920</b>

### NOTE 13 : LOANS & ADVANCES

(Rs.)

	Long Term		Short Term	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
<b>Unsecured, Considered Good</b>				
Loan to Employees	-	-	50,000	-
Loans and Advances to others	-	-	10,273,933	3,284,136
Advance payment of Income Tax / Tax Deducted at Source (after adjusting provision)	784,500	2,172,727	-	-
MAT credit entitlement	14,541,291	5,330,374	-	-
	<b>15,325,791</b>	<b>7,503,101</b>	<b>10,323,933</b>	<b>3,284,136</b>

# FOR THE YEAR ENDED 31ST MARCH 2012

## NOTE 14: OTHER ASSETS

(Rs.)

	Non-current		Current	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
<b>Unsecured, Considered Good</b>				
Interest accrued on fixed Deposits	-	-	7,033,733	2,130,187
Unbilled Revenue	-	-	33,716,757	-
Prepaid Expenses	-	-	1,884,310	2,325,748
Deposits	584,063	584,063	5,000,000	-
	<u>584,063</u>	<u>584,063</u>	<u>47,634,800</u>	<u>4,455,935</u>

## NOTE 15 : INVENTORIES

(Rs.)

	As at 31st March 2012	As at 31st March 2011
<b>At lower of cost and net realisable value</b>		
Construction work in Progress	228,807,554	202,737,713
Constructed Units	142,385,000	248,385,000
Stock of Units	10,013,760	10,013,760
	<u>381,206,314</u>	<u>461,136,473</u>

## NOTE 16 : TRADE RECEIVABLES

(Rs.)

	As at 31st March 2012	As at 31st March 2011
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding Six Months	3,276,000	3,276,000
Others	55,709,062	14,446,086
	<u>58,985,062</u>	<u>17,722,086</u>

## NOTE 17 : CASH & BANK BALANCES

(Rs.)

	As at 31st March 2012	As at 31st March 2011
<b>Cash &amp; Cash equivalents:</b>		
Balances with banks;		
In Current Accounts	128,722	1,654,177
Cash on hand	239,830	218,262
	<u>368,552</u>	<u>1,872,439</u>
Other Bank Balances;		
In Deposit Accounts (under lien Rs. 5,68,37,533/-)	131,783,010	75,722,888
	<u>131,783,010</u>	<u>75,722,888</u>
	<u>132,151,562</u>	<u>77,595,327</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 18 : REVENUE FROM OPERATIONS

(Rs.)

	Year Ended 31st March 2012	Year Ended 31st March 2011
<b>Revenue from Operations :</b>		
Income from Property Development	275,625,615	220,071,230
Income from Services	3,148,500	20,917,600
Other Operating Income	-	1,242,607
	<b>278,774,115</b>	<b>242,231,437</b>

### NOTE 19 : OTHER INCOME

(Rs.)

	Year Ended 31st March 2012	Year Ended 31st March 2011
Dividend on Non - Current Investment (other than Trade)	335,728	904,553
Interest		
- on Bank Deposit	10,072,371	6,970,852
- From others	1,059,175	597,375
	<b>11,131,546</b>	<b>7,568,227</b>
Rent Received	380,591	-
Unspent Liabilities/Sundry balances written back (net)	198,699	2,288,359
Profit on Sale of Non-Current Investments	1,424,379	
Miscellaneous Receipts	-	1,827,944
	<b>13,470,943</b>	<b>12,589,083</b>

### NOTE 20 : COST OF DEVELOPMENT AND CONSTRUCTION

(Rs.)

	Year Ended 31st March 2012	Year Ended 31st March 2011
Constructed Units & Work in Progress acquired on Acquisition of Partnership Firm	-	494,719,370
Cost of Development Rights / Land acquisition	53,111,000	22,823,647
Construction and Direct Cost	9,057,426	49,645,616
Administration and General Expenses	3,595,687	5,341,733
Borrowing Costs	28,232,750	21,275,890
	<b>93,996,863</b>	<b>593,806,256</b>

# FOR THE YEAR ENDED 31ST MARCH 2012

## NOTE 21 : CHANGES IN INVENTORY

(Rs.)

	Year Ended 31st March 2012	Year Ended 31st March 2011
Inventory at the end of the year		
Construction Work in Progress	228,807,554	202,737,713
Constructed units	142,385,000	248,385,000
Stock of Flats / Units	10,013,760	10,013,760
	<b>381,206,314</b>	461,136,473
Less: Inventory at the beginning of the year		
Construction Work in Progress	202,737,713	-
Constructed units	248,385,000	-
Stock of Flats / Units	10,013,760	-
	<b>461,136,473</b>	-
	<b>79,930,159</b>	(461,136,473)

## NOTE 22 : EMPLOYEE BENEFITS EXPENSE

(Rs.)

	Year Ended 31st March 2012	Year Ended 31st March 2011
Salaries, Wages, Bonus, and Allowances	4,930,185	4,846,146
Contribution to Provident and other funds	159,828	
Welfare Expenses	291,263	209,792
	<b>5,381,276</b>	5,055,938

	Year Ended 31st March 2012	Year Ended 31st March 2011
(a) Employee Benefits		
a. During the year, the company has recognised the following in the Statement of Profit & Loss.		
(i) <b>Defined contribution plan:</b>		
Employer's contribution to Provident Fund*	159,828	-
* included in "contribution to Provident & Other funds"		
(ii) <b>Defined benefit plan:</b>		
Gratuity UnFunded		
Service Cost	248,883	201,131
Interest Cost	16,090	-
Net Actuarial (Gain) / Loss	(29,302)	-
<b>Net Cost</b>	<b>235,671</b>	201,131



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 22 : EMPLOYEE BENEFITS EXPENSE Contd.

(Rs.)

	Year Ended 31st March 2012	Year Ended 31st March 2011
<b>b. Amount recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	436,802	201,131
Fair value of plan assets	-	-
Net asset / (liability) as at 31st March, 12 recognised in the Balance Sheet	<u>(436,802)</u>	<u>(201,131)</u>
<b>c. The principal actuarial assumptions</b>		
Discount rate	8.00% p.a.	8.00% p.a.
Salary escalation rate:		
Staff	5% p.a.	5% p.a.
The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
<b>d. Amounts for the current &amp; previous periods are as follows:</b>		
<b>Gratuity</b>		
Defined Benefit Obligation	436,802	201,131
Plan Assets	-	-
Surplus / (Deficit)	<u>(436,802)</u>	<u>(201,131)</u>
Experience adjustments on plan liabilities	Not available *	
* The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities are not readily available and hence not disclosed.		

### NOTE 23 : FINANCE COSTS

(Rs.)

	Year Ended 31st March 2012	Year Ended 31st March 2011
Interest on Term loans from Bank	10,988,613	9,959,414
Interest on Working Capital from Bank	8,660,715	2,709,865
Interest to Others	28,547,463	29,321,028
Interest on Hire Purchase Loans	190,623	415,221
Finance Expenses	2,045,077	514,842
	<u>50,432,491</u>	<u>42,920,370</u>
Less : Allocated to Construction Work in Progress	<u>(28,232,750)</u>	<u>(21,275,890)</u>
	<u>22,199,741</u>	<u>21,644,480</u>

# FOR THE YEAR ENDED 31ST MARCH 2012

## NOTE 24 : DEPRECIATION & AMORTISATION EXPENSE

(Rs.)

	Year Ended 31st March 2012	Year Ended 31st March 2011
Depreciation on tangible assets	1,233,448	1,062,218
Depreciation on intangible assets	33,314	-
	<u>1,266,762</u>	<u>1,062,218</u>

## NOTE 25 : OTHER EXPENSES

(Rs.)

	Year Ended 31st March 2012	Year Ended 31st March 2011
Power and Fuel	414,172	398,436
Repairs and Renewals:		
Buildings	425,851	1,528,289
Other Assets	338,089	532,112
Insurance	72,757	73,795
Rent	12,606,000	12,206,032
Donations	750,751	207,000
Rates and Taxes	2,798,667	29,779
Printing and Stationery	391,529	1,300,718
Travelling & Conveyance	2,217,020	2,929,509
Communication Expenses	342,692	321,528
Legal & Professional Charges	5,336,595	4,796,531
Auditors' Remuneration:		
As Auditors:		
Audit fee	168,540	165,450
Tax Audit fee	56,180	55,150
Other Statutory Certification Services	443,260	110,300
	<u>667,980</u>	<u>330,900</u>
Directors' Fees	250,000	230,000
Commission	4,909,000	6,798,700
Business Promotion Expenses	170,003	1,855,350
Loss on Sale of Long Term Investments	-	840,450
Miscellaneous Expenses	2,525,623	4,200,250
	<u>34,216,729</u>	<u>38,579,379</u>

**NOTE 26 : OTHER ADDITIONAL NOTES / INFORMATION**

- A Contingent Liability not provided for:
- The Hon. Supreme Court has given the interim relief on the VAT liability to be discharged on the sale of underconstruction flats/ units as on August 28, 2012. Under the premises ownership agreement/ letter of allotment entered into by the company and the partnership firm which the company has taken over on dissolution of the partnership firm on going concern basis, such liability ultimately needs to be borne by the purchaser of the premises and hence no provision has been made in the books.
  - Uncalled amount of Rs. 46,500 /- each on 250 units of Kotak India Growth Fund - Rs.1,16,25,000
- B The Company operates under a single segment "Real Estate Development and Services" and its operations are within the country. In view of the above, segment wise disclosures, either primary or secondary, as per AS 17 are not required to be made during the year.
- C Dues to Micro and Small enterprises under Micro, Small and Medium Enterprise Development Act, 2006; (MSMED) The information given below and included in other current liabilities (Note 8 & 9) regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company;

	<b>2011-12</b> <b>Rupees</b>	<b>2010-2011</b> <b>Rupees</b>
(i) Principal amount due to suppliers under MSMED	<b>303,372</b>	297,810
(ii) Interest accrued and due to suppliers under MSMED on above amount, unpaid	-	-
(iii) Payments made to suppliers (other than interest) beyond the appointed date during the year	-	-
(iv) Interest paid to suppliers under the MSMED	-	-
(v) Interest due and payable towards suppliers under MSMED towards payments already made	-	-
(vi) Amount of cumulative interest accrued and unpaid as at the year end	-	-

**D Earnings Per Share:**

<b>Particulars</b>	<b>2011-2012</b> <b>Rupees</b>	<b>2010-2011</b> <b>Rupees</b>
Profit / (Loss) after tax as per Statement of Profit and Loss	<b>39,523,811</b>	38,687,158
Less: Preference Share Dividend including tax thereon	<b>(7,322,018)</b>	(6,852,233)
Profit attributable to Equity Shareholders	<b>32,201,794</b>	31,834,925
Weighted average number of Shares of Face Value Rs. 10/- each	<b>3,247,900</b>	3,247,900
Basic and Diluted Earnings Per Share in Rs.	<b>9.91</b>	<b>9.80</b>

# FOR THE YEAR ENDED 31ST MARCH 2012

## E Related Party Disclosure:

A. Associated & Other Related Parties, where common control exists:	M/s. Rodium Properties			
	M/s. Rodium Realty & Construction			
	M/s. C.N.A Architects			
	M/s. Sigma Fiscals Private Limited			
	Ms. Grima Dedhia (Daughter of Mr. Rohit Dedhia)			
	Ms. Krupa Chheda (Wife of Mr. Deepak Chheda)			
	Keshavji Dedhia (Father of Mr. Rohit Dedhia)			
	Dinesh Shah (Brother of Mr. Shailesh Shah)			
	Dinesh D Shah HUF (HUF of Brother of Mr. Shailesh Shah)			
	Shailesh Damji Shah HUF (HUF of Mr. Shailesh Shah)			
	M/s. Rodium Designs			
B. Key Management Personnel :	Mr. Deepak Chheda			
	Mr. Harish Nisar			
	Mr. Rohit Dedhia			
	Mr. Shailesh Shah			
	Mr. Mehul Nisar			
	<b>Key Management Personnel</b>		<b>Associates &amp; Other Related Parties</b>	
<b>Nature of Transactions</b>	<b>2011-2012</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2010-2011</b>
<b>1. Service Purchased</b>				
Grima Dedhia			300,000	300,000
Krupa Chheda			540,000	540,000
C.N.A. Architects			-	7,405,738
Rodium Realty & Construction (Contractor)			-	32,093,842
<b>2. Expenses on Rent, Fees and Charges.</b>				
Deepak Chheda - Rent	<b>3,780,240</b>	3,780,240		
Harish Nisar	<b>1,261,380</b>	1,158,338		
Rohit Dedhia	<b>1,261,380</b>	1,158,338		
Mehul Nisar	<b>1,261,380</b>	1,158,338		
Sigma Fiscals Pvt Ltd			<b>3,780,240</b>	3,780,240
Keshavji Dedhia			<b>1,261,380</b>	1,158,338

## NOTE 26 : OTHER ADDITIONAL NOTES / INFORMATION Contd.

### E Related Party Disclosure: Contd.

Nature of Transactions	Key Management Personnel		Associates & Other Related Parties	
	2011-2012	2010-2011	2011-2012	2010-2011
<b>3. Remuneration</b>				
Deepak Chheda	2,400,000	2,400,000		
Harish Nisar	750,000	750,000		
Rohit Dedhia	750,000	750,000		
Shailesh Shah	300,000	300,000		
Mehul Nisar	540,000	540,000		
<b>4. Interest Paid / Payable</b>				
Deepak Chheda	3,096,429	556,504		
Harish Nisar	1,403,455	342,818		
Rohit Dedhia	1,661,459	340,106		
Shailesh Shah	822,075	933,034		
Keshavji Dedhia	-	-	1,684,747	2,187,847
Mehul Nisar	1,893,274	2,056,521		
Dinesh Shah			2,116,916	2,247,656
Dinesh D Shah HUF			726,890	724,903
Shailesh Damji Shah HUF			894,826	892,382
Sigma Fiscals Pvt Ltd			2,292,715	3,183,646
<b>5. Purchase of Fixed Assets</b>				
Rodium Designs		-		1,486,285
<b>6. Loan Taken /(Returned)</b>				
Deepak Chheda	-	(38,244,580)		
Harish Nisar	6,680,000	(29,929,116)		
Rohit Dedhia	5,650,000	(19,920,151)		
Shailesh Shah	-	(17,555,385)		
Keshavji Dhedhia			(9,900,000)	(1,889,116)
Mehul Nisar	-	(2,105,151)		
Dinesh Shah			-	(1,523,337)
Sigma Fiscals Pvt Ltd			8,500,000	(41,206,246)

# FOR THE YEAR ENDED 31ST MARCH 2012

## NOTE 26 : OTHER ADDITIONAL NOTES / INFORMATION Contd.

### E Related Party Disclosure: Contd.

	Key Management Personnel		Associates & Other Related Parties	
Nature of Transactions	2011-2012	2010-2011	2011-2012	2010-2011
<b>7. Accounts Payable</b>				
Rodium Designs			<b>86,285</b>	86,285
Rodium Realty & Constructions			<b>322,867</b>	4,057,378
Deepak Chheda	<b>33,061,122</b>	30,585,492		
Harish Nisar	<b>15,263,938</b>	7,247,791		
Rohit Dedhia	<b>18,784,279</b>	11,561,872		
Shailesh Shah	<b>5,379,707</b>	5,379,707		
Keshavji Dedhia			<b>16,009,879</b>	24,393,607
Mehul Nisar	<b>24,383,718</b>	22,679,771		
Sigma Fiscals Pvt Ltd			<b>33,805,049</b>	23,241,606
Dinesh Shah			<b>23,457,004</b>	23,457,004
Dinesh D Shah HUF			<b>6,040,866</b>	6,040,866
Shailesh Damji Shah HUF			<b>7,436,522</b>	7,436,522

## NOTE 26 : OTHER ADDITIONAL NOTES / INFORMATION Contd

	2011-2012 Rupees	2010-2011 Rupees
F Expenditure in Foreign Currency (on cash basis):		
1. Travelling	<b>935,788</b>	1,122,365
2 Other Expenses	<b>65,998</b>	10,733
Earnings in Foreign Currency -		
1 Instaments received in advance of sale of units	<b>22,178,669</b>	45,767,254

G The Company had taken various office premises under operating leases. These are generally not non-cancelable and range between 11 months to 3 years and above and are renewable by mutual consent on mutually agreeable terms. Lease payments amounting to Rs. 12,606,000 (P. Y. Rs. 12,206,032) are recognised in the Statement of Profit and loss account under the head 'Rent'

Particulars	2011-2012 Rupees	2010-2011 Rupees
Not later than one year	<b>12,206,032</b>	12,606,000
Later than one year but not later than five years	<b>50,745,245</b>	39,315,989
Later than five years	-	-

## NOTES TO THE FINANCIAL STATEMENTS

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- H The Central Government vide notification SO. 447 (E) dated February 28, 2011, has revised the Schedule VI under the Companies Act, 1956 and the same has become applicable for the Financial Statements to be prepared for the financial year commencing on or after April 1, 2011. Accordingly, the Company has reclassified the previous year figures to conform to this year's classification. The adoption of the revised Schedule VI does not impact the recognition and measurement principles followed for the presentation of the Financial Statements.

Signatures to the Notes to the Financial Statements which form an integral part of these Financial Statements.

For M. M. NISSIM AND CO.  
Chartered Accountants  
FRN. No. (ICAI Reg. No.107122W)

(N. Kashinath)  
Partner  
Membership No. 36490

Date : 29th August, 2012  
Place : Mumbai

For and on behalf of the Board of Directors

Deepak Chheda

Harish Nisar

Mehul Nisar

Brijesh Thakkar

Chairman & Managing Director

Director

CFO

Company Secretary

**PROXY**

REGD. FOLIO NO. \_\_\_\_\_

NO. OF SHARES HELD \_\_\_\_\_

CLIENT ID\* \_\_\_\_\_

DP ID\* \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_ being a Member(s) of RODIUM REALTY LIMITED, hereby appoint

Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her

Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy to vote for

me/us and on my/our behalf, at the Ninteenth Annual General Meeting of the Company to be held on Saturday, 29th September 2012 at 10.00 am at Ground Floor, X'Trium, C.T.S. No. 291, Andheri - Kurla Road, Near Holy Family Church, Andheri (E), Mumbai - 400069 and at any adjournment thereof.

Their respective signatures are as under :

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2012

1) \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_

Affix Re. 1  
Revenue  
stamp

\*Applicable for members holding shares in electronic form.

Signed by the said proxy \_\_\_\_\_

NOTE :- The Proxy form must be deposited so as to reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

- A proxy need not be a member of the Company.

**RODIUM REALTY LIMITED**

Registered Office : Plot No.636, 501, X'cube, Off New Link Road, Andheri (West), Mumbai - 400053.

• Tel: 022- 4231 0800. • Fax no: 022 2673 4144 • Email id: info@rodium.net

**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING PLACE.

REGD. FOLIO NO. \_\_\_\_\_

NO. OF SHARES HELD \_\_\_\_\_

CLIENT ID\* \_\_\_\_\_

DP ID\* \_\_\_\_\_

I/We hereby record my/our attendance at the Ninteenth ANNUAL GENERAL MEETING held on Saturday, 29th September 2012 at 10.00 am, and/or at any adjournment thereof at Ground Floor, X'Trium, C.T.S. No. 291, Andheri - Kurla Road, Near Holy Family Church, Andheri (E), Mumbai - 400069.

NAME OF THE MEMBER/PROXY (IN BLOCK LETTERS) \_\_\_\_\_

SIGNATURE OF THE MEMBER/PROXY \_\_\_\_\_

\*Applicable for members holding shares in electronic form.



## NOTES

Book Post



If undelivered please return to:  
Plot No. 636, 501, X'Cube, Off Link Road, Opp. Fun Republic Theatre,  
Andheri (W), Mumbai – 400 053, India.