

NATIONAL STANDARD (INDIA) LIMITED

**Annual Report
2013 - 2014**

TABLE OF CONTENTS

| Contents | Page No. |
|--|-----------------|
| Information about the Company | 3 |
| Notice to Members | 4 |
| Instruction for e-voting | 9 |
| Directors' Report | 14 |
| Report on Corporate Governance | 19 |
| Certificate on Corporate Governance | 25 |
| Auditors' Report | 26 |
| Balance Sheet | 29 |
| Statement of Profit & Loss | 30 |
| Cash Flow Statement | 31 |
| Notes forming part of the Financial Statements | 32 |
| Ballot Form (In lieu of e-voting) | 47 |
| Proxy & Attendance Slip | 49 |

BOARD OF DIRECTORS

| | |
|---|-----------------------------------|
| Mr. Sagar Dhaku Gawde | Chairman and Independent Director |
| Mr. Santosh Kumar Ojha | Independent Director |
| Ms. Smita Satish Ghag | Non Independent Director |
| Mr. Deepak Balvant Chitnis | Non Independent Director |
| Mr. Narinder Pal Singh | Non Independent Director |
| Mr. Ananthanarayanan Ariyanayakipuram Lakshminarayanan | Non Independent Director |

CHIEF EXECUTIVE OFFICER

Mr. Pinkesh Shah

CHIEF FINANCIAL OFFICER

Mr. Rameshchandra Chechani

COMPANY SECRETARY

Mr. Abhijeet Shinde

REGISTERED OFFICE

Room No 6, 4th Floor, Commerce House,
2A, Ganesh Chandra Avenue,
Kolkata 700013, West Bengal.

AUDITORS

M/s. Shanker and Kapani
Chartered Accountants
N.T.C. House, 2nd Floor,
Narottam Morarjee Marg,
Ballard Estate, Mumbai - 400 038

BANKERS

HDFC Bank
Kotak Mahindra Bank

SHARE TRANSFER AGENT

CB Management Services (P) Limited
P-22, Bondel Road, Kolkata-700 019

NOTICE

Notice is hereby given that the Fifty First Annual General Meeting of the Members of National Standard (India) Limited (L27109WB1962PLC025605) will be held on 17th September, 2014 at 1.00 P.M. at the Registered Office* of the Company at Room No# 6, 4th Floor, Commerce House, 2A, Ganesh Chandra Avenue, Kolkata 700013, West Bengal to transact the following businesses:

Ordinary Business:

1. To consider and adopt the Financial Statements of the Company for the year ended March 31, 2014, including the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ananthanarayanan Ariyanayakupuram Lakshminarayanan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 read along with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), M/s. Shanker and Kapani, Chartered Accountants, Mumbai, registered with the Institute of Chartered Accountants of India vide Firm Registration No. 117761W, retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 6th consecutive Annual General Meeting of the Company, subject to ratification by the members of the Company at every annual general meeting, on such remuneration as shall be decided by the Board of Directors or any Committee thereof”.

Special Business:

4. Appointment of Mr. Deepak Balvant Chitnis, as Director, liable to retire by rotation

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

“**RESOLVED THAT** in accordance with the provisions of Section 160 and Section 161 of the Companies Act, 2013, read alongwith the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Mr. Deepak Balvant Chitnis (DIN: 06711033), who was appointed as an Additional Director of the Company on 24th April, 2014, pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 alongwith the deposit of Rs.1 Lakh, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. Appointment of Ms. Smita Satish Ghag, as Director, liable to retire by rotation

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

“**RESOLVED THAT** in accordance with the provisions of Section 160 and Section 161 of the Companies Act, 2013, read alongwith the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Ms. Smita Satish Ghag (DIN: 02447362), who was appointed as an Additional Director of the Company on 24th April, 2014, pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 alongwith the deposit of Rs.1 Lakh, proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. Appointment of Mr. Santosh Kumar Ojha, as an Independent Director, not liable to retire by rotation

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

“**RESOLVED THAT** pursuant to Sections 149, 152, 160, 161, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read alongwith Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement entered by the Company with the Stock Exchange (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Mr. Santosh Kumar Ojha (DIN 02494357), a non-executive Director of the Company, who was appointed as an additional director of the Company on 19th December, 2013,

who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of Companies Act, 2013 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 alongwith the deposit of Rs.1 Lakh, proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 16th September, 2019, not liable to retire by rotation.”

7. Appointment of Mr. Sagar Dhaku Gawde, as an Independent Director, not liable to retire by rotation

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

“**RESOLVED THAT** pursuant to Sections 149, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read alongwith Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement entered by the Company with the Stock Exchange (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Mr. Sagar Dhaku Gawde (DIN 02082205), who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of Companies Act, 2013 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 alongwith the deposit of Rs.1 Lakh, proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 16th September, 2019, not liable to retire by rotation.”

8. Authority to borrow under Section 180(1)(c) of the Companies Act, 2013

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

“**RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company, and further subject to approval of such authority(ies) as may be required in this regard, consent of the members be and is hereby granted to the Board of Directors of the Company (which term shall include any Committee constituted/ to be constituted by the Board of Directors or any person(s) authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this Resolution) to borrow such sum or sums of money from time to time, at their discretion, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of the relevant foreign currency borrowing) may exceed, at any time, the aggregated of the paid-up capital of the Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid up capital of the Company and its free reserves shall not at any time exceed Rs 2500 Crores (Rupees Two Thousand Five Hundred Crores only) and that the Board of Directors, as defined above, be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, thinks fit;

RESOLVED FURTHER THAT the Board of Directors, as defined above, of the Company be and is hereby authorised to do all other acts, deeds, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution on behalf of the Company;

RESOLVED FURTHER THAT the Board of Directors, as defined above, be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, to give effect to the aforesaid resolution.”

9. Authority to create security under Section 180(1)(a) of the Companies Act, 2013

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

“**RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company, and further subject to approval of such authority(ies) as may be required in this regard, consent of the members be and is hereby granted to the Board of Directors of the Company (which term shall include any Committee constituted/ to be constituted by the Board of Directors or any person(s) authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this Resolution) to mortgage, charge, hypothecate, lien, pledge or otherwise create an encumbrance on the Company’s assets and properties both present and future, whether movable or immovable or stock-in-trade (including raw materials, stores, spare parts and components or stock in transit) and work-in-progress of the Company, in addition to the mortgages /charges etc. already created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors, as defined above, may determine and

consider suitable from time to time, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company and/or any of the Company's holding / subsidiary / affiliate / associate Company(ies) or any other company, by way of loans/any other types of borrowings, raised /to be raised, from time to time, subject to the limits of borrowing as approved by the members of the Company from time to time under Section 180(1)(c) of the Companies Act, 2013, together with the interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, remuneration of the Agent(s)/Trustees, all other costs, charges and expenses and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s), in respect of the said loans / borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors, as defined above, and the Lender(s)/ Agent(s) and Trustee(s);

RESOLVED FURTHER THAT the Board of Directors of the Company, as defined above, be and is hereby authorised on behalf of the Company to do all other acts, deeds, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, to give effect to the aforesaid resolution.”

10. Investments in Securities

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, if any, including any statutory modification(s)/ amendment(s)/ revision(s)/ re-enactment thereof (hereinafter referred to as ‘the Act’) and/or any other law, as may be applicable, and/or any other approvals, as may be required, consent of the Company be and is hereby accorded to the Board of Directors of the Company (which term shall include any Committee constituted/to be constituted by the Board of Directors or any person(s) authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this Resolution) to invest/acquire the securities of any body corporate or any other person by way of subscription/purchase or otherwise, upto a sum of Rs. 1,000 Crores, at any point of time, notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/ will exceed the limits laid down by the Act;

RESOLVED FURTHER THAT the Board, as defined above, be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (collectively “transactions”) including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, recall, renewal, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction.”

11. To adopt new Articles of Association of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company or person authorized by the Board be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

12. Contract or arrangement with Related parties

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s), amendment(s) and re-enactment thereof, for the time being in force), amendment to Clause 49 of the Equity Listing Agreement as proposed by the Securities and Exchange Board of India, the consent of the Members of the Company be and is hereby accorded to enter into related party transactions, as under, over a period of 36 months from the date of this Meeting, on such terms and conditions as may be agreed to/ agreed by the Board:

- (i) To avail/provide loan(s) or enter into any other related party transactions from /to /with Jawala Real Estate Pvt. Ltd., a related party upto an amount of Rs. 500 Crores outstanding at any point of time
- (ii) To avail/provide loan(s) or enter into any other related party transactions from /to /with Lodha Developers Pvt. Ltd., a related party upto an amount of Rs. 100 Crores outstanding at any point of time
- (iii) To avail/provide loan(s) or enter into any other related party transactions from /to /with Ajitnath Hi- Tech Builders Pvt. Ltd., a related party upto an amount of Rs. 500 Crores outstanding at any point of time
- (iv) To avail/provide loan(s) or enter into any other related party transactions from /to /with Lodha Buildcon Pvt. Ltd., a related party upto an amount of Rs. 500 Crores outstanding at any point of time
- (v) To enter into contract or arrangement for purchase/sale of materials or enter into any other related party transactions with Cowtown Land Development Pvt. Ltd., a related party upto an amount of Rs. 50 Crores outstanding at any point of time
- (vi) To avail/provide loan(s) and to enter into contract or arrangement for share of common corporate expenses or enter into any other related party transactions with Lodha Crown Buildmart Pvt. Ltd., a related party upto an amount of Rs. 165 Crores outstanding at any point of time (Rupees One Hundred Sixty Five Crores only)
- (vii) To enter into contract or arrangement for availing infrastructure facility services or enter into any other related party transactions with Nabhiraja Software Design Pvt. Ltd. ('NSDPL'), a related party upto an amount of Rs. 50 Crores outstanding at any point of time (Rupees Fifty Crores only)
- (viii) Various related party transactions with other related parties of the Company provided aggregate amount of the transaction with abovementioned companies and other related parties do not exceed the amount of Rs. 2500 Crores outstanding at any point of time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, to give effect to the aforesaid resolution."

By Order of the Board of Directors

Abhijeet Shinde
Company Secretary

Place: Mumbai
Date: 11th August, 2014

Registered Office:
Room No#6, 4th Floor, Commerce House 2A,
Ganesh Chandra Avenue,
Kolkata 700013, West Bengal

E-mail: Investors.NSIL@lodhagroup.com

* The Company has filed a petition with the Hon'ble Regional Director, Kolkata ('RD') for shifting its registered office from State of West Bengal to the State of Maharashtra. The Company is awaiting approval from the RD in this regard. In case, process of shifting of registered office gets completed prior to 17th September, 2014, date of Annual General Meeting ('AGM'); AGM will be held in Mumbai in the State of Maharashtra. Immediately upon completion of process of shifting of registered office, the Company will give necessary intimation to BSE Limited and Calcutta Stock Exchange Limited. In addition, the Company will intimate the same in public notice for E-voting facility and Book closure date. If notice is already published before shifting, the Company will again publish notice for shifting of the Registered office and place of Annual General meeting in the same newspaper in which public notice for book closure and E-voting was published.

Notes:

- 1) **A Member entitled to attend and vote at the Annual General Meeting (“the Meeting”) is entitled to appoint one or more Proxy to attend and vote on a poll instead of himself/herself and the Proxy need not be a Member of the Company. A person can act as proxy on behalf of members upto and not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. Proxies in order to be effective, should be duly completed, stamped and must be deposited at the Registered office not less than forty-eight hours before the time for commencement of the Meeting.**
- 2) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 3) Brief profile of the Directors, proposed to be appointed, as required under Clause 49 of the Listing Agreement with the Stock Exchange are provided in this Annual Report.
- 4) Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
- 5) 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, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting. Register of Members and Transfer Books of the Company will remain closed from 14th September, 2014 to 17th September, 2014 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
- 6) Members holding shares in identical orders of names in more than one folio are requested to write to the Company’s Registrar and Share Transfer Agent, C B Management Services (P) Limited, P-22, Bondel Road, Kolkata - 700 019, enclosing their original share certificates to enable them to consolidate the holdings into one folio.
- 7) As per the provisions of the Companies Act, 2013, the members of the Company are allowed to nominate any person to whom the share(s) shall be transmitted in the event of Member’s death. The Members are advised to contact the Company’s Share Transfer Agent, C B Management Services (P) Limited, to avail this facility.
- 8) Register of Director(s) /Key Managerial Personnel(s) and their shareholding, Register of Contracts in which Directors are interested will be available for inspection by the Members at the Meeting.
- 9) Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four (24) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than three (3) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.
- 10) In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may give notice through electronic mode addressing to the person entitled to receive such e-mail as per the records of the Company or as provided by the Depository, provided that the Company shall provide an advance opportunity atleast once in a financial year, to the member to register his e-mail address and changes therein and such request may be made by only those members who have not got their Email Ids recorded or to update a fresh Email Id and not from the members whose E-mail Ids are already registered. In view of the above, the Company hereby request members who have not updated their Email Ids to update the same with their respective Depository Participant(s) or the C B Management Services (P) Limited, Registrar and Transfer Agent (R & T) of the Company. Further, Members holding shares in electronic mode also requested to ensure to keep their email addresses updated with the Depository Participants/R&T of the Company. Members holding shares in physical mode are also requested to update their email addresses by writing to the R & T of the Company quoting their folio number(s).
- 11) In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is providing the facility to its Members holding shares in physical or dematerialized form as on the cut-off date, being 18th August, 2014, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. Further, in order to facilitate members who don't have facility to cast their vote electronically, the company is providing ballot form, to enable such members to cast their vote. The detailed instruction along with the ballot forms is being provided along with this Notice. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company. Details of the process and manner of e-voting along with the User ID and Password are being sent to all the Members along with the Notice.
- 12) The E-voting period begins on 12th September, 2014 at 9.00 a.m. and ends on 13th September, 2014 at 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18th August, 2014, may cast their vote electronically. The E-voting module shall be disabled by CDSL

for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- 13) In case of Members who are entitled to vote but have not exercised their right to vote by electronic means/ballot form, upon poll being demanded, in the larger interest of the Members, the Chairman of the Company may order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have already exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
- 14) Mr. Sidharth Baid, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 15) The Scrutinizer will within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 16) The Results will be declared on or after the AGM of the Company. The Results declared along with Scrutinizer's Report(s) will be available on the website of the Company within two (2) days of passing of the resolutions at the AGM of the Company and will be communicated to the BSE Limited and Calcutta Stock Exchange Limited.

Instruction for e-voting

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field. |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting

through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant National Standard (India) Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- b) The voting period begins on 12th September, 2014 at 9.00 a.m. and ends on 13th September, 2014 at 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Explanatory Statements under section 102(1) of the Companies Act, 2013

ITEM NO. 4

Mr. Deepak Balvant Chitnis was appointed as an Additional Director on the Board of the Company effective from 24th April, 2014 pursuant to the provisions of Section 161 of the Companies Act, 2013 and holds his office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing, from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013, along with the deposit of Rs.1,00,000 proposing the candidature of Mr. Deepak Balvant Chitnis as Director of the Company.

Mr. Deepak Balvant Chitnis has been associated with organizations like Ratan J. Batliboi Architects - Design Consultancy & Oberoi Constructions Pvt. Ltd., a Real Estate firm. He has total 18 years of diverse experience in the field of Design across industries including the real estate industry. Deepak holds a B. Arch. from Sir J. J. College of Architecture.

Mr. Deepak Balvant Chitnis holds directorship in Arihant Premises Private Limited, Shreeniwas Cotton Mills Limited and he is also holding position of Manager in Sanathnagar Enterprises Limited as on 24th April, 2014. Mr. Deepak Balvant Chitnis does not hold any shares in the Company as on 24th April, 2014.

The Board commends the Resolution as set out at Item No. 4 of the Notice for your approval.

Save and except Mr. Deepak Balvant Chitnis, none of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 5

Ms. Smita Satish Ghag was appointed as an Additional Director on the Board of the Company effective from 24th April, 2014 pursuant to the provisions of Section 161 of the Companies Act, 2013 and holds her office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing, from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013, along with the deposit of Rs.1,00,000 proposing the candidature of Ms. Smita Satish Ghag as Director of the Company.

Ms. Smita Satish Ghag has total 10 years of diverse experience in the field of Documentation across industries including the Real Estate Industry. Ms. Smita Satish Ghag holds a B.L.I.Sc. in Library, Information and Documentation science from the University of Mumbai, followed by Master's of Science from the Madurai Kamaraj University.

Ms. Smita Satish Ghag holds directorship in Dharmanath Buildtech and Farms Private Limited, Kidderpore Holdings Limited, Suryakrupa Constructions Private Limited, Shreeniwās Abode and House Private Limited, Lodha Home Finance Limited and Lodha Brand Holdings Private Limited as on 24th April, 2014. Ms. Smita Satish Ghag does not hold any shares in the Company as on 24th April, 2014.

The Board commends the Resolution as set out at Item No. 5 of the Notice for your approval.

Save and except Ms. Smita Satish Ghag, none of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 6

Mr. Santosh Kumar Ojha was appointed a Non-Executive Independent Director on the Board of the Company and joined the Company on 19th December, 2013 pursuant to clause 49 of the listing agreement. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ojha being eligible, is proposed to be appointed as an Independent Director for a term of 5 years, not liable to retire by rotation.

The Company has received a notice in writing, from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013, along with the deposit of Rs.1,00,000 proposing the candidature of Mr. Santosh Kumar Ojha for the office of Independent Director. The Company has received a declaration from Mr. Ojha, declaring that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013

Mr. Santosh Kumar Ojha is B.A. (Hons) and has also obtained Diploma in Systems Management and Post Graduate Diploma in Business Management. Mr. Santosh Kumar Ojha is in the business of export, import & buying house agents for foreign companies in India in the field of handicrafts, furniture, carpets and floor carving. Mr. Santosh Kumar Ojha is on the Board of JEMS Airsea Logistics Private Limited, Roselabs Finance Limited and Srishti Extrim Private Limited as on March 31, 2014. Mr. Santosh Kumar Ojha holds Membership in Audit Committee and Share Transfer Committee of Roselabs Finance Limited. He does not hold Chairmanship in any company in accordance with Clause 49 of Listing Agreement. He does not hold any shares in the Company as on March 31, 2014.

The Board commends the Resolution as set out at Item No. 6 of the Notice for your approval.

Save and except Mr. Santosh Kumar Ojha, none of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 7

Mr. Sagar Dhaku Gawde is a Non-Executive Independent Director on the Board of the Company and joined the Company in the year 2010. Mr. Sagar Dhaku Gawde retires by rotation at the ensuing Annual General Meeting under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Sagar Dhaku Gawde being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of 5 years, not liable to retire by rotation.

The Company has received a notice in writing, from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013, along with the deposit of Rs.1,00,000 proposing the candidature of Mr. Sagar Dhaku Gawde for the office of Independent Director. The Company has received a declaration from Mr. Gawde, declaring that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Mr. Sagar Dhaku Gawde is a Commerce Graduate and has vast experience in the field of Accounts and Taxation. Mr. Sagar Dhaku Gawde is on the Board of Shivchhaya Developers & Farms Private Limited, Citicellar Constructions & Farms Private Limited, Shri Bhairav Properties & Agrofarms Private Limited, Access Buildtech Private Limited, Suvindhinath Buildtech Private Limited, Meghal Homes Private Limited, Kritika Infrabuild and Farms Private Limited, Sanathnagar Enterprises Limited, Alpna Infracon Private Limited, Krutvarma Stalwart Developers and Farms Private Limited, Shivamrut Software Support And Services Private Limited, High Status Buildcon Private Limited, Sun Villa Estates Private Limited, Shankeshwer Paraswanath Developers and Farms Private Limited, Superior IT Solutions Limited, Brightgold Constructions Private Limited, Balaji Hi-Tech Reality and Engineers Private Limited, Vardhvinayak Township Development Private Limited, Tanish Stone Crusher

Private Limited, Suvidhinath Quality Construction Private Limited, Siddheshwer Real Estate Private Limited, Shri Mangalya Constructions & Farms Private Limited, Shankeshwer Paraswanath Builders Private Limited, Saikrupa Infotech Private Limited, Accent Buildtech Private Limited, Shree Shantinath Real Estate Private Limited, Maheshvilla Developers & Farms Private Limited, Kesarinandan Township Private Limited, Flying Constructions Private Limited, Futuretech Constructions & Precast Private Limited, Mandip Finserve Private Limited and Sarbani Association for Girls and Women as on March 31, 2014. Mr. Sagar Dhaku Gawde holds Chairmanship in Audit Committee of Sanathnagar Enterprises Limited in accordance with Clause 49 of Listing Agreement. He does not hold any shares in the Company as on March 31, 2014.

The Board commends the Resolution as set out at Item No. 5 of the Notice for your approval.

Save and except Mr. Sagar Dhaku Gawde, none of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 8 & 9

The Members of the Company had already approved the proposal to borrow money and provide security passing an ordinary resolution. However upon enforcement of the Companies Act, 2013, pursuant to the provisions of Section 180(1)(a) and Section 180(1)(c) of the Companies Act, 2013, (corresponding Section 293(1)(a) and Section 293(1)(d) of the Companies Act, 1956) the Company is now required to seek the approval of the Members of the Company vide a special resolution in this regard. Further Ministry of Corporate Affairs vide its General Circular No. 04/2014 dated March 25, 2014 had clarified that the resolution passed under Section 293 of the Companies Act, 1956 with reference to borrowings and/ or creation of security on assets would be valid only for a period of 1 year, after which Company would be mandatorily required to pass a special resolution under the Companies Act, 2013.

In view of the foregoing, it is proposed to seek the approval of the Members by passing the aforesaid special resolution(s) under the provisions of Companies Act, 2013.

The Board commends the Special Resolution as set out at Item Nos. 8 & 9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 10

The Company being engaged in the business of providing infrastructural facilities, the loans made, guarantees given or security provided by it are exempt from the provisions of Section 186 of of the Companies Act, 2013 (“the Act”). However, as per Section 186 of the Act read with the Rules framed thereunder, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher. As such, any investments in securities in excess of aforesaid limit would require approval by way of a Special Resolution of the Members in general meeting.

The approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to enable the Company to acquire by way of subscription, purchase or otherwise, the securities of any body corporate or any other person upto Rs. 1,000 Crores, outstanding at any point of time, which will be in excess of 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

The Board commends the Special Resolution as set out at Item Nos. 10 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 11

The existing Articles of Association (“AoA”) of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 (“the Act”). The Act is now largely in force. On 12th September, 2013, the Ministry of Corporate Affairs (“MCA”) had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections. As such, substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table ‘F’ of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft AoA is being uploaded on the Company’s website /will be provided at the time of AGM for perusal by the shareholders.

Articles of Association of the Company are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.

The Board commends the Special Resolution as set out at Item Nos. 11 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 12

The approval of shareholders is proposed to be obtained for related party transactions, as specified in the resolution, as per amendment to Clause 49 of the Equity Listing Agreement as proposed by the Securities and Exchange Board of India vide its circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 as the proposed transactions will be in excess of limit specified in the said Clause 49.

In view of the foregoing, the Board proposes to seek the approval of the Members of the Company by way of Special Resolution for the said related party transactions as set out in the resolution.

The Board commends the Special Resolution as set out at Item Nos. 12 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives, are in any way, concerned or interested in the above resolution other than being a director of some of the related entities.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, by writing a letter to/sending email to CB Management Services (P) Limited to this effect.

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors present the Fifty first Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS

| Particulars | (Rs. in lacs) | |
|---|---|---|
| | For the financial year ended 31 st March, 2014 | For the financial year ended 31 st March, 2013 |
| Total Income | 12,734.05 | 4,602.07 |
| Less : Total Expenses | 8,116.53 | 3,891.63 |
| Profit before tax | 4,617.52 | 710.44 |
| Less: Tax expenses including Deferred tax & adjustments for earlier years | 1,492.56 | 129.97 |
| Profit for the year | 3,124.96 | 580.47 |

FINANCIAL OVERVIEW

Your Company recorded total income of Rs. 12,734.05 lacs in financial year 2014 as compared to Rs. 4,602.07 lacs in financial year 2013, an increase of 176.70%. The said sudden increase in the revenue of the Company is on account of revenue recognition during the year. Correspondingly, there has also been increase in Company's total expenditure from Rs. 3,891.63 lacs in financial year 2014 to Rs. 8,116.53 lacs in financial year 2013. The Profit after tax for the financial year 2014 stood at Rs. 3,124.96 lacs as compared to Profit after tax of Rs. 580.47 lacs in the financial year 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Performance Review

According to the World Bank Report, India with large current account and fiscal deficits and weaker growth, was hit particularly hard by a withdrawal of portfolio capital (resulting in steep currency depreciation) in the middle of the year, stemming from apprehensions of tapering of US quantitative easing. The GDP growth in FY14 was estimated to be around 4.9% as per CSO's estimates. That's technically a recovery from 4.5% GDP growth in FY13 on the back of a monsoon boost for agricultural sector and an improvement in services sector. The World Bank expects the pace of India's economic growth to pick up and stand at 6.2 per cent in FY15 and at 7.1 per cent in FY16.

The economy has stabilised in recent quarters, though GDP growth remains well below potential. Downside risks have receded. The rupee is less vulnerable to the US Fed tapering than it was in 2013. The economy will slowly improve across 2014 but not hit potential until well into 2015. Exports have already started to pick up, helping to narrow the CAD and on the home front, fewer downside risks, a more competent central bank governor, and the prospect of better government after the May elections have boosted business and investor confidence.

Mumbai Real Estate

The Mumbai real estate market has been going through a sluggish phase due to the uncertain economic conditions prevalent in the country for the last couple of years. The past two years have seen the launches plummeting over 40% compared to peak levels in 2010. Most of the launches have been at a discount to the average market prices to attract volumes. New product launches at attractive prices with discounts and schemes have attracted buyers and have been moderately successful. Though the residential inventory level has been increasing over the years, the residential market has been able to maintain the price strength. The city's realty scenario is interestingly poised post outcome of General Elections leading to a strong majority Government at the Centre. A number of projects which were stuck up at the approval stage in the last couple of years are likely to be cleared, paving way for a large number of launches hitting the market.

The Mumbai office absorption for FY13 was lower by 20% than in FY12. Uncertain economic environment has continued leading to reduced employment growth and therefore lower the fresh commercial property absorption. The tighter lending standard for commercial construction has not helped either. On the brighter note these market conditions continue to favour tenants in most of Mumbai's micro-markets by ways of a larger bunch of options, rational pricing and various concessions. The real estate market conditions are optimal for consolidation and relocation and many Mumbai-based occupiers will avail of this option throughout FY15.

BUSINESS OVERVIEW

The construction of Company's residential project by the name of Lodha Grandezza in Wagle Estate, opposite LBS Marg, Thane, is in full swing. The target client profile of this project is the high/upper middle income segment of the market. The Company has completed construction of Lodha Supremus, commercial project, at Thane and successfully handed over possessions of most of units.

Internal Control Systems and Their Adequacy

The Company has a proper and adequate system of Internal Controls which commensurate with the size and nature of business, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and commercial transactions are authorized, recorded and reported correctly. The internal control is supplemented by an extensive programme of internal and external audits. The Company accords great importance to the security of its information assets and has the requisite security controls and checks. Adequate storage and backup system is in place to ensure security and availability of data at all times.

Opportunities and Challenges

Opportunities:

Despite the lack of a consistent and well articulated government policy on the housing and real estate sector, your company still believes that the demand for Real Estate in Mumbai Metropolitan Region remains strong. Company's well accepted brand, modern architecture, well designed projects in strategic location and stable performance even in testing times make it a preferred choice for customers.

Challenges:

While the management of your Company is confident of exploiting the opportunities, it also finds the following challenges:

- Time required to obtain project approvals.
- Swelling cost of construction.
- Availability of skilled workforce.
- Very slow pace of growth in other infrastructure facilities.

Risks and Concerns

The Company is exposed to different types of risks viz., credit risk, market risk (including liquidity risk), operational risk, regulatory risk and legal risk. The Company at regular interval monitors this risk. The Company is exposed to specific risks in connection with the management of investments and the environment within which it operates. The Company aims to understand measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks.

Cautionary Statement

This report may contain forward looking statements. All statements are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate and will materialize in the said order or manner or realized. The Company's performance and results or achievements could thus differ from those projected in any forward looking statements. The Company assumes no responsibility to publicly amend modify or revise such statements based on subsequent events or developments.

DIVIDEND

The Board has not recommended any dividend for the year under review.

DIRECTORS

Mr. Deependra Ramji Das Gupta, Mr. Martin Godard and Mr. Mangesh Sudhakar Puranik ceased to be directors of the Company with effect from 19th December, 2013, 24th April, 2014 and 24th April, 2014, respectively. Further, Mr. Santosh Kumar Ojha, Ms. Smita Satish Ghag and Mr. Deepak Balvant Chitnis were appointed as Additional Directors on the Board of the Company, pursuant to the provisions of the Companies Act, 1956 and Companies Act, 2013, effective from 19th December, 2013, 24th April, 2014 and 24th April, 2014, respectively. Mr. Santosh Kumar Ojha, Ms. Smita Satish Ghag and Mr. Deepak Balvant Chitnis, being Additional Directors, hold their office upto the date of the ensuing Annual General Meeting. The Company has received the notice from a Member of the Company proposing the candidature of Mr. Santosh Kumar Ojha, Ms. Smita Satish Ghag and Mr. Deepak Balvant Chitnis, as directors of the Company. Necessary resolutions for their appointment have been incorporated in notice of the ensuing Annual General Meeting.

In terms of the provisions of the Articles of Association of the Company, Mr. Ananthanarayanan Ariyanayakipuram Lakshminarayanan and Mr. Sagar Dhaku Gawde are liable to retire by rotation at this Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY

The Company has filed petition with the Hon'ble Regional Director, Kolkata ('RD') for shifting its registered office from State of West Bengal to the State of Maharashtra. The Company is still awaiting approval from the RD in this regard. In case, process of shifting of registered office gets completed prior to 17th September, 2014, date of Annual General Meeting ('AGM'); AGM will be held in Mumbai in the State of Maharashtra.

Immediately upon completion of process of shifting of registered office, the Company will give necessary intimation to BSE Limited and Calcutta Stock Exchange Limited. In addition, the Company will intimate the same in public notice for E-voting facility and Book closure date. If notice is already published before shifting, the Company will again publish notice for shifting of the Registered office and place of Annual General meeting in the same newspaper in which public notice for book closure and E-voting was published.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- I. in the preparation of the accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed and that there are no material departures from the same;
- II. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date;
- III. 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 and Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a "going concern" basis.

AUDITORS & AUDITORS REPORT

M/s. Shanker and Kapani, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from the Statutory Auditors to the effect that their reappointment, if made, would be within the prescribed limits under the provisions of the Companies Act, 2013 and that they are not disqualified for reappointment within the meaning of the said Act. A proposal seeking their appointment is provided as part of the Notice of the ensuing Annual General Meeting.

As regards Auditors' observations, they are self explanatory and do not call for any further comments.

LISTING FEE PAYMENT

The Company has made payment of listing fees upto the financial year 2013-14 to the Calcutta Stock Exchange Limited and BSE Limited.

PARTICULARS OF EMPLOYEES

The Company does not have any employees whose particulars are required to be given in terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. Certificate confirming compliance of the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 also forms part of this Annual Report.

ACKNOWLEDGEMENT

The Board also records its appreciation for the support and cooperation received from various stakeholders during the period under review.

On behalf of the Board of Directors

Place: Mumbai
Date: 11th August, 2014

Smita Satish Ghag
Director

Deepak Balvant Chitnis
Director

Disclosure of particulars under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

| A | Conservation of Energy | |
|----------|--|---|
| a) | Energy conservation measures taken | <ul style="list-style-type: none"> (i) Use of variable frequency drives for all its elevators and air-conditioning equipment. (ii) Incorporating energy efficient equipments such as chillers with high performance ratio in accordance with the Leed's requirements, introduction of energy efficient star rated air-conditioners in its residential projects, heat pumps, etc. (iii) Occupation censor controlled lighting and air-conditioning through home automation in its projects. (iv) Extensive use of materials like flyash, GGBS, etc. at all its projects resulting in saving of cement thus indirectly saving energy consumed in manufacturing of cement. (v) At all its projects electrical designs have been fine tuned to contain the voltage drop to less than 5%. (vi) Use of energy efficient and insulated glasses in building facades of commercial buildings to reduce AC load. (vii) Provision of underdeck insulation to reduce heat gain from the roof and consequent reduction in AC load. (viii) Use of low voltage PL lamps. |
| b) | Additional Investments and proposals, if any being implemented for reduction of conservation of energy | Additional construction cost to the extent of Rs.50/- to Rs.60/- per square feet has been budgeted for/incurred for adoption of several energy conservation measures. |
| c) | Impact of measures for reduction of energy consumption | Reduction in over all maximum demand for the electricity in all its projects and consequent energy saving benefits to the residents. |
| e) | Environment protection | <ul style="list-style-type: none"> (i) Measures to achieve eco balance have been taken by providing extensive green cover and creating water bodies by treating waste water and rain harvesting. (ii) Waste water equipment plants are installed at all its projects for treating waste water and utilising it for air-conditioning, watering of green spaces and flushing. (iii) Complete ban on use of mud bricks in construction and using light weight blocks which helps soil conservation and utilization of material like fly ash which otherwise would cause air pollution. (iv) Use of modern metallic form work instead of timber form work thereby helping conservation of forests. (v) Minimise use of paper in its offices across sites. (vi) Regulated water and power supply to labour camps across all sites. (vii) Plantation of large number of trees and providing extensive green cover creating water bodies to enhance the ecology and environment. (viii) Use of fly ash and other minerals in the construction to reduce cement consumption thus indirectly saving the energy used for manufacturing of cement. (ix) Use of crushed sand in the construction instead of natural sand thus helping environmental degradation as natural sand is normally dredged from the river beds. |

Form – B

Form for Disclosure of particulars with respect to Absorption

Research and Development (R&D)

| | | |
|----|---|---|
| 1. | Specific areas in which R & D carried out by the Company | The Company has not carried out any R&D activities during the year. However the Company carries out internal research for optimising its construction activities. |
| 2. | Benefits derived as a result of the above R & D | Economy in operations |
| 3. | Future plan of action | To constantly provide world class construction quality |
| 4. | Expenditure on R&D (a) Capital (b) Recurring (c) Total | Nil |
| 5. | Total R&D expenditure as a percentage of total turnovers | Nil |

Technology Absorption, Adaptation and Innovation

| | | |
|----|--|--|
| 1. | Efforts, in brief, made towards technology absorption, adaptation and innovation | <ul style="list-style-type: none"> • The company has adopted latest state of the art systems for efficient electrical distribution in its buildings and also in the area of waste water treatment, automation and surveillance. • State of the art BMS system shall be installed to monitor optimum utilization of water treatment plants, timer control lighting, elevator movements, water supply and fire fighting systems in the building. • Building management system ensures optimum utilization of equipment thereby utilization of minimum energy and enhancing the service life of the equipment. |
| 2. | Benefits derived as result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. | Economy in operations |
| 3. | In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished a) Technology imported b) Year of import c) Has technology been fully absorbed? d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action. | Nil |

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance

The Company's philosophy on Corporate Governance envisages transparency, accountability and equity for its operations, and for interactions with its stakeholders.

2. Board of Directors – Composition and Particulars of Directors

Board Composition

As on 31st March, 2014, the board of directors of the Company ("the Board") comprised of 6 directors, out of whom 2 were Independent directors. The Chairman of the Board is an Independent Director. None of the directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement) across all Public Limited companies in which he is a director.

| Category | Name of the Director |
|--|---|
| Non-Independent Non-Executive Directors | Mr. Martin Godard* Mr. Mangesh Sudhakar Puranik* Mr. Narinder Pal Singh Shinh Mr. Ananthanarayanan Ariyanayakipuram Lakshminarayanan |
| Independent Non-Executive Directors | Mr. Santoshkumar Ojha Mr. Sagar Dhaku Gawde |

* Mr. Martin Godard and Mr. Mangesh Sudhakar Puranik resigned w.e.f. 24th April, 2014 and Mr. Deepak Balvant Chitnis and Ms. Smita Satish Ghag were appointed as an additional directors on 24th April, 2014.

None of the directors holds any share in the Company except Mr. Narinder Pal Singh Shinh who holds 2,250,180 and Mr. Ananthanarayanan Ariyanayakipuram Lakshminarayanan who holds 887,896 shares.

No director is related to any other director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956 and the Companies Act, 2013.

DIRECTORS PROFILE

Brief resume of Mr. Sagar Dhaku Gawde, Mr. Santosh Kumar Ojha, Mr. Deepak Balvant Chitnis and Ms. Smita Satish Ghag, directors proposed to be appointed/ reappointed at the forthcoming Annual general meeting, nature of their expertise functional areas and names of companies in which they hold directorship/Chairmanships/memberships of Board Committees and their shareholding are already provided above in the Notice. Brief resume and other particulars, as aforesaid, of Mr. Ananthanarayanan Ariyanayakipuram Lakshminarayanan, another director liable to retire by rotation, are provided below:

Mr. Ananthanarayanan Ariyanayakipuram Lakshminarayanan holds degree in Mechanical Engineering from IIT Kharagpur and PhD in Finance from University of British Columbia, Canada. He has over 37 years of senior management experience in Industry, including MD of a Public Sector Company. His area of expertise is General management, Finance and Technology. Mr. Ananthanarayanan Ariyanayakipuram Lakshminarayanan is also on the Board of Bhagyanagar Fibre Glass Private Limited, Sriman Plastics Private Limited, Rockwell Industries Limited, National Standard Tyre Moulds (India) Limited, and Duncans Industries Ltd. He does not hold Chairmanship in any company in accordance with Clause 49 of Listing Agreement.

Mr. Ananthanarayanan Ariyanayakipuram Lakshminarayanan holds 887,896 shares of the Company.

3. Attendance of Directors at Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanships/ Memberships of Committees of each Director in various companies

The Board met at least once in each quarter and the maximum time gap between two Board Meetings did not exceed the limit prescribed in Clause 49 of the Listing Agreement. The details of participation of directors of the company at Board Meetings and Annual General Meeting during the financial year ended March 31, 2014 are enumerated as under:

| Name of the Director | DIN No. | Attendance at meetings during 2013-14 | | Number of Other Directorship(s) | No of Membership(s) / Chairmanship(s) of Board Committees of Other Companies |
|--|----------|---------------------------------------|----------|---------------------------------|--|
| | | Board Meetings | Last AGM | | |
| Mr. Martin Godard (Appointed on 14 th October, 2013) | 02460298 | 4 | No | (*) | (**) |
| Mr. Sagar Dhaku Gawde | 02082205 | 9 | No | - | - |
| Mr. Mangesh Sudhakar Puranik | 02283925 | 9 | No | 2 | 1 (as a Chairman) |
| Mr. Narinder Pal Singh | 00023160 | - | No | 1 | |
| Mr. Ananthanarayanan Ariyanayakipuram Lakshminarayanan | 00495490 | - | No | 5 | 2 |
| Mr. Santosh Kumar Ojha (Appointed on 19 th December, 2013) | 02494357 | 2 | No | 3 | - |
| Mr. Deependra Ramji Das Gupta (Resigned on 19 th December, 2013) | 02087691 | 8 | Yes | 1 | 2 |
| Mr. Pankajkumar Rajendra Jain (Resigned on 14 th October, 2013) | 05114230 | 6 | No | 1 | - |

*The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

** In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees of Indian Public Companies (excluding the Company) have been considered.

4. Number of Board Meetings held and the dates on which held

Nine Board meetings were held during the year 2013-2014. The Company has held at least one Board meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the board meetings are as under:

| Sr. No. | Date | Board Strength | No. of Directors Present |
|---------|---------------------------------|----------------|--------------------------|
| 1 | 4 th April, 2013 | 6 | 4 |
| 2 | 14 th May, 2013 | 6 | 4 |
| 3 | 26 th June, 2013 | 6 | 4 |
| 4 | 28 th June, 2013 | 6 | 4 |
| 5 | 8 th August, 2013 | 6 | 4 |
| 6 | 14 th October, 2013 | 6 | 4 |
| 7 | 11 th November, 2013 | 6 | 4 |
| 8 | 19 th December, 2013 | 6 | 4 |
| 9 | 23 rd January, 2014 | 6 | 4 |

5. Board Committees

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

(a) Audit Committee

As on date, the Audit Committee comprises of two independent directors viz. Mr. Santosh Kumar Ojha and Mr. Sagar Dhaku Gawde and one non Independent Director viz. Ms. Smita Satish Ghag and the same is in accordance with the provision of section 292A of the Companies Act, 1956 and section 177 of the Companies Act, 2013 and clause 49 of Listing agreement. The Committee functions under the Chairmanship of Mr. Sagar Dhaku Gawde.

The Company Secretary acts as the secretary to the Audit Committee.

The terms of reference includes in particular overseeing company's financial reporting process and disclosure of financial reporting information, recommending appointment and removal of External Auditor, reviewing statements before submission to the Board and other terms as per clause 49 of Listing agreement to the extent applicable to the Company.

Accordingly, four Audit committee meetings were held during the year 2013-2014

| Sr. No. | Date | Members Strength | No. of Directors Present |
|---------|---------------------------------|------------------|--------------------------|
| 1 | 14 th May, 2013 | 3 | 3 |
| 2 | 8 th August, 2013 | 3 | 3 |
| 3 | 11 th November, 2013 | 3 | 3 |
| 4 | 23 rd January, 2014 | 3 | 3 |

(b) Shareholder's/ Investors' Grievance Committee

The Shareholder's/Investors Grievance Committee comprises two Directors, namely, Mr. Santosh Kumar Ojha and Mr. Sagar Dhaku Gawde. The Committee functions under the Chairmanship of Mr. Sagar Dhaku Gawde.

Accordingly, four meetings were held during the year ended 2013-2014:

| Sr. No. | Date | Members Strength | No. of Directors Present |
|---------|---------------------------------|------------------|--------------------------|
| 1 | 14 th May, 2013 | 2 | 2 |
| 2 | 8 th August, 2013 | 2 | 2 |
| 3 | 11 th November, 2013 | 2 | 2 |
| 4 | 23 rd January, 2014 | 2 | 2 |

Compliance officer

Mr. Abhijeet Shinde is the Company Secretary and Compliance Officer of the Company for complying with the requirements of Securities Laws and the Listing Agreements with the Stock Exchanges in India.

Investor Grievance Redressal

The number of complaints received and resolved during the year under review (i.e. 2013-2014) and their break-up are as under:

| Type of Complaints | No. of Complaints |
|----------------------------------|-------------------|
| Non-Receipt of Annual Reports | NIL |
| Non-Receipt of Dividend Warrants | NIL |
| Non-Receipt of Certificates | NIL |
| Total | NIL |

6. General Body Meetings

The last Three Annual General Meetings of the Company were held as under:

| Year | Venue of the Meeting | Date | Time |
|-----------|--|----------------------------------|------------|
| 2010-2011 | Room No. 6, 4th Floor, Commerce House, 2A Ganesh Chandra Avenue, Kolkata – 700013, West Bengal | 30 th September, 2011 | 12.00 noon |
| 2011-2012 | Room No. 6, 4th Floor, Commerce House, 2A Ganesh Chandra Avenue, Kolkata – 700013, West Bengal | 27 th September, 2012 | 12.00 noon |
| 2012-2013 | Room No. 6, 4th Floor, Commerce House, 2A Ganesh Chandra Avenue, Kolkata – 700013, West Bengal | 30 th September, 2013 | 12.00 noon |

Special Resolutions passed at the Last 3 Annual General Meetings

| AGM Date | Item No. | Particulars |
|----------------------------------|----------|---|
| 30 th September, 2011 | 4 | Appointment of Messrs Shanker & Kapani as Auditors of the Company in place of Messrs C.P. Ranka & Co. |
| | 5 | the Register of Members and Index of Members ('the document') be kept at CB Management Services (P) Limited |
| | 8 | Appointment of Mr. Mangal Prabhat Lodha as Managing Director of the Company. |
| 27 th September, 2012 | 7 | Alteration of Article of Association of the Company |
| 30 th September, 2013 | - | - |

Special Resolution passed through postal ballot on 12th August, 2013 for making loan/ providing security or guarantees in connection with loans / investing in securities of certain bodies corporate in excess of the limits prescribed u/s 372A of the Companies Act, 1956.

The result of voting conducted through postal ballot is as under:

| | No. of Postal ballot forms | No. of shares |
|-----------------------------------|-----------------------------------|--------------------------|
| Total Postal ballot Received | 25 | 1,47,88,901 |
| Number of invalid Postal Ballot | 1 | 65 |
| Number of valid Postal Ballot | 24 | 1,47,88,836 |
| Votes in favour of the resolution | 16 | 1,47,88,475 (99.998%) |
| Votes against the resolution | 8 | 316 (0.002%) |

7. Book Closure date

Register of Members and Transfer Books will remain closed from 14th September, 2014 to 17th September, 2014 (both days inclusive) for the purpose of the Annual General Meeting of the Company.

8. Disclosures

There were no monetary penalties imposed by SEBI or the stock Exchanges or by any statutory authorities for non-compliance on any matters related to capital markets. The Company has suo moto filed a consent application before filing of disclosure under Regulation 8 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and under Regulation 13 (6) of SEBI (Prohibition Insider Trading Regulations), 1992. SEBI has approved the consent application and company has made payment of Rs. 4,50,000 in this regard.

Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts forming part of the Annual Report.

None of the directors were paid any remuneration during 2013-14.

The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialization and the Company's long term strategy for sectoral investments, optimization of market share and profitability, legal requirements, liquidity and capital resources.

All related party transactions are negotiated at arm's length and are only intended to further the interests of the Company.

9. Means of Communication

The Quarterly and annual results are published in Financial Express (all edition) and Duranto Barta (Kolkata). The financial results, shareholding patterns and annual report are also available on the website of the Company <http://www.nsil.net.in>. The Company has designated exclusive Email ID viz., **Investors.NSIL@lodhagroup.com** for investor servicing.

10. General Shareholder Information

| | |
|--|---|
| Company Registration Details | The Company is registered in the state of West Bengal, India. The Corporate Identification Number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L27109WB1962PLC025605. |
| Annual General Meeting | 17 th September, 2014 at 1.00 P.M. at registered office of the Company. (Please refer to notice regarding place of AGM) |
| Financial Calendar | Financial Year April 1, 2013 to March 31, 2014 |
| Book Closure Period | 14 th September, 2014 to 17 th September, 2014 (both days inclusive) |
| Dividend Payment Date | No Dividend on Equity is recommended by the Board. |
| E – mail address for shareholders | Investors.NSIL@lodhagroup.com |
| Listing of equity shares at stock Exchange (nation wise trading terminal) Stock code | BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400001 |
| Trading Symbol | BSE Limited (Scrip Code : 504882) (Trading Suspended) The Company is in the process of completing all pending corporate actions with BSE Limited. As a prerequisite, the Company has obtained ISIN (ISIN: INE166R01015) from Central Depository Service (India) Limited. However ISIN has been provided only for shares listed on BSE Limited i.e. 2,463,042 shares. After completion of pending corporate actions, ISIN will be available also for balance number shares of the Company. |

| | |
|---|---|
| Outstanding GDRs/ADRs/Warrants/ Convertible Instruments | Not Applicable |
| Investors Correspondence for change in address, Change of Bank Any Query on annual Report | CB Management Services (P) Limited Mandate, Nomination, Transfer, P-22, Bondel Road Dematerialization of shares. Kolkata 700019 Tel: 40116700 / 22806692/94/2486 Email: rta@cbmsl.com |
| | 10 th Floor, The Company Secretariat Department, Lodha Excelus, Apollo Mills compound, N.M Joshi Marg, Mahalaxmi, Mumbai 400011 Tel: +9122 2302 4517 Fax : +9122 2302 4550 |
| Share Transfer Agent | CB Management Services (P) Limited P-22, Bondel Road Kolkata 700019 Tel: 40116700 / 22806692/94/2486 Email: rta@cbmsl.com |
| Share Transfer System | Share Transfers, which are received in physical form, are processed and the share certificate are returned within a Period of 15 days, subject to the documents being valid and complete in all respects. |
| Distribution of shareholding and Shareholding pattern | Please see annexure 'A' and 'B' |
| Dematerialization of shares and Liquidity | All the shares of the company are in physical form and suspended from trading. |
| Site location | The Company's project is at plot no F/4, road no. 22, Wagle Industrial Estate, Thane 400604, Maharashtra. |
| Registered Office | Room no# 6, 4 th Floor, Commerce House 2A Ganesh Chandra Avenue, Kolkata 700013, West Bengal |
| Address for correspondence | Lodha Excelus, 10 th Floor, Company Secretariat, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai – 400011. |
| Other information | - |

Annexure 'A'

Distribution of shareholding as on 31st March, 2014

| Range | No. of Shareholders | | No. of shares | |
|-----------------|---------------------|-------------------|-----------------|--------------------|
| | Total | % of Shareholders | Total | % to Share Capital |
| 1- 500 | 990 | 97.54 | 53,300 | 0.26 |
| 501 - 1000 | 5 | 0.49 | 3,227 | 0.02 |
| 1001 - 2000 | - | - | - | - |
| 2001 - 3000 | - | - | - | - |
| 3001 - 4000 | 1 | 0.10 | 3,952 | 0.02 |
| 4001 - 5000 | - | - | - | - |
| 5001 - 10000 | 2 | 0.20 | 16,167 | 0.08 |
| 10001 - 9999999 | 17 | 1.67 | 1,99,23,354 | 99.62 |
| Total | 1,015 | 100.00 | 20000000 | 100.00 |

Annexure 'B'

Categories of shareholding as on 31st March, 2014

| Category | No. of Shares | Percentage (%) |
|---|----------------------|-----------------------|
| Promoters & Promoters group | 1,47,88,099 | 73.94 |
| Mutual Fund & Unit Trust of India | - | - |
| Banks, Financial Institutions & Insurance Companies | 90 | 0.00 |
| Foreign Institutional Investors | - | - |
| Bodies Corporate | 9,98,996 | 5.00 |
| Indian Public | 42,12,551 | 21.06 |
| Non-Resident Indians | 232 | 0.00 |
| Foreign National | 32 | 0.00 |
| Total | 2,00,00,000 | 100.00 |

11. Compliance Certificate

Certificate conforming compliance with the conditions of corporate governance as stipulated under Clause 49 of Listing Agreement, forming part of Annual Report.

12. CEO and CFO Certification

The Manager of the Company and the Chief Financial Officer of the company have given annual certification on financial reporting and internal control to the Board in terms of Clause 49 of Listing Agreement.

13. Capital Integrity Audit

The Company has been submitting quarterly reconciliation of Share Capital Audit Report to the Stock Exchanges in India where the equity shares of the company are listed.

14. Audit Fees

Audit fees to the Statutory Auditors for the year ended 31st March, 2014 was Rs. 3,00,000/- (excluding other fees, service tax and out of pocket expenses)

15. Non Mandatory Requirements

The Company has not adopted any non mandatory requirements of Corporate Governance during the year under review.

DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, an affirmation, of compliance with the code of conduct for Directors and Senior Management in respect of financial year ended March 31, 2014.

Place: Mumbai
Date: 11th August, 2014

Sd/-
Pinkesh Shah
Manager & CEO

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
National Standard (India) Limited

I have examined the available records of National Standard (India) Limited ("Company") for the purpose of certifying compliance of conditions of Corporate Governance by National Standard (India) Limited, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India for the financial year ended 31st March 2014.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Mumbai
Date: 11th August, 2014

Sd/-
Jinal Shah
Company Secretary in Practice
ACS: 20255 CP No.: 9830

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

M/s. NATIONAL STANDARD (INDIA) LIMITED

We have audited the accompanying financial statements of **M/s. NATIONAL STANDARD (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the financial statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of The Companies Act, 1956 ("the Act") (which continued to be applicable in respect of Section 133 of The Companies Act, 2013 in terms of general circular 15/2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2014;
- 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. 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;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;

- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **SHANKER AND KAPANI**
Chartered Accountants
FIRM REGISTRATION No.: 117761W

PLACE: MUMBAI
DATE: 24th April, 2014

S. SANKAR
PARTNER
MEMBERSHIP NO: 40476

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE)

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets.
b) As informed to us, all fixed assets have been physically verified by the management. No material discrepancies were noticed on such physical verification.
c) No fixed assets have been disposed off by the Company during the year.
2. a) The inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable.
b) The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
c) The Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.
3. As the Company has neither granted nor taken any loans, secure or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act, the provision of clause (iii) of paragraph 4 of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the internal control system is commensurate with the size of the Company and the nature of its business in respect of purchase of inventory and fixed assets and for the sale of services (developed units of buildings/ flats). During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. a) In our opinion and according to the information and explanations given to us, the Company has entered the required particulars of contract or arrangement in the register maintained as referred to in Section 301 of the Act.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements, exceeding the value of Rs. 5,00,000 in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. As the Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and Rules framed there under, the provision of clause (vi) of paragraph 4 of the Order is not applicable to the Company.
7. The Company has an internal audit system commensurate with its size and nature of its business.
8. 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 clause (d) of sub-section (1) of Section 209 of the Act in respect real estate operations, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. a) The Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to the Company with appropriate authorities.

According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period of more than six months as at 31st March, 2014 from the date they became payable.

- b) According to the records of the Company, there are no dues in respect of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess, which have not been deposited on account of any dispute except for the following:

| Particulars | Assessment Year | Forum where dispute is pending | Amount in Rs. |
|-------------|-----------------|--------------------------------|---------------|
| Excise Duty | 1996-97 | CESTAT, Mumbai | 11,22,092 |
| Income Tax | 1995-96 | High Court, Kolkatta | 38,89,874 |
| Income Tax | 2006-07 | CIT (A) | 1,38,51,042 |
| Income Tax | 2009-10 | CIT (A) | 3,56,83,516 |
| Income Tax | 2011-12 | CIT (A) | 23,95,449 |

Also refer clause 2 of note 23 of Financial Statement regarding MVAT.

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to information and explanations given to us, the Company is generally regular in repayment of dues to Financial Institutions except minor delay in payment of interest. The Company has not issued any debentures, the question of dues payable to debenture holders does not arise.
12. As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, the provision of clause (xii) of paragraph 4 of the Order is not applicable to the Company.
13. As the Company is not a chit fund or a nidhi / mutual benefit fund/society, the provision of clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
14. As the Company is not dealing in or trading in shares, securities, debentures and other investments, the provision of clause (xiv) of paragraph 4 of the Order is not applicable to the Company.
15. As the Company has not given any guarantee or security for loan taken by others from banks or financial institutions, the provision of clause (xv) of paragraph 4 of the Order is not applicable to the Company.
16. According to the information and explanations given to us, the Company has not availed any term loan during the year.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, the funds raised on short term basis have not been used for long term investment.
18. As the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, the provision of clause (xviii) of paragraph 4 of the Order is not applicable to the Company.
19. As the Company has not issued any secured debentures, the provision of clause (xix) of paragraph 4 of the Order is not applicable to the Company.
20. As the Company has not raised any money through public issue, the provision of clause (xx) of paragraph 4 of the Order is not applicable to the Company.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **SHANKER AND KAPANI**
Chartered Accountants
FIRM REGISTRATION No.: 117761W

S. SANKAR
PARTNER
MEMBERSHIP NO.: 40476

Place: MUMBAI
Date: 24th April, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

| | Notes | As at 31st March, 2014 ₹ in Lakhs | As at 31st March, 2013 ₹ in Lakhs |
|---|---------------|---|---|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 2,000.00 | 2,000.00 |
| Reserves and Surplus | 3 | 1,332.95 | (1,792.01) |
| | | 3,332.95 | 207.99 |
| Non-Current Liabilities | | | |
| Other Long Term Liabilities | 4 | 209.94 | 52.99 |
| Current Liabilities | | | |
| Short-Term Borrowings | 5 | 9,470.36 | 11,495.90 |
| Trade Payables | 6 | 1,201.17 | 487.49 |
| Other Current Liabilities | 7 | 4,492.62 | 5,301.95 |
| Short-Term Provisions | 8 | 750.96 | - |
| | | 15,915.11 | 17,285.34 |
| Total | | 19,458.00 | 17,546.32 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets (Net) | | | |
| Tangible Assets | 9 | 54.83 | 73.12 |
| Deferred Tax Assets | 10 | 46.04 | 563.66 |
| Long-Term Loans and Advances | 11 | 16.70 | 23.94 |
| | | 117.57 | 660.72 |
| Current Assets | | | |
| Inventories | 12 | 5,468.78 | 5,812.69 |
| Trade Receivables | 13 | 752.91 | 773.94 |
| Cash and Bank Balances | 14 | 1,251.46 | 206.76 |
| Short-Term Loans and Advances | 15 | 10,473.26 | 8,751.30 |
| Other Current Assets | 16 | 1,394.02 | 1,340.91 |
| | | 19,340.43 | 16,885.60 |
| Total | | 19,458.00 | 17,546.32 |
| Summary of Significant Accounting Policies | 1 | | |
| The accompanying notes form an integral part of the Financial Statements | 1 - 23 | | |

As per our attached Report of even date
For SHANKER AND KAPANI
Chartered Accountants
Firm Registration Number : 117761W

For and on behalf of the Board

S. Sankar
Partner

Director

Director

Company
Secretary

Place : Mumbai
Date : 24th April, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

| | Notes | For the Year ended 31st March, 2014 ₹ in Lakhs | For the Year ended 31st March, 2013 ₹ in Lakhs |
|---|---------------|--|--|
| REVENUE | | | |
| Revenue from Operations | 17 | 11,080.19 | 3,137.86 |
| Other Income | 18 | 1,653.86 | 1,464.21 |
| Total | | 12,734.05 | 4,602.07 |
| EXPENSES | | | |
| Cost of Projects | 19 | 5,915.56 | 1,669.20 |
| Employee Benefits Expense | 20 | 270.74 | 9.30 |
| Finance Costs | 21 | 1,590.02 | 1,887.29 |
| Depreciation and Amortisation Expense | 9 | 34.21 | 36.17 |
| Other Expenses | 22 | 306.00 | 289.67 |
| Total | | 8,116.53 | 3,891.63 |
| Profit Before Tax | | 4,617.52 | 710.44 |
| Tax expense: | | | |
| Current Tax | | (974.93) | (122.36) |
| MAT Credit eligible for Set off | | - | 122.36 |
| Deferred Tax | | (570.96) | (232.44) |
| Profit After Tax | | 3,071.63 | 478.00 |
| Prior Period Taxation Adjustments | | 53.33 | 102.47 |
| Net Profit for the year | | 3,124.96 | 580.47 |
| Earnings per Equity Share (in ₹) (Face value of ₹ 10 per Equity Share) | | | |
| Basic and Diluted | | 15.62 | 2.90 |
| Summary of Significant Accounting Policies | 1 | | |
| The accompanying notes form an integral part of the Financial Statements | 1 - 23 | | |

As per our attached Report of even date
For SHANKER AND KAPANI
Chartered Accountants
Firm Registration Number : 117761W

For and on behalf of the Board

S. Sankar
Partner

Director

Director

Company
Secretary

Place : Mumbai
Date : 24th April, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

| | | For the Year ended 31st March, 2014 ₹ in Lakhs | For the Year ended 31st March, 2013 ₹ in Lakhs |
|---|----------------|--|--|
| Cash Flows from Operating Activities: | | | |
| Profit before tax | | 4,617.52 | 710.44 |
| Adjustments for: | | | |
| Depreciation and Amortisation Expense | | 34.21 | 36.17 |
| Sundry Balances written back (net) (Previous year ₹ 418/-) | | (0.27) | (-) |
| Provision for doubtful advances | | 14.68 | - |
| Interest Income | | (1,528.14) | (1,295.98) |
| Finance Costs | | 1,590.02 | 1,887.29 |
| Operating Profit before working capital changes | | 4,728.02 | 1,337.92 |
| (Increase) / Decrease in Inventories | | 343.91 | (3,401.63) |
| (Increase) / Decrease in Trade Receivables | | 21.03 | (622.96) |
| Increase in Loans and Advances and Other Current Assets | | (113.16) | (98.46) |
| Increase in Trade Payables, Other Current Liabilities and Provisions | | 208.84 | 4,089.25 |
| Cash generated from Operations | | 5,188.64 | 1,304.12 |
| Income Tax Paid | | (216.73) | (7.16) |
| Net Cash Flows from Operating Activities | (A) | 4,971.91 | 1,296.96 |
| Cash Flows from Investing Activities: | | | |
| Purchase of Fixed Assets (Including movements in advances and payables) | | (15.92) | (3.40) |
| Loans Given (net) | | (1,623.49) | (983.23) |
| Interest Received | | 1,441.49 | 7.16 |
| Net Cash Flows used in Investing Activities | (B) | (197.92) | (979.47) |
| Cash Flows from Financing Activities: | | | |
| Proceeds from Borrowings | | - | 2,500.00 |
| Repayment of Borrowings | | (2,025.54) | (1,004.10) |
| Finance Costs paid | | (1,703.75) | (1,683.62) |
| Net Cash Flow used in Financing Activities | (C) | (3,729.29) | (187.72) |
| Net Increase in Cash and Cash Equivalents | (A+B+C) | 1,044.70 | 129.77 |
| Add : Cash and Cash Equivalents at the beginning of the year | | 144.29 | 14.52 |
| Cash and Cash Equivalents at the end of the year | | 1,188.99 | 144.29 |

Notes:

| | | | |
|--|--|-----------------|---------------|
| 1. Cash and Cash Equivalents as disclosed in Note 14*: | | | |
| Cash and Bank Balances | | 1,251.46 | 206.76 |
| Less: Other Bank Balances | | | |
| Margin money balance | | (62.47) | (62.47) |
| Cash and Cash Equivalents at the end of the year | | 1,188.99 | 144.29 |

* includes Cheques on Hand ₹ 275.00 Lakhs (Previous year ₹ Nil)

2. Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

As per our attached Report of even date
For SHANKER AND KAPANI
Chartered Accountants
Firm Registration Number : 117761W

For and on behalf of the Board

S. Sankar
Partner

Director

Director

Company
Secretary

Place : Mumbai

Date : 24th April, 2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note 1

Summary of Significant Accounting Policies

A. Basis of Accounting :

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the Accounting Standards as notified under Companies (Accounting Standards) Rules, 2006, read with general circular 15/2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the Provisions of the Companies Act, 1956 and 2013 and on the accounting principle of going concern. Expenses and Income to the extent considered payable and receivable, respectively, are accounted for on accrual basis, except those with significant uncertainties.

B. Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates are made to the best of the management's knowledge considering all necessary information. Differences, if any, between actual results and estimates are recognized in the period in which the results are ascertained.

C. Fixed Assets :

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and borrowing cost in case of construction.

The carrying amount of cash generating units / assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated at the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

D. Depreciation :

Depreciation on Fixed Assets is provided on written down value method at the rates specified in Schedule of the Companies Act, 1956 except for cost of 'site / sales office and sample flats' which are being amortized equally over the project lifecycle / demolition, whichever is earlier.

Depreciation on Additions / Deletions of assets is provided on a pro-rata basis.

Depreciation on assets used for construction is treated as period cost.

E. Inventories :

- i) Stock of Building Materials is valued at lower of cost and net realizable value. Cost is generally ascertained on weighted average basis.
- ii)
 - a) Work-in-Progress is stated at Cost or Net Realizable value, whichever is lower. Work-in-Progress includes costs of incomplete projects for which the Company has not entered into contracts and the costs incurred on the projects where the revenue is yet to be recognized.
 - b) Completed unsold inventory is valued at lower of cost or net realizable value.
 - c) Cost for this purpose includes cost of land, construction costs, borrowing cost and other overheads incidental to the projects undertaken.
 - d) Net realizable value is the estimated selling price in the ordinary course of business.

F. Operating Cycle :

The Company's normal operating cycle varies from project to project depending on the size of the project, type of development, project complexities and related approvals. Assets and liabilities are classified into current and non-current based on the operating cycle.

G. Revenue Recognition :

i) Income from Property Development:

- a) Income from property development is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However, if at the time of transfer, substantial acts are yet to be performed under the contract, revenue is recognized on proportionate basis as the acts are being performed and monies received i.e. on the percentage completion method, on incurring at least 25% of estimated construction and development cost excluding land and borrowing cost, atleast 25% of the total saleable area is secured by contract with buyers and receipt of 10% of the sales consideration per contract. The percentage of completion is worked out based on the total project costs incurred to total estimated project costs including land.

As the projects necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the said estimates are revised.

- b) Determination of revenue under the percentage of completion method necessarily involves making estimates by the Company, some of which are of technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion. Provision for foreseeable losses, determination of profit from real estate projects and valuation of construction work in progress is based on such estimates.

- ii) Revenue from Sale of Building Materials is recognised when significant risk and rewards in respect of ownership of materials are transferred to customers.

H. Borrowing Costs :

Borrowing costs that are directly attributable to long term project development activities are inventorised as part of project cost. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing costs are inventorised as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Inventorisation of Borrowing costs are suspended once development work on the project is interrupted for extended periods.

I. Foreign Exchange Transactions :

The transactions in foreign exchange are accounted at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities in foreign currency are translated at the exchange rate prevailing at the date of the Balance Sheet. Any exchange gain or loss arising on the translation or settlement of such transactions are accounted for in the Statement of Profit and Loss.

J. Leases :

Lease arrangements where the risks and rewards incidental to ownership of assets substantially vest with the lessor are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

K. Taxation :

Provision for the current income tax is made on the basis of the estimated taxable income for the current accounting year in accordance with Income Tax Act, 1961.

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the tax rate and tax laws enacted or substantively enacted at the balance sheet date, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual / reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

L. Provisions and Contingent Liabilities :

Provisions are recognized in the accounts in respect of present probable obligation, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

| | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--|---|-----------------|---|-------------------|
| | | ₹ in Lakhs | | ₹ in Lakhs |
| Note : 2 | | | | |
| Share Capital | Numbers | | Numbers | |
| (A) Authorised | | | | |
| Equity Shares of ` 10 each | 20,000,000 | 2,000.00 | 20,000,000 | 2,000.00 |
| Total | | 2,000.00 | | 2,000.00 |
| (B) Issued, Subscribed and Paid-up | | | | |
| Equity Shares of ` 10 each fully paid up | 20,000,000 | 2,000.00 | 20,000,000 | 2,000.00 |
| Total | | 2,000.00 | | 2,000.00 |
| (C) Reconciliation of number of shares and amount | | | | |
| As per Last Financial Statement | 20,000,000 | 2,000.00 | 20,000,000 | 2,000.00 |
| Add : Changes during the year | - | - | - | - |
| | 20,000,000 | 2,000.00 | 20,000,000 | 2,000.00 |
| (D) Rights and preferences attached to Equity Shares | <p>Each Shareholder is entitled for one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the shareholders.</p> <p>In the event of liquidation, the shareholders will be entitled, in proportion to the number of equity shares held by them, to receive remaining assets of the Company, after distribution of all preferential amounts.</p> | | | |
| (E) Shares held by and Shareholder Holding more than 5% : | Numbers | % | Numbers | % |
| Anantnath Constructions and Farms Pvt. Ltd., Holding Company | 14,788,099 | 73.94% | 14,788,099 | 73.94% |
| Gurpreet Kaur Shinh | 1,174,118 | 5.87% | 1,174,118 | 5.87% |
| | | | | |
| | As at 31st March, 2014 ₹ in Lakhs | | As at 31st March, 2013 ₹ in Lakhs | |
| Note : 3 | | | | |
| Reserves and Surplus | | | | |
| Capital Reserve | | | | |
| As per last Financial Statement | | 11.44 | | 11.44 |
| | | 11.44 | | 11.44 |
| Capital Subsidy Reserve | | | | |
| As per last Financial Statement | | 16.67 | | 16.67 |
| | | 16.67 | | 16.67 |
| Securities Premium Account | | | | |
| As per last Financial Statement | | 0.02 | | 0.02 |
| | | 0.02 | | 0.02 |
| Surplus / (Deficit) in the Statement of Profit and Loss | | | | |
| As per last Financial Statement | | (1,820.14) | | (2,400.61) |
| Add: Profit as per annexed Statement of Profit and Loss | | 3,124.96 | | 580.47 |
| | | 1,304.82 | | (1,820.14) |
| Total | | 1,332.95 | | (1,792.01) |

| | As at 31st March, 2014 ₹ in Lakhs | As at 31st March, 2013 ₹ in Lakhs |
|---|---|---|
| Note : 4 | | |
| Other Long Term Liabilities | | |
| Trade Payables | | |
| Micro, Small and Medium Enterprises (Refer Clause 12 of Note 23) | 1.31 | 0.16 |
| Others | 208.63 | 52.83 |
| Total | 209.94 | 52.99 |
| Note : 5 | | |
| Short-Term Borrowings | | |
| Secured | | |
| Term Loan | | |
| Financial Institution (Refer Clause 3 of Note 23) | 9,470.36 | 11,495.90 |
| Total | 9,470.36 | 11,495.90 |
| Note : 6 | | |
| Trade Payables | | |
| Micro, Small and Medium Enterprises (Refer Clause 12 of Note 23) | 15.41 | 1.33 |
| Others | 1,185.76 | 486.16 |
| Total | 1,201.17 | 487.49 |
| Note : 7 | | |
| Other Current Liabilities | | |
| Interest Accrued but not due on borrowings | - | 146.18 |
| Advance received from customers | 4,153.00 | 4,814.58 |
| Other Payables : | | |
| Duties and Taxes | 234.12 | 238.86 |
| Cancelled flats | 105.40 | 99.53 |
| Other Liabilities | 0.10 | 2.80 |
| Total | 4,492.62 | 5,301.95 |
| Note : 8 | | |
| Short-Term Provisions | | |
| Income Tax (Net of Income Tax payments of ` 223.97 Lakhs) | 750.96 | - |
| Total | 750.96 | - |

Note : 9

Fixed Assets :

₹ in Lakhs

| Particulars | Gross Block (At Cost) | | | Depreciation / Amortisation | | | | Net Block | | |
|-------------------------------------|-----------------------|---------------------------|--------------------------|-----------------------------|-----------------------|--------------|---------------------------|-----------------------|------------------------|------------------------|
| | As at 1st April, 2013 | Additions during the year | Disposal / (Adjustments) | As at 31st March, 2014 | Upto 31st March, 2013 | For the year | Deduction / (Adjustments) | Upto 31st March, 2014 | As at 31st March, 2014 | As at 31st March, 2013 |
| Tangible Assets: | | | | | | | | | | |
| Site / Sales Office and Sample Flat | 154.01 | - | - | 154.01 | 92.41 | 30.80 | - | 123.21 | 30.80 | 61.60 |
| Plant and Equipment | 10.63 | 12.46 | - | 23.09 | 3.42 | 2.34 | - | 5.76 | 17.33 | 7.21 |
| Furniture and Fixtures | 3.70 | 2.93 | - | 6.63 | 2.09 | 0.66 | - | 2.75 | 3.88 | 1.61 |
| Office Equipment | 4.18 | 0.53 | - | 4.71 | 1.48 | 0.41 | - | 1.89 | 2.82 | 2.70 |
| Total | 172.52 | 15.92 | - | 188.44 | 99.40 | 34.21 | - | 133.61 | 54.83 | 73.12 |
| Previous Year | 175.33 | 3.40 | (6.21) | 172.52 | 69.44 | 36.17 | (6.21) | 99.40 | 73.12 | |

| | As at 31st March, 2014 ₹ in Lakhs | As at 31st March, 2013 ₹ in Lakhs |
|--|---|---|
| Note : 10 | | |
| Deferred Tax Assets | | |
| Timing Difference on Account of | | |
| Book and Tax Depreciation | 25.35 | 18.18 |
| Carried forward Losses / Unabsorbed Depreciation | - | 545.48 |
| Others | 20.69 | - |
| Total | 46.04 | 563.66 |
| The Management is reasonably / virtually certain that sufficient future taxable income would be available for reversal of Deferred Tax Assets. | | |
| Note : 11 | | |
| Long-Term Loans and Advances | | |
| (Unsecured, Considered Good) | | |
| VAT Refund receivable | 16.70 | 16.70 |
| Income Tax payments | - | 7.24 |
| (Including MAT credit eligible for set off of ` 122.36 Lakhs and net of Income Tax provision of ` 122.36 Lakhs) | | |
| Total | 16.70 | 23.94 |
| Note : 12 | | |
| Inventories | | |
| (at lower of cost and net realisable value) | | |
| Building Materials | 228.25 | 78.11 |
| Land and Property Development Work-in-Progress | 5,240.53 | 5,734.58 |
| Total | 5,468.78 | 5,812.69 |
| Note : 13 | | |
| Trade Receivables | | |
| (Unsecured, Considered good) | | |
| Outstanding for a period more than six months from the date they became due for payment | 353.89 | - |
| Others | 399.02 | 773.94 |
| Total | 752.91 | 773.94 |
| Note : 14 | | |
| Cash and Bank Balances | | |
| Cash and Cash Equivalents | | |
| Balances with Banks | 899.93 | 143.47 |
| Fixed Deposits with less than 3 months Maturity | 11.27 | - |
| Cheques on Hand | 275.00 | - |
| Cash on hand | 2.79 | 0.82 |
| | 1,188.99 | 144.29 |
| Other Bank Balances | | |
| Margin Money Balance | 62.47 | 62.47 |
| | 62.47 | 62.47 |
| Total | 1,251.46 | 206.76 |

| | | As at 31st March, 2014 ₹ in Lakhs | As at 31st March, 2013 ₹ in Lakhs |
|---|-------------------|---|---|
| Note : 15 | ₹ in Lakhs | | |
| Short-Term Loans and Advances (Unsecured, Considered Good unless otherwise Stated) | | | |
| Loans and advances to Related Parties | | | |
| In the nature of Loans | | 10,262.07 | 8,638.58 |
| Advances to : | | | |
| Suppliers and Contractors | | 50.48 | 55.93 |
| Others | | 0.89 | - |
| Prepaid Expenses | | 2.32 | 56.79 |
| Other Receivables | 14.68 | | |
| Less : Provision for Doubtful Advances | (14.68) | - | - |
| Service Tax receivable / adjustable | | 157.50 | - |
| Total | | 10,473.26 | 8,751.30 |

| | | | |
|-----------------------------------|--|-----------------|-----------------|
| Note : 16 | | | |
| Other Current Assets | | | |
| Interest Receivables | | 1,375.47 | 1,288.82 |
| Unamortised Other Borrowing Costs | | 18.55 | 52.09 |
| Total | | 1,394.02 | 1,340.91 |

| | For the Year ended 31st March, 2014 ₹ in Lakhs | For the Year ended 31st March, 2013 ₹ in Lakhs |
|----------------------------------|--|--|
| Note : 17 | | |
| Revenue from Operations | | |
| Income From Property Development | 11,072.49 | 3,104.61 |
| Other Operating Revenue | 7.70 | 33.25 |
| Total | 11,080.19 | 3,137.86 |

| | | |
|--|-----------------|-----------------|
| Note : 18 | | |
| Other Income | | |
| Interest Income on: | | |
| Loans Given | 1,528.14 | 1,295.98 |
| Customers' Overdues | 112.31 | 56.43 |
| Others | 1.78 | 95.39 |
| | 1,642.23 | 1,447.80 |
| Sundry Balances written back (net) (Previous Year : ` 418) | 0.27 | - |
| Miscellaneous Income | 11.36 | 16.41 |
| Total | 1,653.86 | 1,464.21 |

| | | |
|-----------------------------------|----------|----------|
| Note : 19 | | |
| Cost of Projects | | |
| Opening Stock | 5,734.58 | 2,363.33 |
| Add: Expenditure during the year: | | |
| Building Materials Consumed | 2,311.52 | 1,250.55 |
| Construction Contracts | 2,250.03 | 928.62 |
| Project Consultancy | 169.87 | 46.42 |
| Insurance | 2.18 | 1.75 |

| | For the Year ended 31st March, 2014 ₹ in Lakhs | For the Year ended 31st March, 2013 ₹ in Lakhs |
|--|--|--|
| Rates and Taxes | 71.92 | 2,692.55 |
| Electricity | 66.85 | 39.95 |
| Repairs and Maintenance | 7.99 | 7.47 |
| Other Construction Expenses | 34.61 | 9.93 |
| Overheads Allocated | 526.52 | 76.31 |
| | 11,176.07 | 7,416.88 |
| Less: Scrap Sales | (19.98) | (13.10) |
| | 11,156.09 | 7,403.78 |
| Less: Closing Stock | (5,240.53) | (5,734.58) |
| Total | 5,915.56 | 1,669.20 |
| Note : 20 | | |
| Employee Benefits Expense | | |
| Salaries and Wages | 703.78 | 19.77 |
| Staff Welfare | 0.38 | 4.36 |
| | 704.16 | 24.13 |
| Less: Allocated to Cost of Projects | (433.42) | (14.83) |
| | 270.74 | 9.30 |
| Note : 21 | | |
| Finance Costs | | |
| Interest Expenses on : | | |
| Borrowings and Others | 1,516.93 | 1,816.16 |
| Income Tax | 39.55 | 5.82 |
| Other Borrowing Costs | 33.54 | 65.31 |
| Total | 1,590.02 | 1,887.29 |
| Note : 22 | | |
| Other Expenses | | |
| Rent | 1.37 | 0.86 |
| Rates and Taxes | 0.36 | 4.96 |
| Printing and Stationary | 8.71 | 34.81 |
| Postage / Telephone / Internet | 2.66 | 0.35 |
| Legal and Professional | 3.59 | 23.68 |
| Insurance | 0.01 | - |
| Payments to Auditors (excluding Service Tax) as: | | |
| Audit Fees | 3.00 | 3.00 |
| Other Services | 0.50 | 0.50 |
| Infrastructure Facility Expenses | 134.51 | 0.04 |
| Brokerage | 140.01 | 30.83 |
| Advertisement and Publicity | 43.12 | 151.86 |
| Provision for Doubtful Advances | 14.68 | - |
| Miscellaneous Expenses | 46.58 | 100.26 |
| | 399.10 | 351.15 |
| Less: Allocated to Cost of projects | (93.10) | (61.48) |
| Total | 306.00 | 289.67 |

Note : 23

Other Notes on accounts

1 Contingent Liabilities not provided for in respect of :

(` in Lakhs)

| Particulars | 2013-2014 | 2012-2013 |
|---|-----------|------------------------|
| Disputed Central Excise Duty | 11.22 | 11.22 |
| Disputed Income Tax Liability | 1,281.38 | 1,224.12 |
| Outstanding Bank Guarantees | 54.31 | 54.31 |
| Disputed demands of few Customers for higher compensation for flats cancelled | 650.00 | Amount unascertainable |

2 The Supreme Court (Larger Bench) has upheld the constitutional validity of levy of MVAT on sale of under construction flats / units and sent the matters (including levy of interest) back to the Regular Bench for final disposal. By virtue of the "Agreement for Sale" with the purchasers of the Unit / Flat, the purchaser is liable to bear MVAT and interest thereon and hence, no provision for interest on delays in payments has been considered necessary.

3 Disclosure of details of security, terms of repayments and rate of interest of borrowings :

Secured Term Loans from Financial Institution :

Secured by mortgage of its land situated at Thane, construction thereon of its realty project, exclusive charge on the Scheduled receivables, proceeds from Insurance both present and future and personal guarantee of two promoters.

Exclusive charge on the scheduled receivables under the documents entered with the customers of the funded project and all insurance proceeds, both present and future. Scheduled receivables includes receivables/cash flows/revenues including booking amount arising out of or in connection with or related to the project. 25% is transferred to Loan account from customer collection.

Repayable in monthly instalment of ` 25 crore each from October 2015 onwards.

Rate of Interest: (HDFC CPLR minus 300 bps, Currently 13.85%; Previous Year: 14.25%).

4 In the opinion of the management, the assets other than fixed assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

5 As the Company has only one segment, segment reporting in terms of Accounting Standard 17 is not applicable.

6 Balances in certain accounts of Trade Payables are subject to reconciliation / confirmation.

7 The information as required by Accounting Standard 18 relating to 'Related Party Disclosures' is given below:

A. List of related parties:

(As identified by the management)

a) Individual Controlling the Company and his relatives:

Mr. Mangalprabhat Lodha, Controlling Shareholder

Mr. Abhishek Lodha, Relative

Mr. Abhinandan Lodha, Relative

b) Ultimate Holding Company:

Sambhavnath Infrabuild and Farms Pvt. Ltd. (Holding company of LDPL w.e.f. 17-July-2013)

c) Entities as at 1st April, 2013

i) Holding Companies:

Lodha Developers Pvt. Ltd. (LDPL) (Holding company of ACFPL)

Anantnath Constructions and Farms Pvt. Ltd. (ACFPL)

ii) Fellow Subsidiary Companies:

Aasthavinayak Estate Company Pvt. Ltd.

Aasthavinayak Real Estate Pvt. Ltd.
 Adinath Builders Pvt. Ltd.
 Ajitnath Hi-Tech Builders Pvt. Ltd.
 Arihant Premises Pvt. Ltd.
 Cowtown Land Development Pvt. Ltd.
 Dalhousie Leasing & Financial Services Pvt. Ltd.
 Galaxy Premises Pvt. Ltd.
 Gandhar Builders Pvt. Ltd.
 Hi-Class Buildcon Pvt. Ltd.
 Hotel Rahat Palace Pvt. Ltd.
 International Airport Builders & Management Services Pvt. Ltd.
 Jawala Real Estate Pvt. Ltd.
 Kidderpore Holdings Ltd.
 Krona Realities Pvt. Ltd.
 Lodha Attentive Developers and Farms Pvt. Ltd.
 Lodha Buildcon Pvt. Ltd.
 Lodha Building and Construction Pvt. Ltd.
 Lodha Crown Buildmart Pvt. Ltd.
 Lodha Designer Construction Pvt. Ltd.
 Lodha Developers UK Ltd.
 Lodha Elevation Buildcon Pvt. Ltd.
 Lodha Estate Pvt. Ltd.
 Lodha Glowing Construction Pvt. Ltd.
 Lodha Hi-Rise Builders Pvt. Ltd.
 Lodha Home Developers Pvt. Ltd.
 Lodha Home Styles Pvt. Ltd.
 Lodha Impression Real Estate Pvt. Ltd.
 Lodha Land Developers Pvt. Ltd.
 Lodha Pinnacle Buildtech and Farms Pvt. Ltd.
 Lodha Prime Buildfarms Pvt. Ltd.
 Macrotech Constructions Pvt. Ltd.
 Mahavir Build Estate Pvt. Ltd.
 Mahavir Premises Pvt. Ltd.
 Manan Finserve Pvt. Ltd.
 Microtec Constructions Pvt. Ltd.
 Nabhiraja Software Design Pvt. Ltd.
 Naminath Builders and Farms Pvt. Ltd.
 Odeon Theatres and Properties Pvt. Ltd.
 Palava Dwellers Pvt. Ltd. (Formerly known as Lodha Dwellers Pvt. Ltd.)
 Palava Utilities Pvt. Ltd.

Proficient Buildwell Pvt. Ltd.
 Sahajanand Hi-Tech Constructions Pvt. Ltd.
 Sai Ishwer Finvest Pvt. Ltd.
 Samvara Buildtech Pvt. Ltd.
 Sanathnagar Enterprises Ltd.
 Sarvavasa Buildtech and Farms Pvt. Ltd.
 Shantinath Designer Construction Pvt. Ltd.
 Shreeniwas Abode and House Pvt. Ltd.
 Shreeniwas Cotton Mills Ltd.
 Shri Kailash Properties and Agrofarms Pvt. Ltd.
 Shri Nakoda Bhirav Realtors Pvt. Ltd.
 Shri Vardhvinayak Builders Pvt. Ltd.
 Siddhnath Residential Paradise Pvt. Ltd.
 Simtools Pvt. Ltd.
 Sitaldas Estate Pvt. Ltd.
 Suryakrupa Constructions Pvt. Ltd. (Formerly known as Suryakrupa Farms and Constructions Pvt. Ltd.)

iii) Limited Liability Partnerships :

Ajeethnath Hi – Tech Buildtech LLP
 Lodha Dwellerz LLP
 Lodha Fincorp Distribution Services LLP

iv) Partnership Firms Under Control:

Lodha Construction (Dombivli)
 Lodha Palazzo
 Mahavir Associates
 Vivek Enterprises

d) Entities added during the year

Fellow Subsidiaries

| | From |
|---|------------------|
| Kundan Realtors Pvt. Ltd. | 29-May-2013 |
| Roselabs Finance Ltd. | 10-June-2013 |
| Lodha Buildtech Pvt. Ltd. | 01-July-2013 |
| Lodha Pranik Landmark Developers Pvt. Ltd. | 01-July-2013 |
| Lodha Aviation Pvt. Ltd. | 21-August-2013 |
| Palava City Management Association (Section 25 Company) | 06-November-2013 |
| Lodha Developers International (Mauritius) Ltd. | 25-November-2013 |
| Shree Sainath Enterprises Construction and Developers Pvt. Ltd. * | 28-November-2013 |
| Lodha Developers International (Jersey) Ltd. | 05-December-2013 |
| Ishwer Realty and Technologies Pvt. Ltd. | 26-December-2013 |
| Lodha Strategic Development Pvt. Ltd. | 31-December-2013 |
| Sambhavnath Reality and Farms Pvt. Ltd. | 31-December-2013 |

| | |
|---|-----------------|
| Lodha Developers International (Jersey) II Ltd. | 29-January-2014 |
| Lodha Properties Development Pvt. Ltd. | 17-July-2013 |
| Lodha Developers International (Netherlands) B. V. | 03-March-2014 |
| Lodha Developers International (Jersey) I Holdings Ltd. | 05-March-2014 |

e) Entities ceased / Struck off during the year

Upto

Fellow Subsidiaries

| | |
|--|---------------|
| Lodha Home Finance Ltd. (Applied for strike off) | 24-March-2014 |
|--|---------------|

Partnership Firms under control

| | |
|-----------------------------|------------------|
| Shree Sainath Enterprises * | 27-November-2013 |
|-----------------------------|------------------|

f) Key Managerial Personnel:

Martin Godard

* converted into Private Limited Company under the provisions of Part IX of the Companies Act, 1956.

B. Transactions during the year ended and Balances Outstanding as at 31st March, 2014 with related parties are as follows:

(i) Transactions

(₹ in Lakhs)

| Sr. No. | Nature of Transactions | Ultimate Holding / Holding Company | Fellow Subsidiaries | Partnership Firms Under Control |
|---------|----------------------------------|------------------------------------|---------------------|---------------------------------|
| 1 | Purchase of Building Materials | 5.08 (42.86) | 37.41 (196.36) | 1.66 (0.36) |
| 2 | Sale of Building Materials | 0.69 (0.09) | 1.51 (6.82) | 0.30 (0.01) |
| 3 | Interest Income | 828.30 (1,295.98) | 699.84 (-) | - (-) |
| 4 | Interest Expense | - (-) | 1.49 (15.57) | - (-) |
| 5 | Infrastructure Facility Expenses | - (-) | 151.13 (0.04) | - (-) |
| 6 | Reimbursements Given | 13.90 (19.77) | 243.50 (9.98) | - (-) |
| 7 | Amount paid on behalf of | - (-) | 0.07 (20.57) | - (-) |
| 8 | Amount paid on behalf by | - (-) | 16.51 (60.33) | - (0.10) |
| 9 | Loan Given | 3,248.67 (6,573.62) | 14,030.35 (-) | - (-) |

(ii) Outstanding Balances:

(₹ in Lakhs)

| Sr. No. | Nature of Transactions | Ultimate Holding / Holding Company | Fellow Subsidiaries | Partnership Firms Under Control |
|---------|------------------------|------------------------------------|---------------------|---------------------------------|
| 1 | Loan Given | 230.91 (8,638.58) | 10,031.16 (-) | - (-) |
| 2 | Trade Payable | - (-) | 9.55 (15.46) | - (-) |
| 3 | Other Liabilities | - (-) | 151.35 (2.80) | - (-) |
| 4 | Interest Receivables | 745.47 (1,288.82) | 629.86 (-) | - (-) |

(iii) Disclosure in respect of material transactions with parties:

(₹ in Lakhs)

| Sr. No. | Nature of Transactions | Particulars | 2013-2014 | 2012-2013 |
|--------------------|----------------------------------|---|-----------|-----------|
| 1 | Purchase of Building Materials | Arihant Premises Pvt. Ltd. | - | 0.73 |
| | | Cowtown Land Development Pvt. Ltd. | 30.77 | 175.83 |
| | | Lodha Buildcon Pvt. Ltd. | 1.20 | 5.26 |
| | | Lodha Crown Buildmart Pvt. Ltd. | 0.05 | - |
| | | Lodha Developers Pvt. Ltd. | 5.08 | 42.86 |
| | | Palava Dwellers Pvt. Ltd. | 0.19 | - |
| | | Lodha Impression Real Estate Pvt. Ltd. | 0.13 | 0.05 |
| | | Lodha Land Developers Pvt. Ltd. | 0.15 | 0.02 |
| | | Samvara Buildtech Pvt. Ltd. | - | 0.02 |
| | | Macrotech Constructions Pvt. Ltd. | 2.04 | 8.40 |
| | | Odeon Theatres and Properties Pvt. Ltd. | 2.58 | 0.27 |
| | | Shree Sainath Enterprises | 1.66 | 0.36 |
| | | Shree Sainath Enterprises Construction and Developers Pvt. Ltd. | 0.01 | - |
| | | Shreeniwas Cotton Mills Ltd. | 0.06 | - |
| Simtools Pvt. Ltd. | 0.23 | 5.78 | | |
| 2 | Sale of Building Materials | Arihant Premises Pvt. Ltd. | 0.01 | 3.59 |
| | | Lodha Buildcon Pvt. Ltd. | 0.07 | 0.83 |
| | | Lodha Developers Pvt. Ltd. | 0.69 | 0.09 |
| | | Palava Dwellers Pvt. Ltd. | 0.80 | 0.10 |
| | | Lodha Pranik Landmark Developers Pvt. Ltd. | - | 1.75 |
| | | Microtec Constructions Pvt. Ltd. | - | 0.09 |
| | | Shree Sainath Enterprises | 0.30 | 0.01 |
| | | Shreeniwas Cotton Mills Ltd. | - | 0.09 |
| | | Simtools Pvt. Ltd. | 0.63 | 0.37 |
| 3 | Interest Income | Lodha Developers Pvt. Ltd. | 828.30 | 1,295.98 |
| | | Lodha Crown Buildmart Pvt. Ltd. | 210.99 | - |
| | | Jawala Real Estate Pvt. Ltd. | 488.60 | - |
| | | Krona Realities Pvt. Ltd. | 0.25 | - |
| 4 | Interest Expense | Cowtown Land Development Pvt. Ltd. | 1.32 | 15.57 |
| | | Nabhiraja Software Design Pvt. Ltd. | 0.17 | - |
| 5 | Infrastructure Facility Expenses | Nabhiraja Software Design Pvt. Ltd. | 151.13 | 0.04 |
| 6 | Reimbursements Given | Lodha Crown Buildmart Pvt. Ltd. | 243.50 | 0.64 |
| | | Lodha Developers Pvt. Ltd. | 13.90 | 19.77 |
| | | Palava Dwellers Pvt. Ltd. | - | 7.76 |
| | | Shreeniwas Cotton Mills Ltd. | - | 1.58 |
| 7 | Amount paid on behalf of | Lodha Elevation Buildcon Pvt. Ltd. | 0.02 | - |
| | | Palava Dwellers Pvt. Ltd. | - | 6.27 |
| | | Macrotech Constructions Pvt. Ltd. | - | 14.30 |
| | | Nabhiraja Software Design Pvt. Ltd. | 0.05 | - |

| Sr. No. | Nature of Transactions | Particulars | 2013-2014 | 2012-2013 |
|---------|--------------------------|--|-----------|-----------|
| 8 | Amount paid on behalf by | Shreeniwas Cotton Mills Ltd. | 1.64 | - |
| | | Lodha Crown Buildmart Pvt. Ltd. | - | 30.13 |
| | | Palava Dwellers Pvt. Ltd. | - | 14.63 |
| | | Lodha Impression Real Estate Pvt. Ltd. | - | 0.01 |
| | | Lodha Novel Buildfarms Pvt. Ltd. | - | 1.13 |
| | | Lodha Pranik Landmark Developers Pvt. Ltd. | 4.51 | - |
| | | Shree Sainath Enterprises | - | 0.10 |
| | | Macrotech Constructions Pvt. Ltd. | 10.36 | 14.43 |
| 9 | Loan Given | Lodha Developers Pvt. Ltd. | 3,248.67 | 6,573.62 |
| | | Lodha Crown Buildmart Pvt. Ltd. | 3,310.35 | - |
| | | Krona Realities Pvt. Ltd. | 20.00 | - |
| | | Jawala Real Estate Pvt. Ltd. | 10,700.00 | - |

Note: No amount pertaining to related parties have been written off / back or provided for.

C. Controlling Shareholder and his Relatives:

(₹ in Lakhs)

| Outstanding Balances | Relatives of Controlling Shareholder |
|----------------------|--------------------------------------|
| Guarantee taken | 12,500.00 (12,500.00) |

8 Disclosure as per clause 32 of the Listing Agreement : Loans and advances in the nature of loans to related parties:

(₹ in Lakhs)

| Particulars | As On 31st March, 2014 | Maximum Balance During The Year |
|---------------------------------|------------------------|---------------------------------|
| Lodha Developers Pvt. Ltd. | 230.91 (8,638.58) | 10,809.86 (10,551.92) |
| Lodha Crown Buildmart Pvt. Ltd. | 1,661.39 (-) | 2,654.90 (-) |
| Krona Realities Pvt. Ltd. | - (-) | 20.00 (-) |
| Jawala Real Estate Pvt. Ltd. | 8,369.77 (-) | 8,784.77 (-) |

9 Basic and Diluted earnings per share:

| | 2013-2014 | 2012-2013 |
|---|------------|------------|
| Basic and Diluted Earnings Per Share | | |
| (a) Net Profit after Tax (₹ in Lakhs) | 3,124.96 | 580.47 |
| (b) No. of Equity Shares as on April 1, | 20,000,000 | 20,000,000 |
| Add: Shares Allotted | - | - |
| No. of Equity Shares as on March 31, | 20,000,000 | 20,000,000 |
| Weighted average no. of Equity Shares outstanding during the year | 20,000,000 | 20,000,000 |
| (c) Face Value of equity shares (in ₹) | 10 | 10 |
| (d) Basic and Diluted Earnings Per Share (in ₹) | 15.62 | 2.90 |

10 Building Materials Consumption :

| Materials | 2013-2014 (₹ in Lakhs) | 2012-2013 (₹ in Lakhs) |
|------------------|-----------------------------------|-----------------------------------|
| Concrete | 510.39 | 563.60 |
| Steel | 900.39 | 502.71 |
| Tile & Flooring | 390.12 | 30.95 |
| Others | 510.62 | 153.29 |
| Total | 2,311.52 | 1,250.55 |

Building materials Consumed of ` 2311.52 Lakhs (Previous year ` 1250.55) is net of Sale of materials of ` 2.30 Lakhs (Previous year ` 6.57 Lakhs) almost on cost to cost basis.

11 Value of Imported and Indigenous Materials Consumed :

| | % | ₹ in Lakhs |
|-----------------------------|------------------------|--------------------------------|
| Building Materials - | | |
| - Imported | - (-) | - (-) |
| - Indigenous | 100% (100%) | 2,311.52 (1,250.55) |
| Total | 100% (100%) | 2,311.52 (1,250.55) |

12 Details of dues to Micro, Small and Medium Enterprises as per The Micro, Small and Medium Enterprises Development Act, 2006 :

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding is given below :

| Particulars | 2013-2014 (₹ in Lakhs) | 2012-2013 (₹ in Lakhs) |
|--|-----------------------------------|-----------------------------------|
| Amount unpaid as at year end - Principal | 16.72 | 1.33 |
| Amount unpaid as at year end - Interest | - | - |
| The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006 | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | - | - |

- 13** (a) Previous year figures have been regrouped / rearranged wherever necessary.
 (b) Figures in brackets are related to previous year.

NATIONAL STANDARD (INDIA) LIMITED

CIN: L27109WB1962PLC025605

Room No# 6, 4th Floor, Commerce House 2A, Ganesh Chandra Avenue, Kolkata 700013, West Bengal

Website: www.nsil.net.in E-mail: Investors.NSIL@lodhagroup.com

Tel.: +91.22.23024400 Fax: +91.22.23024550

BALLOT FORM

(In lieu of e-voting)

1. Name and Registered Address of the sole/first named Shareholder
2. Name(s) of the Joint Shareholder(s), if any :
3. Registered Folio No./DP ID No./Client ID No.*
(*Applicable to investors holding shares in dematerialized form)
4. Number of Equity Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 51st Annual General Meeting of the Company to be held on 17th September, 2014 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below :

| Item No. | Description | No. of Equity Shares | I/We assent to the resolution (For) | I/We dissent to the resolution (Against) |
|----------|--|----------------------|-------------------------------------|--|
| 1 | Consider and adopt the Audited Financial Statement, Reports of the Board of Directors and Auditors | | | |
| 2 | To appoint a director in place of Mr. Ananthanarayanan Ariyanayakipuram Lakshminarayanan, who retires by rotation and being eligible offers himself for re-appointment | | | |
| 3 | Appoint M/s. Shanker and Kapani, Chartered Accountants, as statutory auditors and fixing their remuneration. | | | |
| 4 | Appointment of Mr. Deepak Balvant Chitnis, as Director, liable to retire by rotation | | | |
| 5 | Appointment of Ms. Smita Satish Ghag, as Director, liable to retire by rotation | | | |
| 6 | Appointment of Mr. Santosh Kumar Ojha, as an Independent Director, not liable to retire by rotation | | | |
| 7 | Appointment of Mr. Sagar Dhaku Gawde, as an Independent Director, not liable to retire by rotation | | | |
| 8 | Authority to borrow under Section 180(1)(c) of the Companies Act, 2013 | | | |
| 9 | Authority to create security under Section 180(1)(a) of the Companies Act, 2013 | | | |
| 10 | Investments in Securities | | | |
| 11 | To adopt new Articles of Association of the Company | | | |
| 12 | Contract or arrangement with Related parties | | | |

Place :

Date :

Signature of Shareholder

Note: Kindly read the instructions printed overleaf before filling the form. The Ballot Forms received by the Scrutiniser not later than the close of working hours (6.00 p.m.) on 13th September, 2014 shall only be considered as valid.

INSTRUCTIONS

1. **In terms of Clause 35B of the Listing Agreement, those members, who do not have access to e-voting facility provided by the Company for the AGM in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, may send their assent or dissent in writing on the Ballot Form. Accordingly, this Ballot Form is being provided under Clause 35B of the Listing Agreement to facilitate e-voting provided under Section 108 of the Companies Act, 2013 at 51st AGM of the Company.**
2. **A member desiring to exercise vote by Ballot may complete this Ballot Form and send it to the Scrutinizer at BE -16, 1st Floor, Sector 1, Salt Lake, Kolkata – 700 064.**
3. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Registrar and Transfer Agent of the Company (i.e. CB Management Services (P) Limited). Members are requested to keep the same updated.
4. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.
5. Where the Ballot Form has been signed by an Authorised Representative of the Body Corporate/Trust/ Society, etc. a certified copy of the relevant authorisation/Board Resolution to vote should accompany the Ballot Form.
6. Duly completed Ballot Form should reach the scrutinizer not later than the close of working hours (6.00 p.m.) on 13th September, 2014. All Ballot Forms received after this date will be strictly treated as if reply from such member has not been received.
7. A member may request for a duplicate Ballot Form, if so required. However the duly filled in duplicate Ballot Form should reach the Scrutinizer not later than the time and date specified above.
8. The right of voting by Ballot Form shall not be exercised by a proxy.
9. A member need not use all votes nor needs to cast all votes in the same way.
10. The consent must be accorded by recording the assent in the Column 'FOR' and dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column.
11. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of the members as on 18th August, 2014 which is the cut off date fixed for this purpose
12. Members are requested not to send any other paper along with the Ballot Form.

NATIONAL STANDARD (INDIA) LIMITED

Room No# 6,4th Floor, Commerce House 2A, Ganesh Chandra Avenue, Kolkata 700013, West Bengal

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L27109WB1962PLC025605

Name of the company: National Standard (India) Limited

Registered office: Room No# 6, 4th Floor, Commerce House, 2A, Ganesh Chandra Avenue, Kolkata 700013, West Bengal

Name of the member (s) :

Registered address :

E-mail Id:

Folio No/ Client Id :

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

2. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

3. Name: _____

Address: _____

E-mail Id: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51st Annual General Meeting of the company, to be held on the 17th September, 2014 at 1.00 P.M. at the Registered Office of the Company at Room No# 6, 4th Floor, Commerce House, 2A, Ganesh Chandra Avenue, Kolkata 700013, West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1. _____ 2. _____ 3. _____

Signed this _____ day of _____ 2014

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

NATIONAL STANDARD (INDIA) LIMITED

CIN: L27109WB1962PLC025605

Regd. Off.: Room No# 6, 4th Floor, Commerce House, 2A, Ganesh Chandra Avenue, Kolkata 700013, West Bengal

Website: www.nsil.net.in **E-mail:** Investor.NSIL@lodhagroup.com

Tel.: +91.22.23024400 Fax: +91.22.23024550

ATTENDANCE SLIP

51ST ANNUAL GENERAL MEETING

Name of the Member / Proxy: _____

DP ID / Client ID / Folio No.: _____

No. of Share: _____

I/We hereby record my/our presence at the 51st Annual General Meeting of the Company held at Room No# 6, 4th Floor, Commerce House, 2A, Ganesh Chandra Avenue, Kolkata 700013, West Bengal on Wednesday, September 17, 2014 at 1.00 p.m.

Member's/Proxy's Signature

Note:

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the entrance of the Meeting hall.

Book - Post

If Undelivered, please return to:

The Secretarial Department
NATIONAL STANDARD (INDIA) LIMITED
Room No# 6,4th Floor,
Commerce House 2A, Ganesh Chandra Avenue,
Kolkata 700013, West Bengal