

# **RADHE DEVELOPERS (INDIA) LIMITED**

## **14th ANNUAL REPORT 2007-2008**

### **REGISTERED OFFICE**

1<sup>ST</sup> Floor, Chunibhai Chambers,  
Ashram Road, Ahmedabad-380009

### **AUDITORS**

M/S. R CHOUDHARY & ASSOCIATES  
Chartered Accountants

## NOTICE

Notice is hereby given that 14<sup>th</sup> Annual General Meeting of the Members of RADHE DEVELOPERS (INDIA) LIMITED will be held on Tuesday, September 30, 2008 at 10.00 a.m. at the Registered office of the Company at 1<sup>st</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad - 380009 Gujarat to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2008 and Profit & Loss Account on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint Director in place of Shri Alok Vaidya, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Shri Nirav Desai, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory Auditors M/s. R. Choudhary & Associates, Chartered Accountants, Ahmedabad to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board  
For, RADHE DEVELOPERS (INDIA) LIMITED

Date : 02/09/2008  
Place : Ahmedabad

Sd/-  
ASHISH P. PATEL  
MANAGING DIRECTOR

### NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be the member of the company.
2. The Instrument of proxies in order to be effective must be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
3. The register of members and share transfer book shall remain closed on 27.9.2008 to 30.9.2008 (both days inclusive) for the purpose of annual general meeting.
4. Members are requested to intimate the change in their address, if any, immediately to the Company's Registrars, M/s MCS Limited 101, Shatdal Complex, 1<sup>st</sup> Floor, Ashram Road, Ahmedabad - 380009
5. Members/Proxies are requested to bring their Attendance Slip duly filled up for attending the Meeting.

By Order of the Board  
For, RADHE DEVELOPERS (INDIA) LIMITED

Date : 02/09/2008  
Place : Ahmedabad

Sd/-  
ASHISH P. PATEL  
MANAGING DIRECTOR



## RADHE DEVELOPERS (INDIA) LIMITED

1<sup>st</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad -9.

### DIRECTORS' REPORT

To the Members,

Your Directors have pleasure presenting you the 14<sup>th</sup> Annual Reports of the company together with the Audited Accounts for the year ended on March 31, 2008.

#### FINANCIAL RESULTS:

The Operating results of your Company for the period under review are as follows:

(Amount in Rs.)

PARTICULARS	Current Year 31-3-2008	Previous Year 31-3-2007
Profit / (Loss) before Depreciation & Tax	28774783	6285287
Depreciation	776272	759870
Profit / (Loss) before Tax	27998511	5525417
Tax Provisions	10450000	2190000
Deferred Tax	(37251)	(1781249)
Fringe Benefit Tax	50000	45629
Profit / (Loss) after tax	17535762	5071037
Balance of previous year brought forward	(16941854)	(22012892)
Profit / (Loss) carried forward to Balance Sheet	593907	(16941854)

#### DIVIDEND:

Your Directors do not recommend any dividend for the year.

#### PERFORMANCE

The profit before depreciation and tax was at Rs. 28774783 as against previous year Rs. 6285287. The depreciation was at Rs. 776272 as against previous year Rs. 759870. The profit after tax was at Rs. 17535762 as against Rs. 5071037. The board is exploring possibility of other profitable venture and is hopeful of improved result in years to come.

#### DIRECTORS:

Shri Alok Vaidya and Nirav Desai, Directors of the Company retire by rotation and being eligible offers themselves for reappointment. Members are requested to reappoint them.

#### CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the listing agreement the report on Corporate Governance is attached which forms part of the Directors Report.

#### AUDITORS AND AUDIT REPORT

M/s R. Choudhary & Associates, Chartered Accountants, the Auditors of the Company retire at the conclusion of the 14<sup>th</sup> Annual General Meeting & being eligible offer themselves for re-appointment. The Company has received a letter from the auditors of the Company stating that their appointment, if made will be within the limits specified in Section 224 (1B) of the Companies Act, 1956. Your Directors recommend their appointment.

The observations made by the Auditors' in their report are self-explanatory and therefore, do not call for any comments.

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

The company has no manufacturing activities. Hence there is no information to submit in respect of conservation and absorption of technology. There is no foreign exchange earnings and outgo.

## DEPOSITS:

The Company has not accepted any deposits coming under the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of deposits) Rules 1975.

## Listing Fees :

The company has paid the listing fees of the Bombay Stock Exchange Limited whereas the listing fees of the Ahmedabad Stock Exchange remains unpaid.

## PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A):

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1988, as amended are not applicable to the Company, as there are no employees whose remuneration is in excess of the limits prescribed.

## DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors' confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the period ended on March 31, 2008 and of the profit or loss 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 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.

## ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their gratitude for the valuable assistance and co-operation extended by the Bankers, vendors, customers, advisors, the general public and for the valued efforts and dedication shown by the Company employees at all levels. Your Directors also sincerely acknowledge the confidence and faith reposed by the shareholders of the Company.

By Order of the Board  
FOR RADHE DEVELOPERS (INDIA) LIMITED

Date : 2<sup>nd</sup> September, 2008  
Place : Ahmedabad

Chairman



**Annexure to the Directors' Report**  
**CORPORATE GOVERNANCE REPORT**  
**COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

**Annexure to the Directors Report**  
**CORPORATE GOVERNANCE DISCLOSURE**

In Compliance with clause 49 of the Listing Agreement with Stock Exchange, the matters mentioned in the said clause and practice as followed by the Company:

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company's philosophy is to conduct its affairs in a manner which is transparent, Clear and evident to those dealing with or having a stake in the company namely shareholders, lenders, creditors and employees. The Company's philosophy on corporate Governance is thus concerned with the ethics and values of the Company and its Directors, who are expected to act in the best interest of the Company and remain accountable to share holders and other beneficiaries for their action.

The Company is committed to provide high quality product and services to its customers and stakeholders, because the company believes that its long-term survival is entirely dependent on good corporate governance.

**2. BOARD OF DIRECTORS:**

The present strength of the Board of Directors is 5 (five). The Board of the Company comprises of a 2 executive Director and three independent Directors as on 31<sup>st</sup> March 2008.

Attendance of each Director at the Board Meetings and last Annual General Meeting :

Sr.No	Name of Directors	Designation	Board Meeting Attended	Attendance at Last AGM	No. of Directorship in other Public Companies	No. of Chairmanship Membership in othe Board/ Committees
1.	Ashish P. Patel	Managing Director	7	Yes	2	Nil
2.	Praful C. Patel	Chairman cum Director	7	Yes	1	Nil
3.	Prakash Shah	Independent and Non – Executive Director	7	Yes	Nil	Nil
4	Nirav Desai	Independent and Non – Executive Director	7	Yes	Nil	Nil
5	Alok Vaidya	Independent and Non – Executive Director	7	Yes	Nil	Nil

Seven Board meetings were held during the year. The dates of Board meeting are as : 30/4/2007, 31/07/2007, 31/10/2007, 05/11/2007, 28/12/2007, 31/12/2007 and 31/1/2008

The information required to be given for the Directors seeking reappointment at the Annual General Meeting as per clause 49 (VI) is as under :

Name of the Director	Alok Vaidya
Father Name	Hrishikesh Vaidya
Date of Birth	15 – 10 – 1955
Date of Appointment	14 <sup>th</sup> March, 2005
Qualification	Commerce Graduate
Name of the Public limited Companie(s) in which he is a director other than Radhe Developers ( India ) Limited	Nil
Specific functional Areas	He has expertise in the field of finance, accountancy and administration



Name of the Director	Nirav Desai
Father Name	Dilipkumar Desai
Date of Birth	28 - 02 - 1970
Date of Appointment	15 <sup>th</sup> March, 2005
Qualification	Civil Engineer
Name of the Public limited Company(ies) in which he is a director other than Radhe Developers ( India ) Limited	Nil
Specific functional Areas	He has expertise in the field of finance, accountancy and administration

### 3. REMUNERATION TO DIRECTORS :

Sr. No.	Name of Directors	Salary Rs.	Benefits Rs.	Commission Rs.	Meeting Fees Rs.	Total Rs.
1.	Ashish P. Patel	Nil	Nil	Nil	Nil	Nil
2.	Praful C. Patel	Nil	Nil	Nil	Nil	Nil
3.	Prakash Shah	Nil	Nil	Nil	Nil	Nil
4.	Nirav Desai	Nil	Nil	Nil	Nil	Nil
5.	Alok Vaidya	Nil	Nil	Nil	Nil	Nil

### 4. BOARD COMMITTEES:

The Company is following the procedures and practices in conformity with the code of corporate governance in keeping with the spirit of the code. The board has constituted the following committees:

#### A. AUDIT COMMITTEE:

The Board of Directors of the Company has constituted an audit committee pursuant to the provisions of Section 292A of the Companies Act, 1956 to ensure full compliance with all the relevant provisions including code of corporate governance.

The Audit Committee is comprising of 3 (three) members composed of Shri Nirav Desai [ Chairman ], Shri Alok Vaidya, Member and Shri Prakash Shah, Member of the audit committee. The audit committee carries out functions enumerated in the listing agreement and section 292A of the Companies Act, 1956. During the year under the review the audit committee met 5 ( Five ) times on 30/4/2007, 31/7/2007, 1/09/2007, 31/10/2007 and 31/1/2008.

#### B. REMUNERATION COMMITTEE:

- Remuneration committee not being a statutory requirement has not been constituted.
- Remuneration of employees mainly consists of fixed salaries i.e. Basic pay allowances and perquisites, which varies with different grades and is related to the qualification experience and responsibilities shared by the employees:-

#### C. SHAREHOLDERS COMMITTEE :

Share Transfer and Investors Grievance Committee:

The shareholder's investors Grievance Committee comprises of Mr. Alok Vaidya [ Chairman], Shri Prafulbhai Patel and Shri Ashish Patel - as members. The Share Transfer committee approves transfers, transmission issue of duplicate share certificates, approval of demat position. The investors Grievance committee consisted of the aforesaid members look after the matters related to the grievances of the shareholders as and when received. During the period all the complaints received by the company were resolved to the satisfaction of the complainants. At the end of the period there is no pending share transfer of complaints.

## 5. GENERAL BODY MEETINGS:

The last three annual General Meetings were held as under:

Sr. No.	Financial Year	Date	Time	Location
1	2004-2005	31/8/2005	9.30 a.m.	Registered office of the company at 1 <sup>st</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad – 380009
2	2005-2006	07/07/2006	9.30 a.m.	Registered office of the company at 1 <sup>st</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad – 380009
3	2006 - 2007	28/09/2007	9.30 a.m.	Registered office of the company at 1 <sup>st</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad – 380009

The company has passed special resolution at the annual general meeting held on 31<sup>st</sup> August, 2005 and on 28<sup>th</sup> September, 2007. However the company has passed special resolution at the annual general meeting held on 7<sup>th</sup> July, 2006. No resolution was proposed to be passed through postal ballot. No resolution is propose to pass through postal ballot at this annual general meeting.

## 6. MEANS OF COMMUNICATION:

Your company complies with Clause 41 of the Listing Agreement. Quarterly Results, Annual Result and other statutory publications are being normally published in The News Line (Gujarati) & CHANAKYANI POTH (English).

## 7. CODE OF CONDUCT

The Board of Directors has already adopted the Code of Ethics and Business Conduct for the Directors and Senior Management personnel. This code is a comprehensive code applicable to all Directors, Executive as well as Non – executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration given by the Managing Director and CEO is given below :

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2007 – 2008."

(Ashish Patel)  
(Managing Director)

Subsidiary Company : The Company does not have any subsidiary company.



## 8. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting Date, Time and Venue	Date : 30 <sup>th</sup> September, 2008 Time : 10.00 A.M. Venue: Registered Office at 1 <sup>st</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad – 380009
(ii) Financial Calendar Year	1 <sup>st</sup> April, 2007 to 31 <sup>st</sup> March, 2008
(iii) Date of Book Closure	27 <sup>th</sup> September, 2008 to 30 <sup>th</sup> September, 2008 ( both days inclusive)
(iv) Dividend Payment Date	Not applicable
(v) ISIN No. for ordinary shares of the company in Demat form	INE986B01010
(vi) Registered Office	1 <sup>st</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad – 380009
(vii) Registrar and Transfer Agent	MCS Limited
(viii) Plant Locations	Not applicable
(ix) Investor Correspondence	Radhe Developers (India) Limited 1 <sup>st</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad – 380009
(x) Means of Communication	The company sends its quarterly results to Stock Exchange. The Company also publishes the quarterly results in newspaper.
(xi) Any Website where it displays official releases	No
(xii) Any presentation made to the institutional Investor and Analyst	No
(xiii) Is half yearly report sent to the shareholders	No
(xiv) Whether Management Discussion and Analysis is a part of this report	Yes
(xv) Share Transfer System	The work of physical share transfer is handled by Registrar and Transfer Agent.
(xvi) Listing and Stock Code	Bombay Stock Exchange – 531273 Ahmedabad Stock Exchange -
(xvii) The name and address of Stock Exchanges where Company is Listed	1. The Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  2. The Ahmedabad Stock Exchange, Limited Kamdhenu Complex, Panjrapole, Ahmedabad - 380015
(xviii) Email Address for Investors Correspondence / Complaints	radhe_ltd@yahoo.co.in

## 9. FINANCIAL CALENDER:

Report Period	: 1 <sup>st</sup> April, 2007 to 31 <sup>st</sup> March, 2008
First Quarter Result	: Last week of July, 2007
Half Quarter Result	: Last week of October, 2007
Third Quarter Result	: Last week of January, 2008
Fourth Quarter Result	: Last week of April, 2008



# 10. STOCK PRICE DATA :

Price Information :

High and low price of shares and its comparison with BSE sensex				
Month and Year	Share Prices of the Company quoted on Bombay Stock Exchange		BSE Sensex	
	High	Low	High	Low
April, 2007	22.00	18.30	14383.72	12425.52
May, 2007	19.80	16.00	14576.37	13554.34
June, 2007	17.25	14.20	14683.36	13946.99
July, 2007	18.51	14.40	15868.85	14638.88
August, 2007	15.90	12.85	15542.40	13779.88
September, 2007	25.45	14.25	17361.47	15323.05
October, 2007	20.95	15.15	20238.16	17144.58
November, 2007	22.00	13.50	20204.21	18182.83
December, 2007	69.00	17.30	20498.11	18886.40
January, 2008	142.70	68.85	21206.77	15332.42
February, 2008	110.85	78.45	18895.34	16457.74
March, 2008	92.00	44.90	17227.56	14677.24

The Stock price data is furnished on the basis of the data available on the website of Bombay Stock Exchange.

## 11. SHARE HOLDING PATTERN (AS ON 31-03-2008) :

(a) Categories of Shareholders (in %)		
Category	No. of Shares	% of holding to total
Promoters, Directors, & Associates	2908084	28.57
Bodies Corporates	1125897	11.06
NRIs	148936	1.46
Mutual Funds, Financial Institution / Banks	81100	0.79
Foreign Institutional Investors	74199	0.73
Others	5841684	57.39
Total:	10179900	100

## (b) Distribution of Shares holding as on 31.03.2008

Number of Equity Shares	Number of Equity shareholders	Total number of Equity shares
1 – 500	7906	1151536
501 – 1000	581	492566
1001 – 2000	280	436601
2001 – 3000	99	254332
3001 – 4000	53	190393
4001 – 5000	51	241336
5001 – 10000	67	511460
10001 – 50000	89	2003874
50001 – 100000	17	1192910
100001 & Above	11	3704892
TOTAL	9154	10179900

## DEMATERIALIZATION OF SHARES & LIQUIDITY:

As on 31<sup>st</sup> March, 2008 2497880 equity shares of the company are dematerialized with CDSL representing 24.54% of total capital. 5638610 equity shares are dematerialized with NSDL representing 55.39% of total capital. The Balance 2043410 equity shares representing 20.07% of total capital are held in physical form.

**Auditors :** M/s. R. Choudhary and Associates, Chartered Accountants

**Compliance Officer :** Mr. Ashish Patel, Managing Director

## 12. CORPORATE OFFICE:

1<sup>st</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad - 380009

## DISCLOSURES

### Outstanding Warrants :

The company has issued 15,000,000 convertible warrants which are convertible into equity shares.

### Materially significant related party transactions

All the Related Party Transactions are forming part of the notes to the Balance Sheet. Other than those there was no materially significant related party transaction with its promoters, directors or the management, their subsidiaries or relatives etc. that had a potential conflict with the interest of the Company at large

**Details of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during last three years: NIL**

By Order of the Board

FOR RADHE DEVELOPERS (INDIA) LIMITED

Date : 2<sup>nd</sup> September, 2008

Place: Ahmedabad

Ashish Patel  
Managing Director



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Board of Directors of the company during the year have explored all the possibilities to develop the business so as to get the maximum returns to its shareholders. During the year the construction industry have witnessed good growth. Further the demand for infrastructure is increasing day by day. With the increase in expenditure for infrastructure sector the company is hopeful that the construction industry will be highly beneficial. However at the same time rise in input costs, like steel, cement, labour and other charges have gone up substantially, which requires more capital for the operations of the company. The company expects that in near future the input costs will come down and which will be more profitable for the company.

### Human Resources :

The company has good cordial relation with the employees of the company. As on 31<sup>st</sup> March, 2008 there were 16 number of employees.

### Internal Control :

The company has an adequate internal control system. The audit committee frequently meets to review the financial performance of the company.

### Cautionary Statement :

Statements in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statement are based on certain assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information of events.

---

### Auditors Certificate on Compliance with the condition of Corporate Governance under Clause 49 of the listing agreement.

To the members of Radhe Developers ( India ) Limited

We have examined the compliance of corporate governance by Radhe Developers ( India ) Limited for the financial year ended 31<sup>st</sup> March, 2008 stipulated in clause 49 of the listing agreement of the said Company with the stock exchange of India.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation there of, adopted by the company for ensuring the compliance of the condition of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and explanation given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing agreement.

We state that in respect of investor grievances received during the financial year ended 31.03.2008, no investor grievances are pending against the company for a period exceeding one month as per record maintained by the company which are presented to the share holders/ investors grievance committee.

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

FOR R. CHOUDHARY & ASSOCIATES,  
CHARTERED ACCOUNTANTS

Place : Ahmedabad  
Date : 02/09/2008

RAMCHANDRA CHOUDHARY  
PROPRIETOR



## AUDITORS' REPORT

To,  
The Members of  
**RADHE DEVELOPERS (INDIA) LIMITED**  
Ahmedabad

1. We have audited the attached Balance Sheet of RADHE DEVELOPERS (INDIA) LIMITED as at 31st March 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto (together read as financial statements). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of section 227 (4 A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which are to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representation received from directors as on 31<sup>st</sup> March 2008 and taken on records by the board of directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2008 from being appointed as director of the company in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956; and
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view
    - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2008; and
    - (b) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
    - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For, R. CHOUDHARY & ASSOCIATES**  
Chartered Accountants

Sd/-

**RAMCHANDRA CHOUDHARY**

Proprietor

Membership No. 43979

Place: Ahmedabad  
Date: 02-09-2008



## ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 3 of our Report of even date)

1. In respect of Fixed Assets:
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. Some of the fixed assets have been physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company and nature of its business. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - c. The company has not disposed off substantial part of fixed assets during the year under audit and thus the going concern concept of the company has not been affected.
2. The company does not have inventories and therefore, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - a. As the Company has taken loan from two parties, required to be covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 82.07 lacs and the year end balance of the loans taken from such parties was Rs. 8.77 lacs. As per the information and explanations given to us, the company has granted loan to the two parties covered in the register maintained under section 301 of the Companies Act-1956. The maximum amount involved during the year was Rs. 942.83 lacs and the year end balance of the loans granted from such party was Rs. 488.48 lacs.
  - b. In our opinion and according to the information and explanations given to us, the loans taken and granted are interest free in nature and other terms and conditions on which loans have been taken and granted from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act-1956 are not prima facie prejudicial to the interest of the company.
  - c. In respect of the loans taken and granted by the company that are interest free, the principal amounts are repayable on demand.
  - d. There is no overdue amount in respect of loans taken and granted by the company
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls system.
5. In respect of contracts or arrangements covered under Section 301 of the Companies Act, 1956:
  - a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that needs to be entered into the register maintained under section 301 have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from public.
7. In our opinion, the company does not have any formal internal audit system.
8. According to the information and explanation provided to us, the company is not required to maintain cost records pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.



9. In respect of Statutory Dues:

- a. As per records of the company, the company is normally regular in depositing with appropriate authorities undisputed statutory dues including income tax, wealth tax, service tax and other statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax and other statutory dues applicable to it except income tax and Fringe Benefit Tax for the assessment year 2007-2008 amounting to Rs. 16.88 lacs and 0.46 Lacs respectively and interest thereon, were outstanding as at 31<sup>st</sup> March, 2008 for a period of more than six months from the date they became payable.
- c. Following are disputed statutory dues that have not been deposited on account of matter pending before appropriate authority.

Sr. No.	Nature of Dues	Amount(Rs. In Lacs)	Forum where Dispute is pending
1	Income Tax - A.Y. 96-97	1778.59	I. T. A. T.

10. The company does not have any accumulated losses at the end of the year. The company has not incurred cash losses during the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. Based on our examination of documents and records and information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/Societies are not applicable to the Company. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. Based on our examination of documents and records and information and explanations given to us, the company is not dealing in or trading in shares, debentures and other securities. Accordingly, provisions of clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable
15. As per the information provided to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. As per the information and explanations given to us, the company has not raised term loans during the year.
17. According to the information and explanations given to us, and on an overall examinations of the balance sheet of the company, there are no funds raised that have been raised on short term basis.
18. During the year, the Company has issued 15,000,000 convertible warrants on 04-01-2008 out of which 4,500,000 convertible warrants to the parties covered in the register maintained under Section 301 of the Companies Act, 1956 on preferential basis. The said warrants are issued in accordance with the SEBI Guidelines and the price at which the warrants are issued are not prejudicial to the interest of the company.
19. During the year, the company has not issued any debentures.
20. During the year, the Company has not raised any money by way of Public issues.
21. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year under audit.

For, R. CHOUDHARY & ASSOCIATES  
Chartered Accountants

Sd/-

RAMCHANDRA CHOUDHARY  
Proprietor  
Membership No. 43979

Place : Ahmedabad  
Date : 02/09/2008



**RADHE DEVELOPERS (INDIA) LIMITED**  
1ST FLOOR, CHUNIBHAI CHAMBERS, ASHRAM ROAD, AHMEDABAD

**BALANCE SHEET**  
**AS AT 31ST MARCH 2008**

	SCH.	AMOUNT (RS.) AS AT 31-03-2008	AMOUNT (RS.) AS AT 31-03-2007
<b>SOURCES OF FUNDS:</b>			
<b>1 SHARE HOLDERS FUNDS:</b>			
(a) Share Capital	1	101799000.00	101799000.00
(b) Reserves And Surplus	2	3093907.10	2500000.00
<b>2 LOAN FUNDS :</b>			
(a) Unsecured Loans	3	29285503.00	8810723.69
<b>3 DEFERRED TAX LIABILITY :</b>		493517.00	530768.00
<b>TOTAL RS.</b>		<b>134671927.10</b>	<b>113640491.69</b>
<b>APPLICATION OF FUNDS:</b>			
<b>1 FIXED ASSETS :</b>	<b>4</b>		
Gross Block		12663886.88	12313835.88
Less : Depreciation		6547591.80	5771319.80
Net Block		6116295.08	6542516.08
<b>2 INVESTMENTS :</b>	<b>5</b>	50000.00	50000.00
<b>3 CURRENT ASSETS, LOANS AND ADVANCES:</b>			
(a) Sundry Debtors	6	8215854.00	46749688.00
(b) Cash and Bank Balances	7	4470783.44	8593235.67
(c) Loans and Advances	8	276495991.85	239297512.04
		289182629.29	294640435.71
<b>LESS: CURRENT LIABILITIES AND PROVISIONS:</b>			
(a) Current Liabilities & Provisions	9	160676997.27	204534315.04
<b>NET CURRENT ASSETS</b>		128505632.02	90106120.67
<b>4 MISCELLANEOUS EXPENDITURE :</b>	<b>10</b>	Nil	Nil
Preliminary and Public Issue expenses (to the extent not written off)			
<b>5 PROFIT AND LOSS ACCOUNT:</b>		Nil	16941854.94
<b>TOTAL RS.</b>		<b>134671927.10</b>	<b>113640491.69</b>
<b>Significant Accounting Policy and Notes to Accounts</b>		Nil	Nil

As per our report of even date  
**For, R. CHOUDHARY & ASSOCIATES**  
Chartered Accountants

**For RADHE DEVELOPERS (INDIA) LIMITED**

Sd/-  
**RAMCHANDRA CHOUDHARY**  
Proprietor  
Mem. No. 43979  
Date : 02/09/2008  
Place: Ahmedabad

Sd/-  
**MR. ASHISH PATEL**  
Managing Director

Sd/-  
**MR. PRAFUL PATEL**  
Chairman

# RADHE DEVELOPERS (INDIA) LIMITED

1ST FLOOR, CHUNIBHAI CHAMBERS, ASHRAM ROAD, AHMEDABAD

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2008

	SCH.	AMOUNT (RS.) 2007-2008	AMOUNT (RS.) 2006-2007
<b>INCOME:</b>			
1 Development Charges Income		20900000.00	22350000.00
2 Sale Of Land		29766000.00	0.00
3 Other Income	11	67483.58	237352.14
<b>TOTAL RS.</b>		<b>50733483.58</b>	<b>22587352.14</b>
<b>EXPENDITURE:</b>			
1 Development Expenses	12	17606181.21	11136606.00
2 Administrative, Operation and Est. Exps	13	4352519.33	5165458.22
3 Depreciation	4	776272.00	759870.77
<b>TOTAL RS.</b>		<b>22734972.54</b>	<b>17061934.99</b>
<b>Profit/(Loss) Before Tax</b>		<b>27998511.04</b>	<b>5525417.15</b>
Less: Provision for Tax:			
Current Tax		10450000.00	2190000.00
Deferred Tax		(37251.00)	(1781249.00)
Fringe Benefit Tax		50000.00	45629.00
<b>Profit/(Loss) After Tax</b>		<b>17535762.04</b>	<b>5071037.15</b>
Balance Brought Forward		(16941854.94)	(22012892.09)
Prior Period Adjustments		0.00	0.00
<b>Balance Carried to Balance Sheet</b>		<b>593907.10</b>	<b>(16941854.94)</b>
Basic Earning Per Share (Face Value Rs.10/-)		1.72	0.50
Diluted Earning Per Share		1.72	0.50
Significant Accounting Policy and Notes to Accounts	14		

As per our report of even date

For, **R. CHOUDHARY & ASSOCIATES**

Chartered Accountants

For **RADHE DEVELOPERS (INDIA) LIMITED**

Sd/-

**RAMCHANDRA CHOUDHARY**

Proprietor

Mem. No. 43979

Date : 02/09/2008

Place: Ahmedabad

Sd/-

**MR. ASHISH PATEL**

Managing Director

Sd/-

**MR. PRAFUL PATEL**

Chairman



# RADHE DEVELOPERS (INDIA) LIMITED

1ST FLOOR, CHUNIBHAI CHAMBERS, ASHRAM ROAD, AHMEDABAD

	AMOUNT (RS.) AS AT 31-03-2008	AMOUNT (RS.) AS AT 31-03-2007
<b>SCHEDULE - 1 SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
31000000 Equity Share of Rs.10 each (P.Y. 31000000 Equity Share of Rs.10 each)	310000000.00	310000000.00
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>		
10179900 Equity Share of Rs.10 each (P.Y. 10179900 Equity Share of Rs.10 each)	101799000.00	101799000.00
<b>TOTAL RS.</b>	101799000.00	101799000.00
<b>SCHEDULE - 2 RESERVES AND SURPLUS</b>		
1 General Reserve :		
Balance as per last year	2500000.00	2500000.00
2 Balance of Profit and Loss Account	593907.10	Nil
<b>TOTAL RS.</b>	3093907.10	2500000.00
<b>SCHEDULE - 3 UNSECURED LOANS</b>		
1 From Directors	876817.00	7402037.69
2 From Inter Corporate Deposit	1408686.00	1408686.00
3 Warrant Application Money	27000000.00	Nil
<b>TOTAL RS.</b>	29285503.00	8810723.69
<b>SCHEDULE - 5 INVESTMENTS</b>		
<b>(A) QUOTED INVESTMENTS: (LONG TERM, NON TRADE)</b>		
1 5000 Equity Shares of Alps Infosys Ltd. of Rs. 10.00 each fully paid up. (P.Y. 5000 Eq. Shares of Rs. 10.00 each Fully Paid Up) (Market Value AS AT 31-3-2008 - Quote Not Available)	50000.00	50000.00
<b>TOTAL RS.</b>	50000.00	50000.00
<b>SCHEDULE - 6 SUNDRY DEBTORS</b>		
(Unsecured, Considered Good unless otherwise stated)		
1 Outstanding for more than six months	7389573.00	41460448.00
2 Outstanding for less than six months	826281.00	5289240.00
<b>TOTAL RS.</b>	8215854.00	46749688.00
<b>SCHEDULE - 7 CASH AND BANK BALANCES</b>		
<b>CASH ON HAND:</b>		
1 Cash on Hand (including petty cash balance)	1799833.75	35436.98
<b>BALANCE WITH BANKS IN CURRENT ACCOUNTS:</b>		
1 With Schedule Banks	545678.00	36195.00
2 With Non Schedule Banks:		
Bhuj Merchantile Co. Op. Bank Ltd. (Maximum Balance During the year Rs. 5430485.69) (P. Y. Maximum Balance During the year Rs. 2872624.69 )	2124371.69	4508251.69
Relief Merchantile Co. Op. Bank Ltd. (Maximum Balance During the year Rs. 900.00) (P. Y. Maximum Balance During the year Rs.900.00)	900.00	900.00

1ST FLOOR, CHUNIBHAI CHAMBERS, ASHRAM ROAD, AHMEDABAD

**SCHEDULE - 4 FIXED ASSETS**

SR. NO.	PARTICULARS	RATE	GROSS BLOCK			DEPRECIATION			NET BLOCK 31-Mar-08	NET BLOCK 31-Mar-07	
			BALANCE AS ON 1-Apr-07	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	BALANCE AS ON 31-Mar-08	BALANCE AS ON 1-Apr-06	ADDITION DURING THE YEAR			DEDUCTION DURING THE YEAR
1	Air Conditioner	4.75%	913765.00	148896.00		1062661.00	478330.20	48653.00	Nil	526983.20	435434.80
2	Office Assets	4.75%	188955.00	Nil	Nil	188955.00	107798.72	8975.00	Nil	116773.72	81156.28
3	D.G. Set	4.75%	224159.00	Nil	Nil	224159.00	126893.10	10648.00	Nil	137541.10	97265.90
4	Aquagaurd	4.75%	16350.00	Nil	Nil	16350.00	8805.26	777.00	Nil	9582.26	7544.74
5	Office Equipments	4.75%	104490.00	Nil	Nil	104490.00	55919.55	4963.00	Nil	60882.55	43607.45
6	Pagers	4.75%	230280.00	Nil	Nil	230280.00	129702.60	10938.00	Nil	140640.60	89639.40
7	Material Lift	4.75%	90415.00	Nil	Nil	90415.00	45261.42	4295.00	Nil	49556.42	45153.58
8	Weiging Machine	4.75%	20682.87	Nil	Nil	20682.87	10282.88	982.00	Nil	11264.88	10399.99
9	Paper Cutter	4.75%	14790.00	Nil	Nil	14790.00	7974.05	703.00	Nil	8677.05	6112.95
10	Pump Set	4.75%	102027.00	Nil	Nil	102027.00	50577.56	4846.00	Nil	55423.56	51449.44
11	Stabiliser	4.75%	4000.00	Nil	Nil	4000.00	2278.00	190.00	Nil	2468.00	1722.00
12	Telephone System	4.75%	215022.00	Nil	Nil	215022.00	112976.09	10214.00	Nil	123190.09	91831.91
13	Cellular Phones	4.75%	164484.00	20800.00	Nil	185284.00	86416.98	8327.00	Nil	94743.98	90540.02
14	Water Tank	4.75%	105667.75	Nil	Nil	105667.75	59056.36	5019.00	Nil	64075.36	41592.39
15	Water Tank Trolley	4.75%	Nil	84375.00	Nil	84375.00	Nil	2427.00	Nil	2427.00	81948.00
16	Zerox Machine	4.75%	119240.00	Nil	Nil	119240.00	68045.80	5664.00	Nil	73709.80	45530.20
17	Refrigerator	4.75%	6150.00	Nil	Nil	6150.00	1682.25	292.00	Nil	1974.25	4175.75
18	Fan Account	4.75%	12825.00	3480.00	Nil	16305.00	1137.79	764.00	Nil	1901.79	14403.21
19	Computers	16.21%	524575.00	Nil	Nil	524575.00	505395.00	19180.00	Nil	524575.00	Nil
20	Maruti Fruntee - 9586	9.50%	220171.00	Nil	Nil	220171.00	220171.00	Nil	Nil	220171.00	Nil
21	Maruti Fruntee - 2350	9.50%	259406.00	Nil	Nil	259406.00	259406.00	Nil	Nil	259406.00	Nil
22	Motor Cars - 641	9.50%	250000.00	Nil	Nil	250000.00	95898.00	23750.00	Nil	119648.00	154102.00
23	Honda City - 5545	9.50%	806241.00	Nil	Nil	806241.00	136188.46	76593.00	Nil	212781.46	593459.54
24	Toyota Car - 5545	9.50%	1265791.00	Nil	Nil	1265791.00	139028.93	120250.00	Nil	259278.93	1126762.07
25	Scooters	9.50%	24038.00	Nil	Nil	24038.00	24038.00	Nil	Nil	24038.00	Nil
26	Furniture and Fixtures - Swagat	6.33%	4135452.15	Nil	Nil	4135452.15	2892791.22	261774.00	Nil	3154565.22	1242660.93
27	Furniture and Fixtures - C.C.	6.33%	2294859.11	92500.00	Nil	2387359.11	145264.58	146048.00	Nil	291312.58	2149594.53
	TOTAL		12313835.88	350051.00	Nil	12663886.88	5771319.80	776272.00	Nil	6547591.80	6542516.08
	Previous Year		17591065.88	21500.00	5298730.00	12313835.88	5011449.03	759870.77	Nil	5771319.80	12579616.85



# RADHE DEVELOPERS (INDIA) LIMITED

1ST FLOOR, CHUNIBHAI CHAMBERS, ASHRAM ROAD, AHMEDABAD

	AMOUNT (RS.) AS AT 31-03-2008	AMOUNT (RS.) AS AT 31-03-2007
<b>BALANCE WITH BANKS IN DEPOSIT ACCOUNTS:</b>		
1 With Non Schedule Banks:		
Bhuj Merchantile Co. Op. Bank Ltd.	Nil	4012452.00
(Maximum Balance During the year Rs. 4012452/-)		
(P. Y. Maximum Balance During the year Rs. 4012452/-)		
<b>TOTAL RS.</b>	4470783.44	8593235.67
<b>SCHEDULE - 8 LOANS AND ADVANCES</b>		
(Unsecured, Considered Good unless otherwise stated)		
1 Towards ongoing and Proposed projects	131415956.05	104771405.55
2 Corporate Advances	55295529.31	57140750.00
3 Other Advances	9590149.00	9532649.00
4 Advance Income Tax	21804957.49	16979687.49
5 Advance for Capital Goods	50575000.00	50873020.00
6 Advance Received For Property	7089400.00	Nil
7 Shantinagar Shelachsl	725000.00	Nil
<b>TOTAL RS.</b>	276495991.85	239297512.04
<b>SCHEDULE - 9 CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A CURRENT LIABILITIES:</b>		
1 Advance against Booking	129042588.00	182728838.00
2 Sundry Creditors	5323440.27	6126882.04
3 Salary Payable	103404.00	Nil
<b>B PROVISIONS :</b>		
1 Unpaid Electricity Expenses	60776.00	42465.00
2 Unpaid Professional Charges	2000.00	2000.00
3 Unpaid Telephone Expenses	9614.00	8299.00
4 Unpaid Audit Fees	Nil	16836.00
5 TDS on Contractor Payable	3118.00	5461.00
6 TDS on Professional Fees Payable	1736.00	2550.00
7 Provision for Taxation	8539482.00	8539482.00
8 Provision for Income Tax (A.Y. 2005-06)	1800000.00	1800000.00
9 Provision for Income Tax (A.Y. 2006-07)	3025873.00	3025873.00
10 Provision for Income Tax (A.Y. 2007-08)	2190000.00	2190000.00
11 Provision for Income Tax (A.Y. 2008-09)	10450000.00	Nil
12 Provision for FBT (A.Y. 2007-08)	45629.00	45629.00
13 Provision for FBT (A.Y. 2008-09)	50000.00	Nil
14 Employee's P.F Contribution A/C	13746.00	Nil
15 Employee's P.F Contribution Payable	15591.00	Nil
<b>TOTAL RS.</b>	160676997.27	204534315.04
<b>SCHEDULE - 10 MISCELLANEOUS EXPENDITURE</b>		
<b>(TO THE EXTENT NOT WRITTEN OFF)</b>		
Preliminary and Public Issue Expenses:		
Balance as per Last Year Balance Sheet	Nil	Nil
Less: Written off during the year	Nil	Nil
<b>TOTAL RS.</b>	Nil	Nil

# RADHE DEVELOPERS (INDIA) LIMITED

1ST FLOOR, CHUNIBHAI CHAMBERS, ASHRAM ROAD, AHMEDABAD

	AMOUNT (RS.) AS AT 31-03-2008	AMOUNT (RS.) AS AT 31-03-2007
<b>SCHEDULE - 11 OTHER INCOME</b>		
1 Kasar and Vata	21282.58	123630.14
2 Profit on Sale of Land	Nil	101270.00
3 Interest Income	46201.00	12452.00
<b>TOTAL RS.</b>	<b>67483.58</b>	<b>237352.14</b>
<b>SCHEDULE - 12 DEVELOPMENT EXPENSES</b>		
1 Labour Expenses	4043267.00	4558068.00
2 Material Purchase	10266951.71	5972935.00
3 Carting Expenses	338613.00	402052.00
4 Site Expenses	115345.00	203551.00
5 Lift Exps	2795000.00	Nil
6 Sundry & Other Exps	47004.50	Nil
<b>TOTAL RS.</b>	<b>17606181.21</b>	<b>11136606.00</b>
<b>SCHEDULE - 13 ADMINISTRATIVE, OPERATION &amp; GENERAL EXPENSES</b>		
1 Advertisement Expenses	21400.00	21319.00
2 Audit Fees	16854.00	16836.00
3 Bank Charges	1534.00	6878.00
4 Annual Custodial Fees (CDSL)	22472.00	22448.00
5 Annual Custodial Fees (NSDL)	23612.00	22448.00
6 Bonus Exp	233525.00	Nil
7 Books & Periodical Exps	757.00	Nil
8 Conveyance Expenses	61628.00	60881.00
9 Electricity Expenses	625969.00	399364.00
10 Employer's P.F Cont. Exp	182404.00	142312.00
11 Insurance Expenses	77236.00	22535.00
12 Legal and Professional Fees	5964.00	15599.00
13 Listing Fees - Mumbai	30000.00	31200.00
14 Loader Machine Expense	18196.00	165117.15
15 Miscellaneous Expenses	3730.93	18675.00
16 Octroi Expenses	14189.00	513.00
17 Office Expenses	118543.00	105397.25
18 Petrol and Diesel Exp.	63681.80	44171.79
19 Postage, Revenue and Stamp Paper Expenses	15689.00	12499.50
20 Prior Period Expenses	6720.00	175736.00
21 Professional Charges	561293.00	706030.00
22 Repairs and Maintenance Exp.	168787.60	30375.94
23 ROC Filling Fees	15000.00	Nil
24 Salary Expenses	1301220.00	1230915.00
25 Security Expenses	285264.00	358374.00
26 Stationary and Printing Expenses	194048.00	146240.59
27 Telephone Expenses	110555.00	127802.00
28 Travelling Exps	99391.00	82018.00
29 Vehicle Repairing Exps	71546.00	9257.00
30 Web Hosting & Domain Regi Charges	910.00	Nil
31 Donation	Nil	1100000.00
32 Octroi Expenses	Nil	12080.00
33 Penalty Charges	400.00	7870.00
34 Municipal Tax	Nil	70566.00
<b>TOTAL RS.</b>	<b>4352519.33</b>	<b>5165458.22</b>



**RADHE DEVELOPERS (INDIA) LIMITED**

1ST FLOOR, CHUNIBHAI CHAMBERS, ASHRAM ROAD, AHMEDABAD

**CASH FLOW STATEMENT FOR THE YEAR 2007-2008**

SR. PARTICULARS NO.	AMOUNT (RS.) 2007-2008	AMOUNT (RS.) 2006-2007
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before taxes and extra ordinary items	27998511.04	5525417.15
Adjustments For:		
Depreciation	776272.00	759870.77
Operating Profit before working capital changes	28774783.04	6285287.92
Adjustments For:		
Increase/Decrease in Inventory	Nil	Nil
Increase/Decrease in trade and other receivables	38533834.00	(26491173.00)
Increase/Decrease in loans and advances	(32373209.81)	34036977.50
Increase/Decrease in trade payables	(54357317.77)	(2249379.49)
Increase/Decrease in deferred revenue expenditure	Nil	Nil
	(48196693.58)	5296425.01
Direct Taxes Paid	(4825270.00)	7669328.77
<b>NET CASH FROM OPERATING ACTIVITIES:</b>	<b>(24247180.54)</b>	<b>3912384.16</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase/Sale of Investments	Nil	Nil
Purchase/Sale of Fixed Assets	(350051.00)	5277230.00
<b>NET CASH FROM INVESTING ACTIVITIES:</b>	<b>(350051.00)</b>	<b>5277230.00</b>
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES:</b>		
Proceed from Warrents application money	27000000.00	Nil
Increase/Decrease in Term Borrowings	(6525220.69)	(1977000.00)
<b>NET CASH FROM FINANCIAL ACTIVITIES:</b>	<b>20474779.31</b>	<b>(1977000.00)</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4122452.23)</b>	<b>7212614.16</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>8593235.67</b>	<b>1380621.51</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>4470783.44</b>	<b>8593235.67</b>

As per our report of even date

For, **R. CHOUDHARY & ASSOCIATES**  
Chartered AccountantsFor **RADHE DEVELOPERS (INDIA) LIMITED**

Sd/-

**RAMCHANDRA CHOUDHARY**

Proprietor

Mem. No. 43979

Date : 02/09/2008

Place: Ahmedabad

Sd/-

**MR. ASHISH PATEL**

Managing Director

Sd/-

**MR. PRAFUL PATEL**

Chairman

# AUDITOR'S CERTIFICATE

To,  
The Board of Directors  
RADHE DEVELOPERS (INDIA) LIMITED  
Ahmedabad

We have examined the attached Cash Flow Statement of RADHE DEVELOPERS (INDIA) LIMITED for the year ended on 31<sup>st</sup> March 2008. The Statement has been prepared by the company in accordance with the requirements of listing agreement clause 32 of Bombay Stock Exchange Limited and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of even date to the members of the company.

FOR R. CHOUDHARY & ASSOCIATES,  
CHARTERED ACCOUNTANTS

Sd/-

RAMCHANDRA CHOUDHARY  
PROPRIETOR

Date : 02/09/2008  
Place : Ahmedabad



## **RADHE DEVELOPERS (INDIA) LIMITED**

Reg. Off: Chunibhai Chambers, B/h. City Gold Cinema, Ashram Road, Ahmedabad.

### **SCHEDULE – 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

#### **A SIGNIFICANT ACCOUNTING POLICIES:**

##### **1 BASIS OF ACCOUNTING:**

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles and accounting standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act –1956.

##### **2 REVENUE RECOGNITION:**

Revenue from property development activity is recognized based on percentage of completion method, determine by applying the cost plus contracts in which contractor is reimbursed for allowable or defined cost plus percentage of these cost or a fixed fee. The development work done on behalf of the owner is directly debited to the owner and development charges are credited as contract receipts to profit and loss account. No charges are receivable during the year in respect of assignment where no work has been done during the year.

##### **3 FIXED ASSETS AND DEPRECIATION:**

Fixed Assets are stated at cost less depreciation. Depreciation is provided under Straight Line Method and at the rates specified in Schedule IVX of the Companies Act-1956.

##### **4 INVESTMENTS:**

Investments are stated at cost.

##### **5 TAX ON INCOME:**

Current tax is the amount of tax payable on the taxable for the year as determined in accordance with the provision of income tax act 1961. Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets in respect of unabsorbed depreciation and carried forward of losses are recognized if, in the opinion of the management, there is virtual certainty that there will be sufficient future income available to realize such losses.

##### **6 DEFERRED REVENUE EXPENDITURE:**

Preliminary and public issue expenses are amortized over a period of ten year.

##### **7 INVENTORY VALUATION:**

There is no stock of building materials at the end of the year under review.

#### **B NOTES TO ACCOUNTS:**

1 Previous years figures have been regrouped and rearranged wherever required necessary.

2 The debit and credit balance shown in the balance sheet are subject to the confirmation by the parties concerned.

3 In the opinion of the board, current assets, loans and advances are approximately of the value stated if realized in the ordinary course of the business. The provision for all known liabilities is made.

4 Remuneration to Directors:

Previous Year Rs. NIL

Current Year Rs. NIL

5 Information pursuant to paragraph 3, 4 and 4 D of Part II of Schedule VI to the Companies Act, 1956 does not apply to the company hence not furnished.

# RADHE DEVELOPERS (INDIA) LIMITED

Reg. Off: Chunibhai Chambers, B/h. City Gold Cinema, Ashram Road, Ahmedabad.

6 The company carries investments at cost. According to the management, investments in shares are long term in nature and provisions for diminution in the value of investments is not made as such diminution are temporary.

7 There is no foreign exchange earnings and foreign exchange outgo during the year.

8 Earning per Share:

Particular	Unit	31-03-08	31-03-07
Numerator used for calculating Basic and Diluted Earning per Share (Profit after Tax)	Rs.	17535762	5071037
Weighted average No. of shares used as denominator for calculating Basic and Diluted	No. of Shares	10179900	10179900
Nominal Value of Share	Rs.	10	10
Weighted Average No of Shares for Basic Earning per Share	No of Shares	10179900	10179900
<b>Basic Earning per Share</b>	<b>Rs.</b>	<b>1.72</b>	<b>0.50</b>
Weighted Average No of Shares for Diluted Earning per Share	No of Shares	13821818	10179900
<b>Diluted Earning per Share</b>	<b>Rs.</b>	<b>1.27</b>	<b>0.50</b>

9 Information relating to Deferred Tax:

Particulars	31-03-08	31-03-07
Deferred Tax Assets arising out of timing difference relating to:	0.00	0.00
<b>Total Deferred Tax Assets</b>	<b>0.00</b>	<b>0.00</b>
Deferred Tax Liability arising out of timing difference relating to:		
- Difference of Depreciation as per Tax Provisions and Company Law	493517.00	530768.00
<b>Total Deferred Tax Liability</b>	<b>493517.00</b>	<b>530768.00</b>
<b>Net Deferred Tax Liability/Assets</b>	<b>493517.00</b>	<b>530768.00</b>

10 Related Party Disclosures:

A List of Related Party and Relationships

Sr. No.	Party
A	<b>Key Management Personnel</b>
	Mr. Ashish P. Patel
B	<b>Associates Firms/Companies</b>
	Pratigna Properties Pvt. Ltd.
	Shantinagar Shela Co. Op. Housing Society Ltd.
	Radhe Infra. And Projects (I) Ltd.



B Transaction with Related Party

Transaction	Key Management Personnel	Relatives of Key Management Personnel	Associates Firms/ Companies
<b>Loans and Advances</b>			
Pratigna Prop. Pvt. Ltd. Amount Repaid during the year	—	—	7700221.00
	(—)	(—)	(6041000.00)
Radhe Infra. And Projects (India) Ltd. Amount Taken during the year	—	—	5855000.00
	(—)	(—)	(—)
<b>Unsecured Loans(Net of Taken and Repaid)</b>			
Mr. Ashish P. Patel Amount Repaid during the year	6525221.00	—	—
	(1977000.00)	(—)	(—)
<b>Advance Against Scheme(Net of Taken and Repaid)</b>			
Shantinagar Shela Co. Op.	—	—	40476700.00
	(—)	(—)	(37700000.00)
<b>Construction Receipt</b>			
Radhe Infra. And Projects (India) Ltd.	—	—	—
	(—)	(—)	(2316817.00)

11 Estimated amount of capital contract remaining to be executed on capital account Rs. Nil (Previous Year Rs. NIL)

12 Contingent Liability not provided for:

Sr. No.	Nature of Dues	Amount (Rs.in Lacs)	Forum where Dispute is pending
1	Income Tax – (Block Ass.)	1952.84	High Court of Gujarat
2	Income Tax - A.Y. 96-97	1778.59	I. T. A. T.

Above details are certified by the management and accepted by auditors on basis of the records presented.

As per our report of even date

For, R. CHOUDHARY & ASSOCIATES  
Chartered Accountants

For, RADHE DEVELOPERS (INDIA) LIMITED

Sd/-  
RAMCHANDRA CHOUDHARY  
Proprietor  
Mem. No. 43979  
Date : 02/09/2008  
Place: Ahmedabad

MR. ASHISH PATEL  
Managing Director

MR. PRAFUL PATEL  
Chairman

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**  
**RADHE DEVELOPERS (INDIA) LIMITED**

<b>1 REGISTRATION DETAILS:</b>		
Registration Number	:	L45201GJ1995PLC024491
State Code	:	4
Balance Sheet Date	:	31st March 2008
<b>2 CAPITAL RAISED DURING THE YEAR: (Amount in Rs. Thousands)</b>		
Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
<b>3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:</b>		
<b>(Amount in Rs. Thousands)</b>		
<b>SOURCES OF FUNDS:</b>		
Paid Up Capital	:	101799.00
Reserves and Surplus	:	3093.91
Secured Loans	:	0.00
Unsecured Loans	:	29285.50
Share Application Money*	:	0.00
Deffered Tax Liability*	:	493.52
<b>TOTAL LIABILITIES</b>	:	<b>134671.93</b>
<b>APPLICATION OF FUNDS:</b>		
Net Fixed Assets	:	6116.30
Investments	:	50.00
Net Current Assets	:	128505.63
Misc. Exp.	:	0.00
Accumulated Losses	:	0.00
<b>TOTAL ASSETS</b>	:	<b>134671.93</b>
<b>4 PERFORMANCE OF THE COMPANY: (Amount in Rs. Thousands)</b>		
Turnover / Gross Receipts	:	50733.48
Total Expenditure	:	22734.97
Profit/(Loss) before Tax	:	27998.51
Profit/(Loss) after Tax	:	17535.76
Earning Per Share in Rupees	:	1.72
Dividend Rate in %	:	NIL
<b>5 GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY:</b>		
<b>(As per monetary Terms)</b>		
Item Code No.	:	N.A.
Products Description	:	N.A.

Adjustments item to match total of Balance Sheet

**For, R. CHOUDHARY & ASSOCIATES**  
Chartered Accountants

**For, RADHE DEVELOPERS (INDIA) LIMITED**

Sd/-

**RAMCHANDRA CHOUDHARY**

Proprietor

Mem. No. 43979

Place: Ahmedabad

Date : 02/09/2008

**MR. ASHISH PATEL**

Managing Director

**MR. PRAFUL PATEL**

Chairman



# RADHE DEVELOPERS (INDIA) LIMITED

Registered Office

1<sup>ST</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad-380009

## PROXY FORM

C.ID : \_\_\_\_\_

DP ID : \_\_\_\_\_

Reg. Folio No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the  
district of \_\_\_\_\_ being a member / members of the

**RADHE DEVELOPERS (INDIA) LIMITED** hereby appoint

of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him  
\_\_\_\_\_ of \_\_\_\_\_ in the district of

\_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the  
**FOURTEENTH ANNUAL GENERAL MEETING** of the Company to be held on **30th Sept., 2008, at 10-00 a.m.** At the Registered Office of the Company. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008.



Signature : \_\_\_\_\_

*Note : This form in order to be effective should be duly stamped completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.*

# RADHE DEVELOPERS (INDIA) LIMITED

Registered Office

1<sup>ST</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad-380009

## ATTENDANCE SLIP

C.ID : \_\_\_\_\_

DP ID : \_\_\_\_\_

Reg. Folio No. \_\_\_\_\_

I hereby record my presence at the **FOURTEENTH ANNUAL GENERAL MEETING** of the Company at 1<sup>ST</sup> Floor, Chunibhai Chambers, Ashram Road, Ahmedabad-380009 on **30th Sept., 2008,**

Member's/Proxy's name in Block Letters \_\_\_\_\_

Members's/Proxy's Signature \_\_\_\_\_

*Note : Please fill in this attendance slip and hand it over at the ENETRANCE OF THE MEETING HALL.*