

**CITADEL REALTY AND DEVELOPERS LIMITED**

**56<sup>th</sup>**

**ANNUAL REPORT**

**2015 - 2016**

**DIRECTORS**

MR. V. B. HARIBHAKTI - Chairman

MR. CHETAN R. SHAH

MR. NILESH D DAND

MR. SUNDARAM RAMAMURTHI – C.E.O.

MR. V. RANGANATHAN

MRS. SONAL M. SHAH

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**AUDITORS :**

BIPIN B. SHAH & CO.  
CHARTERED ACCOUNTANTS

**BANKERS :**

BANK OF BARODA

**Registered Office :**

Marathon Futurex  
N. M. Joshi Marg  
Lower Parel  
Mumbai 400013.

**CITADEL REALTY AND DEVELOPERS LIMITED**

**NOTICE OF THE FIFTY-SIXTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 56th ANNUAL GENERAL MEETING of the Members of CITADEL REALTY AND DEVELOPERS LIMITED will be held at Kilachand Conference Room, Second floor, Indian Merchant's Chamber, Churchgate, Mumbai 400 020 on Friday, the 24<sup>th</sup> June 2016 at 11.30 a.m. to transact the following business:

**A. ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2016 and the Balance Sheet as at 31<sup>st</sup> March, 2016 and the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Chetan R. Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Nilesh D. Dand, who retires by rotation and being eligible, offers himself for reappointment.

**B. SPECIAL BUSINESS:**

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

"RESOLVED THAT M/s. Bipin B Shah & Co., Chartered Accountants, (Firm Regd.No.101511W) having address at 30, Nawab Building 2nd Floor, D. N. Road, Fort, Mumbai 400 001, who holds a valid Peer Review Certificate, be and is hereby appointed as the Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Bipin Shah & Associates, Chartered Accounts(Firm Regd.No.101519W) in terms of Section 139 of the Companies Act 2013 read with the rules framed thereunder till the conclusion of this Annual General Meeting"

"FURTHER RESOLVED that M/s. Bipin B Shah & Co., Chartered Accountants be appointed as auditors of the company till the conclusion of the Company's Sixtieth Annual General Meeting and authorize the Board to consider and fix their remuneration as the case may be subject however to the proviso that such reappointment during the tenure be ratified by members at every Annual General Meeting..

**Regd. Office:**  
Marathon Futurex,  
N. M. Joshi Marg, Lower Parel (W),  
Mumbai 400013  
Dated: 20<sup>th</sup> May, 2016

By Order of the Board

S.Ramamurthi  
Director & C.E.O

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING MAY APPOINT A PROXY, WHO NEED NOT BE A MEMBER. TO ATTEND AND TO VOTE ON HIS / HER BEHALF. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2015 is annexed hereto.
3. The Register of Members and Share Transfer Books shall remain closed from 17<sup>th</sup> June, 2016 to 24<sup>th</sup> June, 2016 (both days inclusive)

**REQUEST TO MEMBERS :**

1. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
2. Members are requested to notify immediately, changes in their address, if any, to the Company's Registrar & Transfer Agents, quoting their folio numbers.
3. To avoid multiple communications, please intimate to Registrar & Transfer Agents about consolidation, if any, of the shares held under more than one folio number by you singly or jointly with others in the same sequence. Please also send relevant Share Certificates for the purpose.
4. Members / Proxy holders are requested to produce at the entrance, attendance slips duly completed and signed for admission to the Meeting Hall.
5. Members are requested to bring their copies of the annual report to the Meeting as the Company has discontinued the practice of providing another copy in view of the increased cost of paper and printing.
6. Since the equity shares of the Company are now dematerialized. NSDL & CDSL have allotted ISIN (International Security Identification Number) INE906D01014 for the Company's Shares.
7. Members who hold shares in Dematerialized form are requested to bring their client ID and DP ID numbers for easy identification for attendance at the Meeting.
8. All the members are requested to provide their e-mail address to the RTA / Company to enable to send the reports and other through electronic mode.

**Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "CITADEL REALTY AND DEVELOPERS LIMITED".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on **21<sup>st</sup> June, 2016** (9:00 am) and ends on **23<sup>rd</sup> June, 2016** (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **18<sup>th</sup> June, 2016**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
    - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM) :  
**EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN**
    - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
    - (vi) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
    - (vii) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
    - (viii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
    - (ix) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **18<sup>th</sup> June, 2016**.
    - (x) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **18<sup>th</sup> June, 2016**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto:Issuer/RTA).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- (xi) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- (xii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (xiii) Mr. Nitin R. Joshi, Practicing Company Secretary has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (xiv) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by

use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- (xv) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (xvi) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company 25<sup>th</sup> June, 2016 and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

## ANNEXURE TO THE NOTICE:

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

#### Item 4:

M/s. Bipin Shah & Associates, Chartered Accountants have resigned from the office of Auditors of the company on 20<sup>th</sup> March 2016 due to preoccupations and thereby creating a casual vacancy. The Board of Directors of the company vide its circular resolution dated 27<sup>th</sup> March 2016 appointed Bipin B Shah & Co., Chartered Accountants (Regd.No.101511W) having address at 30, Nawab Building 2nd Floor, D. N. Road, Fort, Mumbai 400 001, who holds a valid Peer Review Certificate, as the Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Bipin Shah & Associates, Chartered Accountants in terms of Section 139 of the Companies Act 2013 read with the rules thereon and who shall hold office till the conclusion of this Annual General Meeting. In terms of Sec 139 of The Companies Act 2013 M/s. Bipin B Shah & Co., Chartered Accountants are being appointed for a period of five years till the conclusion of the Company's Sixtieth Annual General Meeting.

Pursuant to the provisions of Section 139 of the Act approval of shareholders at a General Meeting by way of Ordinary Resolution would be required within three months from the date of appointment.

The Board therefore recommends passing of the resolution.

A copy of the resignation tendered by the Auditors and the consent of the Auditors being appointed as referred to above are available for inspection of the members till the date of the meeting during business hours at the Registered Office of the company.

None of the directors of the company is concerned or interested in the proposed resolution.

**Information required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:**

The Particulars of Directors who are proposed to be reappointed at the ensuing Annual General Meeting are given below pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

<b>Name of Director</b>	Mr. Chetan R. Shah	Mr. Nilesh D.Dand
Date of Birth	13-03-1956	09-01-1978
Date of Appointment	14-10-2010	28-03-2007
Qualification	B.Tech. Civil Engineering from IIT Bombay and M.S.Strucutual Engineering from the University of Houston, U.S.A.	B.Com., A.C.A
Expertise in specific functional areas	Construction of residential, commercial and industrial buildings; responsible for implementing Projects in Mumbai.	Has considerable exposure in Accounts and finance.
Other Companies in which Directorship held	Columbia Chrome (I) Pvt. Ltd. Cornell Housing & Infra. Pvt. Ltd. Lark Consultancy Pvt. Ltd. Marathon Fiscal Pvt. Ltd. Marathon IT Infrastructure Pvt. Ltd. Marathon Prachin Infra. Pvt. Ltd. Marathon Realty Pvt. Ltd. Matrix Fiscal Pvt. Ltd. Matrix Waste Management Pvt. Ltd. Matrix Water Management Pvt. Ltd. Nextgen Buildcon Pvt. Ltd. Nexzone Fiscal Services Pvt. Ltd. Nexzone Land Pvt. Ltd. Nexzone Utilities Pvt. Ltd. Parmeka Pvt. Ltd. Sanvo Resorts Pvt. Ltd. Svarnim Enterprises Pvt. Ltd.	1. Vinotak Investment P.Ltd. 2. Ithaca Informatics Pvt.Ltd. 3. Nextgen Buildcon Pvt.Ltd. 4. Hariyali Estate Pvt. Ltd.
Other Public Companies in which membership of Committees of Directors held	Marathon Nextgen Realty Ltd.	-
No.of shares held as on 31.3.2016	622900	Nil

**Regd. Office:**  
Marathon FutureX,  
N. M. Joshi Marg, Lower Parel (W),  
Mumbai 400013  
Dated: 20<sup>th</sup> May, 2016

By Order of the Board

S.Ramamurthi  
Director & C.E.O

# CITADEL REALTY AND DEVELOPERS LIMITED

## DIRECTORS REPORT

The Directors take pleasure in presenting before the shareholders the 56th Annual Report together with the Audited statement of accounts of the company for the year ended 31<sup>st</sup> March 2016:

### 1. Financial Highlights:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from operations	37,295,633	-
Other income	2,601,460	59,913
Profit/Loss before taxation	17,923,824	(22,32,672)
Less: Taxation:		-
- Current Tax	2,800,500	-
- Deferred Tax	7,551,206	(4,72,143)
Profit/Loss after tax	7,572,118	(17,60,529)
Share of profit in partnership firm	816,726	--
Balance carried to Balance Sheet	8,388,844	(17,60,529)

### 2. Operations:

During the year under review the company posted a profit of Rs.83.89 Lacs as against a loss of Rs.17.61 lacs during the previous year.

The company has made considerable progress in Slum Rehabilitation Project at Bhandup. The Board of Directors are of the view that substantial portion of the project would be completed during the current financial year.

- As earlier reported, the company has entered into a partnership with Mr. Kokate in a firm named Shree Swami Samarth Builders and Developers wherein the company has contributed 50% of the capital of the partnership.
- The project SSSBD (Navneet Sadan) has been completed to the extent of 51% and work is going on as per schedule.
- During the year under review the company has recognized its share in the accumulated profits of the partnership firm, Shree Swami Samarth Builders and Developers based on the audited accounts for the year ended 31<sup>st</sup> March 2016. wherein the company has 50% share.
- In accordance with the partnership agreement the company has sold and registered during the year 15 Nos. CRDL residential flats for a total value of Rs.76,649,040.

### 3 Future Prospects:

The Company's line of business is to provide free housing by way of rehabilitating the erstwhile slum dwellers. The efforts of the company have been well recognized and have come in for praise from neighboring slums who have approached the company to look into their property as well. The company sees tremendous potential in this line of activity. This would be part of the Government's scheme of housing for all by 2020.

### 4. Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which these financial statements relate and the date of the report:

No material changes and commitments affecting the financial position of the Company occurred during the financial year ended 31<sup>st</sup> March, 2016.

### 5. Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

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

### 6. Public Deposits:

The company has not accepted any deposits, covered under Chapter V of the Act.

### 7. Particulars of Loans, Guarantees or investments:

The Company has not made investments and/or given loans, guarantees during the year under review.

### 8. Statutory Auditors:

M/s.Bipin B Shah & Associates, Chartered Accountants (Regd.No101519W) have resigned from the office of Auditors of the company on 20th March 2016 due to preoccupations and thereby creating a casual vacancy. The Board of Directors of the company through circular resolution dated 27th March 2016 appointed Bipin B Shah & Co.,Chartered Accountants (Regd.No.101511W) having address at 30, Nawab Building 2nd Floor, D. N. Road, Fort, Mumbai 400 001, who holds a valid Peer Review Certificate, as the Auditors of the Company to fill the casual vacancy caused by the resignation of M/s.Bipin Shah & Associates, Chartered Accountants in terms of Section 139 of the Companies Act 2013 read with the-



rules thereon and they will hold office till the conclusion of this Annual General Meeting. Further the Board of Directors have recommended the appointment of Bipin B Shah & Co., Chartered Accountants (Regd.No.101511W) as Auditors of the company for the period of five years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Company's Sixtieth Annual General Meeting. This requires the approval of the shareholders at the ensuing Annual General Meeting.

**9. Auditors' Report:**

There are no qualifications, reservation or adverse remarks or disclaimer made by the auditor in his report.

**10. Extract of the annual return:**

Extract of the annual return in Form No. MGT – 9 is attached and forms part of the report (Annexure - I).

**11. Corporate Social Responsibility (CSR):**

Since the Company does not meet the criteria specified under Clause 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014, the said rules are not applicable to the Company.

**12. Corporate Governance:**

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by Securities and Exchange Board of India (SEBI). The report on Corporate Governance as per the requirement of SEBI ( Listing Obligation and Disclosure Requirement) Regulations 2015 forms an integral part of this Annual Report. The requisite certificate from a Practising Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

**13. Board of Directors:**

**A. Composition of the Board:**

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

As on 31st March, 2016 the Board comprised six Directors including one Woman and independent Directors.

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

No changes in Directors and Key Managerial Personnel have been made during the year under review.

Mr. Chetan R Shah, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Mr.Nilesh D Dand, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

**C. Number of Board Meetings held during the year ended 31st March, 2016 and the dates of the Board Meetings :**  
Four Meetings of the Board of Directors were held. The dates on which the said meetings were held are as follows :

27<sup>th</sup> May, 2015; 14<sup>th</sup> August, 2015; 4<sup>th</sup> November, 2015 and 11<sup>th</sup> February, 2016

**14. Director's attendance record and details of Directorships / Committee Positions held**

Name of Director	Designation & Category of Directorship	No. of Board Meeting attended
Mr.V.B.Haribhakti Chairman	Non-Executive Independent Director	4
Mr.S.Ramamurthi	Non-Executive Director	4
Mr.Nilesh D Dand	Non-Executive Director	4
Mr.Chetan R. Shah	Non-Executive Director Promoter	4
Mr.V.Ranganathan	Non-Executive Independent Director	4
Mrs. Sonal M. Shah	Non-Executive Director- Promoter	4

**15. Board Committees:**

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

Detailed particulars relating to the above Committees have been furnished in Corporate Governance for the year ended 31<sup>st</sup> March 2016.

**16. Particulars of contracts or arrangements with related parties:**

During the financial year no transactions fall under the purview of Section 188 of the Companies Act, 2013, hence it is not applicable.

**17. Secretarial Audit Report:**

Secretarial Audit for the Financial year 2015-16 was conducted by Mr. V. Nagarajan, Practising Company Secretary in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached to this Report (Annexure II).

**18 Cost Auditor:**

Pursuant to Section 148 (1) of the Central Government and Companies (Cost Record & Audit) Rules, 2014 dated June 30, 2014 the appointment of Cost Auditors is not applicable to the Company. However, in compliance of Section 209 (1) (d), 600 (3) (b) of the Companies Act, 1956 and relevant Cost Accounting Records Rules, 2011 a Compliance Report obtained from the practicing cost accountant is uploaded in MCA Portal every year.

**19. Vigil Mechanism:**

Vigil Mechanism policy has been introduced by the Board on the framework for reporting instances of unethical/improper conduct and action for suitable steps to investigate and correct the same. The Whistle blower policy which is under the ambit of Vigil Mechanism is an extension of the Company's Code of Conduct through which the Company seeks to provide a mechanism for its employees, Directors, vendors or customers to disclose any unethical and / or improper practice(s) taking place in the Company for appropriate action and reporting. Through this policy the Company provides the necessary safeguards to all Whistle Blowers for making in good faith.

**20. Risk management policy:**

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

**21. Declaration of Independence:**

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013 issued thereunder and under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**22. Policy for determining Materiality:**

In pursuance of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company has adopted this policy for determination of materiality based on the criteria mentioned in the said regulation ("Material Information") and that the information has been and is being promptly forwarded to the Stock Exchange.

**23. Policy on Preservation of Documents:**

In terms of Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Board has adopted this Policy for Preservation of Documents, as required under applicable regulations, adhering to the following mandatory provisions.

To determine preservation period for records/documents based on their reference value and legal requirements. The following aspects are considered while arriving at the preservation period:

- Company's own information retrieval needs (reference value)
- Statutory requirements under respective statutes.
- Litigation requirements
- To ensure easy retrieval.
- To ensure that unwanted records do not occupy storage space.

**24. Regulation 30(5)-Disclosure of events or information**

One or more Key Management Personnel would be authorized for the purpose of making disclosures to the Stock Exchanges under this Regulation and the contact details of such personnel shall be also disclosed to the stock exchange as well as on the website of the Company.

**25. Archival Policy**

This Policy is framed in compliance of The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("LODR Regulations") notification dated September 2, 2015 and other circulars as may be specified in this regard. This policy shall be effective from February 15, 2016.

**26. Directors' Responsibility Statement:**

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

- i. That in the preparation of the accounts for the year ended 31st March 2016, the applicable accounting standards have been followed;
- ii. That appropriate accounting policies have been selected and applied consistently and reasonably so as to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the year under review, as at 31-3-2016;
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. That the annual accounts for the year ended 31st March, 2016 have been prepared on the basis that the Company is "Going Concern".
- v. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vi. The directors, in the case of listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

**27. Disclosure under Section 134(3)(m) of the Companies Act, 2013:**

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

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

They also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that are necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting.

**28. Listing on Stock Exchanges :**

Pursuant to the Reg. 109 – SEBI (ICDR) Regulation – 2009 (amendment) and SEBI (Listing Obligations and Disclosure Requirements) Regulations – 2015 which were notified on September 2, 2015 with the objective of bringing the framework governing the regime of listed entities in line with the Companies Act, 2013 and as per LODR 2015, a new Listing Agreement was executed with BSE Limited on 12<sup>th</sup> February, 2016. The Annual Listing Fee for the Financial Year 2016-17 has been duly paid within the stipulated time to BSE Limited.

**30. Dematerialization of shares:**

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

**31. SHARES**

**Buy Back of Securities**

The Company has not bought back any of its securities during the year under review.

**29. Separate Meeting of Independent Directors:**

During the year under review, the Independent Directors had, in accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR), met separately and discussed and reviewed, inter-alia, the performance of Non-Independent Directors and the Board as a whole after taking into consideration the views of Executive and Non-Executive Directors.

**32. Particulars of employees:**

The Company has no employee who receives remuneration to the extent provided in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31<sup>st</sup> March, 2016.

**Regd. Office:**

Marathon FutureX,  
N. M. Joshi Marg, Lower Parel (W),  
Mumbai 400013  
Dated: 20<sup>th</sup> May, 2016

On behalf of the Board of Directors

Chairman

**CERTIFICATE**

To :

The Members of Citadel Realty and Developers Limited

Sub: Declaration by Director under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015.

I, S. Ramamurthi, Director of Citadel Realty and Developers Limited hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed the compliance with the Code of Conduct for the year ended March 31, 2016.

For and on behalf of the Board of Directors

Place : Mumbai  
Dated : 20<sup>th</sup> May, 2016

S.Ramamurthi  
Director & C.E.O.

## ANNEUXRE - I

### **CERTIFICATE ON COMPLIANCE FROM THE PRACTISING COMPANY SECRETARY**

Certificate of the Practising Company Secretary has been obtained on the compliance of conditions of the Corporate Governance under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Requirements) Regulations 2015 and the same is annexed.

**To the Members of  
CITADEL REALTY AND DEVELOPERS LTD.  
Mumbai**

I have examined the compliance of the conditions of Corporate Governance by Citadel Realty & Developers Limited ("the Company") for the year ended 31st March, 2016 as stipulated under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Requirements) Regulations 2015, of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to procedures and implementations thereof, adopted by the company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on such a review 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 said Listing Agreement.

On the basis of records maintained by the Shareholders/Investor's Grievance Committee of the Company, I wish to state that there were no investors' / shareholders' grievances pending against the Company for a period exceeding one month.

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

V. Nagarajan  
Practising Company Secretary  
ACS 1107 / CP 5080

Place : Mulund  
Date : 20<sup>th</sup> May, 2016

Form No. MGT - 9

Extract of Annual Return

as on the Financial Year ended on

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L21010MH1960PLC011764
ii)	Registration Date	26th July, 1960
iii)	Name of the Company	Citadel Realty & Developers Limited
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	Marathon Futorex, N. M. Joshi Marg, Lower Parel Mumbai 400 013
vi)	Whether listed company Yes / No	Listed (Bombay Stock Exchange Limited)
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited E-2, Ansa Industrial Estate, Sakivihar Road Saki Naka, Andheri (E), Mumbai 400072

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. no.	Name & Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Real Estate & Construction	70	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. no.	Name & Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
		NONE	

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning				No. of shares held at the end of the year of the year				% change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual / HUF	6,22,900	0	6,22,900	17.43	6,22,900	0	6,22,900	17.43	Nil	
b) Central Govt.	0	0	0	0	0	0	0	0	0	
c) State Govt.(s)	0	0	0	0	0	0	0	0	0	
d) Bodies Corp	9,47,587	0	9,47,587	26.51	9,47,587	0	9,47,587	26.51	Nil	
e) Banks / FI	0	0	0	0	0	0	0	0	0	

**CITADEL REALTY AND DEVELOPERS LIMITED**

Category of Shareholders	No. of shares held at the beginning				No. of shares held at the end of the year of the year				%change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
f) Any Other	6,20,395	0	6,20,395	17.36	6,20,395	0	6,20,395	17.36	Nil
Sub-total (A) (1):	21,90,882	0	21,90,882	61.29	21,90,882	0	21,90,882	61.29	Nil
a) NRIs - Individual	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A) (1) + (A) (2)	21,90,882	0	21,90,882	61.29	21,90,882	0	21,90,882	61.29	Nil

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	367	875	1242	0.03	367	875	1242	0.03	Nil
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1)	367	875	1242	0.03	367	875	1242	0.03	Nil
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	147128	1176	148304	4.15	143395	910	144305	4.04	-0.11
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share	647620	309489	957109	26.77	723140	305030	102170	28.76	+1.99

capital upto Rs.2 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	244708	0	277708	6.85	198291	0	198291	5.54	-1.31
c) Others (specify) - Clearing Member - NRI - Trust	24669 7337 33	0 196 0	24699 7553 33	0.69 0.21 0.0009	8227 3154 33	0 196 0	8227 3350 33	0.23 0.09 0.0009	-0.46 -0.12 Nil
Sub-total (B) (2)	1071495	310861	1382356	38.67	1076240	306136	456376	34.62	-4.05
Total Public Shareholding (B) = (B) (1) + (B) (2)	1071882	311736	1383618	38.70	1076607	307011	1383618	38.70	Nil
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3262764	311736	3574500	100	3267489	307011	3574500	100.00	0

**ii.Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Marathon Realty Pvt.Ltd.	947587	26.51	0	947587	26.51	0	Nil
2.	Chetan Shah	622900	17.43	0	622900	17.43	0	Nil
3.	Mayur Shah	620395	17.35	0	620395	17.35	0	Nil

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
	At the beginning of the year	No change	No change	No change	No change
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /	No change	No change	No change	No change
	transfer / bonus / sweat equity, etc.)				
	At the End of the year	No change	No change	No change	No change

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/ Decrease Shareholding				Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Reason	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Gandhi Securities &amp; Investment Pvt. Ltd.</b>	92659	2.59	Nil	Nil	92659	2.59	Nil	2.59
2	<b>Bhupendra P. Shah – HUF</b>	54740	1.53	Nil	Nil	54740	1.53	Nil	1.53
3	<b>Mahendra Girdharilal</b>	46958	1.31	Nil	Nil	46958	1.31	Nil	1.31



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

Sl. No.		Shareholding at the beginning of the year		Increase/ Decrease Shareholding				Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Reason	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	<b>Premila Mahendra Chheda</b>	27499	0.77	17-04-15 22-05-15 29-05-15 05-06-15 12-06-15 26-06-15 04-12-15	Purchase Purchase Purchase Purchase Purchase Purchase Purchase	5006 980 1554 1194 1038 400 100	0.14 0.03 0.04 0.03 0.03 0.01 0.00	32505 33485 35059 36253 37291 37691 37791	0.91 0.94 0.98 1.01 1.04 1.05 1.06
5	<b>Hardik Mahendra Chheda</b>	1400	0	19-06-15 30-06-15 03-07-15 10-07-15 21-08-15 04-09-15 01-01-15	Purchase Purchase Purchase Purchase Purchase Purchase Purchase	4560 7970 6021 5349 4868 455 800	0.13 0.22 0.17 0.15 0.14 0.01 0.02	5960 13930 19951 25300 30168 30623 31423	0.26 0.48 0.65 0.80 0.93 0.95 0.97
6	<b>Hardik M. Chheda</b>	5366	0	12-06-15 19-06-15 03-07-15 10-07-15 17-07-15 30-10-15 04-12-15 05-02-16	Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase	5260 4300 2075 4398 1050 974 258 750	0.15 0.12 0.06 0.12 0.03 0.03 0.01 0.02	10626 14926 17001 21399 22449 23423 23681 24431	0.27 0.40 0.45 0.58 0.61 0.63 0.64 0.66
7	<b>Cosmos Prime Projects Limited</b>	17000	0.47	14-08-15	Purchase	3000	0.08	20000	0.56
8	<b>Mahendra A. Chheda</b>	17504	0	10-04-15 14-08-15 31-12-15 08-01-16	Purchase Purchase Purchase Purchase	175 50 75 1679	0.00 0.00 0.00 0.05	17679 17729 17804 19483	0.49 0.50 0.50 0.55
9	<b>Ravindra Vinayak Bhatavadekar</b>	18065	0.51	Nil	Nil	18065	0.51	Nil	0.511
10	<b>Neha Hardik Chheda</b>	14513	0	10-04-15 24-04-15 01-05-15 22-05-15 05-06-15 12-06-15 19-06-15 26-06-15 03-07-15 10-07-15 17-07-15 24-07-15 06-08-15 14-08-15 21-08-15 28-08-15 04-09-15 16-10-15 23-10-15 30-10-15 20-11-15 31-12-15 08-01-16 15-01-16 04-03-16	Sold Sold Sold Purchase Purchase Sold Sold Sold Purchase Purchase Sold Purchase Sold Purchase Purchase Purchase Sold Sold Purchase Purchase Sold Purchase Sold Sold Purchase Sold Sold Sold	40 10 20 50 655 100 250 170 10 1285 25 310 200 441 1080 725 20 25 63 12 50 275 760 400 50	0.00 0.00 0.00 0.00 0.02 0.00 0.01 0.00 0.00 0.04 0.00 0.01 0.01 0.01 0.03 0.02 0.00 0.00 0.00 0.00 0.00 0.01 0.02 0.01 0.02 0.01 0.00	14473 14463 14443 14493 15148 15048 14798 14628 14638 15923 15898 16208 16008 16449 17529 18254 18234 18209 18272 18284 18234 18509 17749 17349 17299	0.13 0.13 0.13 0.13 0.15 0.15 0.16 0.16 0.16 0.20 0.20 0.21 0.21 0.23 0.26 0.28 0.28 0.28 0.28 0.28 0.28 0.29 0.31 0.32 0.32

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

Sl.No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
	At the beginning of the year	622900	17.43%	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	622900	17.43%	Nil	Nil

**V. INDEBTEDNESS:**

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

	Secured Loans excluding deposits	% of total shares of the company	No. of shares	% of total shares of the Company
Indebtedness at the beginning of the Financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
*Addition				
*Reduction		NIL		
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

**VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL:**

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

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount	
1.	Gross salary	Nil	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s. 17 (2) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
	© Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total (A)	0	0	0	0
	Ceiling as per the Act	0	0	0	0

**B. Remuneration to other directors:**

(Amt. in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr.V.B. Haribhakti	Mr.V.Ranganathan	Mr.Nilesh D.Dand	Mr.S. Ramamurthi	Mr.Chetan R.Shah	Mrs.Sonal M.Shah	
1.	Independent Directors ● Fee for attending board / committee meetings ● Commission ● Others, please specify	1,15,000 Nil Nil	80,000 Nil Nil	0 0 0	0 0 0	0 0 0	0 0 0	1,95,000 Nil Nil
	Total (1)	1,15,000	80,000	0	0	0	0	1,95,000
2.	Other Non-Executive Directors ● Fee for attending board / committee meetings ● Commission ● Others, please specify	0 Nil	0 Nil	70,000 Nil	1,05,000 Nil	35,000 Nil	25,000 Nil	2,35,000 Nil
	Total (2)	0	0	70,000	1,05,000	35,000	25,000	2,35,000
	Total (B) = (1+2)	1,15,000	80,000	70,000	1,05,000	35,000	25,000	4,30,000
	Total Managerial Remuneration	0	0	0	0	0	0	0
	Overall Ceiling as per the Act	0	0	0	0	0	0	0

**C. Remuneration to key Managerial Personnel other than MD / WTD / Manager:**

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

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**  
**FOR THE FINANCIAL YEAR ENDED: 31.03.2016**

To,  
The Members,  
Citadel Realty and Developers Ltd  
Marathon FutureX,  
N.M.Joshi Marg, Lower Parel (W),  
Mumbai 400013

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the financial year ended on March 31, 2016 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing.
5. (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
  4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014; (Not Applicable to the Company during the Audit Period);
  5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
  6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
  8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);

I have also examined compliance with the applicable clauses of SEBI ( Listing Obligations and Disclosure Requirements) Regulations 2015 entered into by the Company with BSE Ltd. . I have examined compliance by the Company with the Secretarial Standards issued by the Institute of Company Secretaries of India.

I have not examined the accounts for the year ended 31st March 2016 as also the compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review and audit by statutory financial auditors and other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There have been no changes in the composition of the Board of Directors during the period under review.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

Place: Mumbai,  
Dated: 12<sup>th</sup> May, 2016

V.Nagarajan  
Practising Company Secretary  
ACS 1107 C.P.No.5080

**ANNEXURE “A”**

To  
The Members,  
Citadel Realty And Developers Ltd.,  
Marathon FutureX,  
N.M.Joshi Mar, Lower Parel(W),  
Mumbai 400 013

My Report of even date is to be read along with this annexure.

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

Place: Mumbai  
Dated:12<sup>th</sup> May, 2016

V.Nagarajan  
Practising Company Secretary  
ACS 1107 CP No.5080

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management of the Company is pleased to present this report covering the activities of the Company during the year ended on March 31, 2016

### Industry structure and development

The Company is a part of Marathon Group and is specializing in the execution of Slum Rehabilitation Projects under aegis of the Slum Development Authority.

The company has made considerable progress in Slum Rehabilitation Project at Bhandup. The Board of Directors are of the view that substantial portion of the project would be completed during the current financial year.

- a. As earlier reported, the company has entered into a partnership with Mr. Kokate in a firm named Shree Swami Samarth Builders and Developers wherein the company has contributed 50% of the capital of the partnership.
- b. The project SSSBD (Navneet Sadan) has been completed to the extent of 51% and work is going on as per schedule.

### Future Prospects:

The Company's line of business is to provide free housing by way of rehabilitating the erstwhile slum dwellers. The efforts of the company have been well recognized and have come in for praise from neighboring slums who have approached the company to look into their property as well. The company sees tremendous potential in this line of activity. This would be part of the Government's scheme of housing for all by 2020.

### Review of Progress during the year:

During the year under review, the company posted a profit of Rs. 83.89 Lacs as against a loss of Rs. 17.61 lacs during the previous year.

During the year under review the company has recognized its share in the accumulated profits of the partnership firm, Shree Swami Samarth Builders and Developers based on the audited accounts for the year ended 31<sup>st</sup> March 2016. wherein the company has 50% share.

In accordance with the partnership agreement the company has sold and registered during year 15 Nos. of CRDL residential flats for a total value Rs. 76,649,040/-

### Opportunities and Threats

The Company's line of business is to provide free housing by way of rehabilitating the erstwhile slum dwellers. The efforts of the company have been well recognized and have come in for praise from neighboring slums who have approached the company to look into their property as well. The company sees tremendous potential in this line of activity. This would be part of the Government's scheme of housing for all by 2020.

Delay in sanctioning these schemes and lack of proper policies could hamper prospects.

### Risks and concerns

In India, real estate has traditionally been considered a favorable investment option. However, over the last few years, the realty market's momentum has weakened significantly. In fact, it has even reversed in some parts of the country. Poor economic growth coupled with high property prices have made people more skeptical about investing in real estate. It is one of the most severely-hit industries due to these reasons. Piling inventory and escalating prices led to decrease in demand across all real estate asset classes

The Government of India has finally passed the long awaited Real Estate Regulatory Bill. This would ensure transparency in the sector and would win back the confidence of investors and public into this sector.

### Internal control systems and their adequacy

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

At the Group level there has been extensive exercise conducted on Internal Financial Controls. The Statutory Auditors have specifically commented on the existence of adequate Internal Financial Controls in relation to the activities of the company.

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

### Cautionary Statement

Statements in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and other incidental factors. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future on the basis of subsequent development.

**ANNEXURE TO THE DIRECTORS' REPORT  
REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015.**

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

The Company believes that good Corporate Governance practice enhances the value for all stakeholders. The Marathon Group in general and Citadel Realty And Developers Limited in particular is committed to the adherence of all compliances in its true spirit, at all times and the adoption of the best practices conducive to maintaining good governance..Our philosophy mainly rests on five basic concepts, viz.,

- i) Board accountability to the company and shareholders as a whole;
- ii) Guidance and effective monitoring by the Board in strict terms;
- iii) Protection on minority interests and rights
- iv) Equitable treatment to all concerned and
- v) Transparency and timely disclosure.

Keeping in view of the above philosophy, the company has been striving continuously for maintaining excellence through adoption of good governance and disclosure practices.

The company already has a Code of Conduct in place.:

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the following policies have been adopted during the year:

1. Policy on Preservation of Documents.
2. Policy for Determining Materiality
3. Disclosure of events or information
4. Archival Policy

The company has complied and/or has been complying with the provisions contained in Clause 49 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) as detailed hereunder:

**2. BOARD OF DIRECTORS :**

Composition:

The present strength of the Board of Directors is six Directors which includes a woman Director and complies with the requirement in accordance with Regulation 17(1) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015.

**Number Meetings : of Board Meetings held during the year ended 31<sup>st</sup> March 2016 and the dates of the Board**

Four Meetings of the Board of Directors were held. The dates on which the said meeting were held are as follows :

27<sup>th</sup> May, 2015; 14<sup>th</sup> August, 2015; 4<sup>th</sup> November, 2015 and 11<sup>th</sup> February, 2016

Attendance of each Director at the said Board Meetings and the last AGM

Name of Director	Designation & Category of Directorship	No. of Board Meeting attended	Attendance at the last AGM
Mr. V.B.Haribhakti Chairman	Non-Executive Independent Director	4	Yes
Mr.S.Ramamurthi	Non-Executive Independent Director	4	Yes
Mr.Nilesh Dand	Non-Executive Director promoter	4	Yes
Mr.Chetan R. Shah	Non-Executive Director promoter	4	Yes
Mr.V.Ranganathan	Non-Executive Independent Director	4	Yes
Mrs.Sonal M.Shah	Non-Executive Director-Promoter	4	Yes

**Number of other Companies or Committees where the Director (being a Director as on the date of the Directors' Report) is a Director/Chairman**

Name of Director/ Chairmanship	Directorship in other companies including private companies in India.	No.of Committee in which Chairman/ Member (other than Citadel Realty and Developers Limited)
Mr. V.B.Haribhakti		5
Mr.S.Ramamurthi		1
Mr.Nilesh Dand		3
Mr.Chetan R. Shah		18
Mr.V.Ranganathan		1
Mrs.Sonal M.Shah		4

**NO. OF SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON 31<sup>st</sup> MARCH, 2016**

NAME OF DIRECTORS	NO. OF SHARES HELD
Mr.V.B.Haribhakti	Nil
Mr.V. Ranganathan	Nil
Mr.S.Ramamurthi	Nil
Mr.Nilesh Dand	Nil
Mr.Chetan R. Shah	6,22,900
Mrs.Sonal.M.Shah	Nil

Committee of Directors includes Audit Committee, Shareholders / Investors' Grievances, Share Transfer Committee and Remuneration Committee of the company.

Information required under Clause 49 VIA of the Listing Agreement:

The Particulars of Directors who are proposed to be reappointed at the ensuing Annual General Meeting are given below pursuant to Clause 49 of the Listing Agreement:



Name of Director	Mr. Chetan R. Shah	Mr.Nilesh D. Dand
Date of Birth	13-03-1956	09-01-1978
Date of Appointment	14-10-2010	28-03-2007
Qualification	B.Tech. Civil Engineering from IIT Bombay and M.S.Strucutual Engineering from the University of Houston, U.S.A.	B.Com., A.C.A
Expertise in specific functional areas	Construction of residential, commercial and industrial buildings; responsible for implementing Projects in Mumbai.	Have exposure in accouts and finance.
Other Companies in which Directorship held	Columbia Chrome (I) Pvt. Ltd. Cornell Housing & Infra. Pvt. Ltd. Lark Consultancy Pvt. Ltd. Marathon Fiscal Pvt. Ltd. Marathon IT Infrastructure Pvt. Ltd. Marathon Prachin Infra. Pvt. Ltd. Marathon Realty Pvt. Ltd. Matrix Fiscal Pvt. Ltd. Matrix Waste Management Pvt. Ltd. Matrix Water Management Pvt. Ltd. Nextgen Buildcon Pvt. Ltd. Nexzone Fiscal Services Pvt. Ltd. Nexzone Land Pvt. Ltd. Nexzone Utilities Pvt. Ltd. Parmeka Pvt. Ltd. Sanvo Resorts Pvt. Ltd. Svarnim Enterprises Pvt. Ltd.	1. Vinotak Investment P.Ltd. 2. Ithaca Informatics Pvt.Ltd. 3. Nextgen Buildcon Pvt.Ltd. 4.Hariyali Estate Pvt. Ltd.
Other Public Companies in which membership of Committees of Directors held	Marathon Nextgen Realty Ltd.	-
No.of shares held as on 31.3.2016	622900	Nil

**3. AUDIT COMMITTEE:**

Terms of Reference: The terms of reference of this committee are wide enough, covering matters specified for Audit Committees under the Listing Agreement.

Four Meetings of the Audit Committee were held during the year ending 31.3.2016. The dates on which the said meetings were held are as follows :

27<sup>th</sup> May, 2015; 14<sup>th</sup> August, 2015; 4<sup>th</sup> November, 2015 and 11<sup>th</sup> February, 2016

Attendance of each Director at the said Audit Committee Meetings

Name of Director	Designation & Category of Directorship	No. of Audit Committee Meeting attended	Attendance
Mr. V.B.Haribhakti	Non-Executive Independent Director	4	Yes
Mr.S.Ramamurthi	Non-Executive	4	Yes
Mr.V.Ranganathan	Non-Executive Independent Director	4	Yes

Non-Executive Directors	Sitting Fees (Rs.)
Mr.V. B.Haribhakti	115,000
Mr.S.Ramamurthi	105,000
Mr.Nilesh Dand	70,000
Mr.Chetan R. Shah	35,000
Mr.V.Ranganathan	80,000
Mrs.Sonal M. Shah	25,000

**4. SHARE TRANSFER / INVESTOR GRIEVANCE COMMITTEE :**

The Committee comprises of Mr.S.Ramamurthi as the Chairman and Mr.V.B.Haribhakti and Mr.Nilesh D. Dand as the other members of the Committee.

The Committee deals with matters relating to transfer of shares, transmission of shares, issue of duplicate share certificates, demat, deletion of members name on death, investor grievance, etc. The Share Transfer Committee Meeting was held five times during the year ended 31.3.2016.

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

**5. CODE OF CONDUCT :**

Citadel Realty and Developers Limited has laid down a Code of Conduct for all Board Members of the Company. All Board Members have affirmed compliance of the Code of Conduct.

**6. COMPLIANCE OFFICER :**

Mr.S.Ramamurthi, C.E.O. is the Compliance Officer of the Company during the financial year ended 31<sup>st</sup> March 2016.

**7. GENERAL BODY MEETINGS :**

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

Year	Location	Date	Time
2012-13	Kilachand Conference Room 2nd floor Indian Merchant Chambers, Churchgate Mumbai 400020	08-08-2013	11.30 A.M.
2013-14	Kilachand Conference Room 2nd floor Indian Merchant Chambers, Churchgate Mumbai 400020	14-08-2014	11.30 A.M.
2014-15	Kilachand Conference Room 2nd floor Indian Merchant Chambers, Churchgate Mumbai 400020	14-08-2015	12.30 P.M.

None of the resolutions proposed to be passed at the ensuing Annual General Meeting requires to be put through postal ballot.

**8. DISCLOSURES :**

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

i) Transactions with the related parties are disclosed in Note No.4(a) of Schedule XI to the Accounts in the Annual Report.

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

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

There were no instances of non-compliance of any matter related to the capital markets during the last three years.

**9. MEANS OF COMMUNICATION :**

The Company has published its Notices, Financial Results and Voting Results in the Business Standard and Navshakti Times.

**10. GENERAL SHAREHOLDER INFORMATION :**

**Fifty-Sixth Annual General Meeting:**

Date and Time: June 24, 2016 at 11.30 a.m.  
 Venue Kilachand Conference Room, Second Floor, Indian Merchant Chamber, Churchgate, Mumbai 400020  
 Financial Year 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016  
 Date of book closure : 17<sup>th</sup> June, 2016 to 24<sup>th</sup> June, 2016 (both days inclusive)  
 Financial Reporting for 2016 -17 (tentative)

1. First quarter result second week of August 2016.
2. Half yearly result second week November 2016.
3. Third quarter result second week of February 2017.
4. Audited Result for the year on or before May 2017.

Annual General Meeting on or before September 2017 next year.

Dividend payment date(s) : Not applicable.

Listing on stock exchange(s) The Stock Exchange Mumbai. The Company has paid the Annual listing fees for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.

Stock code : BSE 502445  
 Demat ISIN Number for : INE906D01014  
 NSDL & CDSL

**Market Price Data :**

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

	COMPANY'S SHARES		SENSEX		
	High	Low	High	Low	Close
April 2015	41.00	31.25	29094.61	26897.54	27011.31
May 2015	38.25	30.00	28071.16	26423.99	27828.44
June 2015	34.75	28.00	27968.75	26307.07	27780.83
July 2015	34.95	29.60	28578.33	27416.39	28114.56
August 2015	36.80	31.05	28417.59	25298.42	26283.09
September 2015	30.45	27.00	26471.82	24833.54	26154.83
October 2015	33.50	26.15	27618.14	26168.71	26656.83
November 2015	34.75	26.30	26824.30	25451.42	26145.67
December 2015	34.65	29.10	26256.42	24867.73	26117.54
January 2016	33.60	28.00	26197.27	23839.76	24870.69
February 2016	29.00	23.95	25002.32	22494.61	23002.00
March 2016	26.25	22.50	25479.62	23133.18	25341.86

**Registrar of Transfer Agents**

Bigshare Services Pvt. Ltd.  
 E-2, Ansa Industrial Estate  
 Sakivihar Road, Saki Naka  
 Andheri (E), Mumbai 400072  
 Website : www.bigshareonline.com

**Share Transfer system**

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

**Distribution of Shareholding and Shareholding Pattern as on 31st March 2016**

Category	No. of shareholders	%	No. of shares	% to total
1-500	3114	89.82	4,14,316	11.59
501-1000	189	5.45	1,46,507	4.10
1001-2000	77	2.22	1,09,527	3.06
2001-3000	27	0.78	66,560	1.86
3001-4000	16	0.46	54,571	1.53
4001-5000	10	0.28	45,573	1.27
5001-10000	17	0.49	1,26,534	3.54
>10000	17	0.50	26,10,912	73.05
Total	3467	100.00	35,74,500	100.00

**Categories of Shareholders as on 31st March 2016:**

Category	No. of Shares held	% of Shareholding
Promoter	21,90,882	61.29%
Public	13,82,376	38.68%
FI's, Mutual Funds & Banks	1,242	0.03%
Total	35,74,500	100.00%

**Dematerialization of shares as on 31.3.2016 :-**

Total number of 35,74,500 shares, 32,67,489 Equity Shares representing 91.41% are in de-materialized form.

Convertible instruments. As on date, the Company does not have any outstanding Convertible Instruments.

Address for correspondence: 702, Marathon Max  
Junction. of Mulund-Goregaon Link Rd., Mulund (W), Mumbai 400080  
website :www.citadelrealty.in

Email:citadel@marathonrealty.com

The Registered Office of the Company is located at Marathon Futurex,  
N.M.Joshi Marg, Lower Parel, Mumbai 400013.

Reconciliation Share Capital Audit Reports :

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

<b>Quarter ended on</b>	<b>Furnished on</b>
30-06-2015	07-07-2015
30-09-2015	07-10-2015
31-12-2015	20-01-2016
31-03-2016	18-04-2016

## INDEPENDENT AUDITORS' REPORT

**TO  
THE MEMBERS OF CITADEL REALTY AND DEVELOPERS LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of CITADEL REALTY AND DEVELOPERS LIMITED, which comprises the balance sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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 the disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its profit/loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer note no 23 on contingent liabilities to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

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

Place : Mumbai  
Date : 20<sup>th</sup> May, 2016

**Annexure "A" to The Independent Auditor's Report**

Referred to in paragraph [1] under the heading 'Report on Other Legal & Regulatory Requirement' of the Independent Auditor's Report of even date to the members of CITADEL REALTY AND DEVELOPERS LIMITED on the standalone financial statements as at and for the year ended March 31, 2016:

- I. In respect of its fixed assets, since the Company does not hold any fixed assets, clauses (i) (a), (i) (b) and (i) (c) of para 3 of the order are not applicable.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loans, to one partnership firm covered in the register maintained under Section 189 of the Act. There are no other parties covered in the register maintained under Section 189 of the Act.
  - (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's Interest.
  - (b) In respect of the aforesaid loans the schedule of repayment of principal and payment of interest has been stipulated and payable on demand, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
  - (c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions, of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there is no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on amount any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and terms loans. Accordingly, the provisions of Caluse 3(ix) of the Order are not applicable to the Company.
- x. During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are not applicable to the Company since there is no managerial remuneration being paid. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Bipin Shah  
Proprietor  
Membership Number 013191

Place : Mumbai  
Date : 20<sup>th</sup> May, 2016

**Annexure "B" to The Independent Auditor's Report**

Referred to in paragraph 1 part "f" under the heading ' Report on other Legal & Regulatory Requirement ' of the Independent Auditors' Report of even date to the members of CITADEL REALTY AND DEVELOPERS LIMITED on the standalone financial statements as of and for the year ended March 31, 2016:

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

We have audited the internal financial controls over financial reporting of CITADEL REALTY AND DEVELOPERS LIMITED as of March 31,2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Bipin Shah  
Proprietor  
Membership Number 013191

Place : Mumbai  
Date : 20<sup>th</sup> May, 2016

**CITADEL REALTY AND DEVELOPERS LIMITED**  
**Balance Sheet as at 31st March, 2016**

( In Rs.)

Particulars		Note No	Year Ended 31st March, 2016	Year Ended 31st March, 2015
I.	<b>EQUITY AND LIABILITIES</b>			
1	Equity			
	(a) Share capital	2	48,245,000	48,245,000
	(b) Reserves and surplus	3	(15,573,490)	(23,962,334)
2	Non-current liabilities			
	(a) Long-term borrowing	4	36,900,000	36,900,000
	(b) Other liabilities	5	1,000,000	1,000,000
3	Current liabilities			
	(a) Short-term borrowing	6	35,057,400	31,907,941
	(b) Trade payables	7	506,007	467,198
	(c) Other current liabilities	8	31,563,225	23,716,221
			<b>137,698,142</b>	<b>118,274,026</b>
II.	<b>TOTAL EQUITY AND LIABILITIES</b>			
1	<b>ASSETS</b>			
	(a) Non current Investments	9	866,726	50,000
	(b) Deferred tax assets (net)	10	24,882,180	32,433,386
	(c) Other Non current assets	11	65,447	65,447
	<b>Current assets</b>			
	(a) Inventories	12	66,301,700	82,806,552
	(b) Cash and Bank Balances	13	367,361	361,337
	(c) Short-term loans and advances	14	44,234,913	1,349,373
	(d) Other current assets	15	979,815	1,207,931
	Significant Accounting policies	1		
	Notes to accounts forming part of Financial Statements	2 to 26		
	<b>TOTAL ASSETS</b>		<b>137,698,142</b>	<b>118,274,026</b>

As per our report of even date  
For Bipin B. Shah & Co.  
Chartered Accountants  
Firm Registration No:101511W

For and on behalf of the Board

**Bipin Shah**  
**Proprietor**  
**Membership No. 013191**  
**Place : Mumbai**  
**Date : 20<sup>th</sup> May, 2016**

**V.B.Haribhakti**  
**Chairman & Director**

**S.Ramamurthi**  
**Director & C.E.O**

**V.Ranganathan**  
**Director**

**Chetan R.Shah**  
**Director**



**CITADEL REALTY AND DEVELOPERS LIMITED**  
**Statement of Profit and loss for the period ended 31st March, 2016**

( In Rs.)

Particulars		Note No	Year Ended 31st March, 2016	Year Ended 31st March, 2015
I.	Revenue From Operations	16	37,295,633	-
II.	Other income	17	2,601,460	59,913
III.	<b>Total Revenue (I + II)</b>		<b>39,897,093</b>	<b>59,913</b>
IV.	<b>Expenses:</b>			
	Property Development Expenses	18	-	46,759,901
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	16,504,852	(46,759,901)
	Finance Cost	20	4,008,510	1,100,145
	Other expenses	21	1,459,908	1,192,440
	<b>Total expenses</b>		<b>21,973,270</b>	<b>2,292,585</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		17,923,824	(2,232,672)
VI.	Exceptional items		-	-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>17,923,824</b>	<b>(2,232,672)</b>
VIII.	Extraordinary Items			
IX.	<b>Profit before tax (VII- VIII)</b>			
X.	Tax expense: (1) Current tax (2) Deferred tax		2,800,500 7,551,206	- (472,143)
XI.	<b>Profit (Loss) for the period from continuing operations (IX-X)</b>		<b>7,572,118</b>	<b>(1,760,529)</b>
XII.	Share of profit in partnership firm		816,726	-
XIII.	<b>Profit (Loss) for the period from continuing operations (XI-XII)</b>		<b>8,388,844</b>	<b>(1,760,529)</b>
XIV.	<b>Earnings per equity share: Basic &amp; Diluted (in `)</b>		<b>2.35</b>	<b>(0.49)</b>
	Significant Accounting policies Notes to accounts forming part of Financial Statements	1 2 to 26		

As per our report of even date  
For Bipin B. Shah & Co.  
Chartered Accountants  
Firm Registration No:101511W

For and on behalf of the Board

**Bipin Shah**  
**Proprietor**  
**Membership No. 013191**  
**Place : Mumbai**  
**Date :20<sup>th</sup> May, 2016**

**V.B.Haribhakti**  
**Chairman & Director**

**S.Ramamurthi**  
**Director & C.E.O**

**V.Ranganathan**  
**Director**

**Chetan R.Shah**  
**Director**

**CITADEL REALTY AND DEVELOPERS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

( In Rs.)

Particulars		2015-16	2014-15
<b>[A]</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax and Extraordinary items	8,388,844	(2,232,672)
	<b>Adjustments for :</b>		
	Finance Cost	4,008,510	1,100,145
		4,008,510	1,100,145
	<b>Operating Profit/(Loss) before Working Capital changes :</b>	<b>12,397,354</b>	<b>(1,132,527)</b>
	Adjustments for :		
	Trade and Other Receivables	-	18,302,801
	Inventories	16,504,852	(46,759,901)
	Trade and Other Payables	38,809	(1,462,442)
	Other Current liabilities	7,847,004	6,717,799
	Long term loans and advances	-	1,549,150
	Current Tax liabilities (Net)	-	-
		24,390,665	(21,652,593)
	<b>Cash generated from Operations</b>	<b>36,788,019</b>	<b>(22,785,120)</b>
	Direct Taxes Paid	7,551,206	-
	<b>Net Cash generated /(used) from operating activities</b>	<b>44,339,225</b>	<b>(22,785,120)</b>
<b>[B]</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Non Current Investments	(816,726)	(50,000)
	Short term loans and advances	(42,885,540)	13,081,595
	Other Current Assets	228,116	
	<b>Net Cash generated /(used) in Investing Activities</b>	<b>(43,474,150)</b>	<b>13,031,595</b>
<b>[C]</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Interest Paid	(4,008,510)	(1,100,145)
	Short Term Borrowings (Net)	3,149,459	10,479,667
	<b>Net Cash generated/(used) from Financing Activities</b>	<b>(859,051)</b>	<b>9,379,522</b>
<b>[D]</b>	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	6,024	(374,003)
<b>[E]</b>	<b>CASH AND CASH EQUIVALENT AT THE BEGINING OF YEAR</b>	361,337	735,340
<b>[F]</b>	<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR (D+E)</b>	367,361	361,337

**Note :**

The cash flow has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements Issued by the Institute of Chartered Accountants of India

Figures of the Previous Year have been regrouped wherever necessary to confirm to this year's classification.

As per our report of even date  
For Bipin B. Shah & Co.  
Chartered Accountants  
Firm Registration No:101511W

For and on behalf of the Board

**Bipin Shah**  
**Proprietor**  
**Membership No. 013191**  
**Place : Mumbai**  
**Date : 20<sup>th</sup> May, 2016**

**V.B.Haribhakti**  
**Chairman & Director**

**S.Ramamurthi**  
**Director & C.E.O**

**V.Ranganathan**  
**Director**

**Chetan R.Shah**  
**Director**

**CITADEL REALTY AND DEVELOPERS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31st MARCH 2016**

**Note 1 Significant Accounting Policies****A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

**B. USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**C. REVENUE RECOGNITION**

Revenue in respect of real estate development activities are recognized upon the transfer of significant risks and rewards to the buyer in terms of the underlying sale agreements provided it is not unreasonable to expect ultimate collection. The company perceives that risks and rewards stand transferred to the buyer when agreements are registered with the appropriate authorities.

Interest Income on loans given is recognised on time proportionate basis as per the terms of loans given .

**D. INVESTMENTS**

Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

**E. BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

**F. INCOME TAXES**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

**G. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

## Notes on Financial Statements for the year ended 31st March, 2016

## Note 2

Share Capital	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
<b>Authorised</b>		
70,00,000 Equity Shares of Rs. 10/- each (P Y 70,00,000 Equity Shares of Rs. 10/- each)	70,000,000	70,000,000
3,00,000 0% Redeemable Preference Shares of Rs. 100/- each (P Y 3,00,000 0% Redeemable Preference shares of Rs. 100/- each)	30,000,000	30,000,000
	<b>100,000,000</b>	<b>100,000,000</b>
<b>Issued, Subscribed &amp; fully Paid up</b>		
35,74,500 Equity Shares of ₹ 10/- each fully paid up (P Y 35,74,500 Equity Shares of Rs. 10/- each) [Out of the above 13,50,000 Shares of Rs. 10/- each were allotted as fully paid up Bonus Shares by Capitalisation of Reserves]	35,745,000	35,745,000
1,25,000 0% Redeemable Preference Shares of Rs. 100/- each fully paid up (P Y 1,25,000 0% Redeemable Preference Shares of Rs. 100/- each fully paid up)	12,500,000	12,500,000
[Above 0% Preference Shares are redeemable at a premium of 5% after 2012. The preference share holders have not opted for redemption]		
<b>TOTAL</b>	<b>48,245,000</b>	<b>48,245,000</b>

## a. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March 2016		As at 31st March 2015	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	3,574,500	35,745,000	3,574,500	35,745,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	3,574,500	35,745,000	3,574,500	35,745,000

Preference Shares	As at 31st March 2016		As at 31st March 2015	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	125000	12500000	125000	12500000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	125,000	35,745,000	125,000	12,500,000

## Notes on Financial Statements for the year ended 31st March, 2015

a. Details of Shareholders holding more than 5% shares in the company				
Equity Shares	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding.	No. of Shares held	% of Holding
Marathon Realty Pvt Ltd	9,47,587	26.51	9,47,587	26.51
Chetan R Shah	6,22,900	17.43	6,22,900	17.43
Mayur R Shah	6,20,395	17.36	6,20,395	17.36

Equity Shares	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding.	No. of Shares held	% of Holding
Fibre Box Bombay Pvt Ltd	1,25,000	100	1,25,000	100

## Note 3

Reserves & Surplus	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
<b>a. Securities Premium Account</b>		
Opening Balance	51,351,300	51,351,300
Add : Securities premium on issue of shares	-	-
Less : Utilised for issuing Bonus Shares	-	-
Closing Balance	<b>51,351,300</b>	<b>51,351,300</b>
<b>b. Surplus</b>		
Opening balance	(75,313,634)	(73,553,105)
Add : Net Profit for the year	8,388,844	(1,760,529)
Closing Balance	<b>(66,924,791)</b>	<b>(75,313,634)</b>
<b>Total</b>	<b>(15,573,490)</b>	<b>(23,962,334)</b>

## Note 4

Long Term Borrowings	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
<b>Unsecured Loan</b>		
(a) Inter Corporate Deposit ( Refer Note No 24)	36,900,000	36,900,000
<b>Total</b>	<b>36,900,000</b>	<b>36,900,000</b>

## Note 5

Other Liabilities	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Refundable Deposits	1,000,000	1,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>

## Notes on Financial Statements for the year ended 31st March, 2015

## Note 6

Short Term Borrowings	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
<b>Unsecured Loan</b>		
(a) Inter Corporate Deposit ( Refer Note No 24)	35,057,400	31,907,941
<b>Total</b>	<b>35,057,400</b>	<b>31,907,941</b>

## Note 7

Trade Payable	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Payables including supply & services : Micro, Small and Medium Enterprises Other payables	- 506,007	- 467,198
<b>Total</b>	<b>506,007</b>	<b>467,198</b>

## Note 8

Other Current Liabilities	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
(a) Statutory Dues (b) Others (c) Advances received from customers (d) Provision for MAT	578,025 1,156,467 28,820,423 1,008,310	655,279 1,296,504 21,764,438 -
<b>Total</b>	<b>31,563,225</b>	<b>23,716,221</b>

## Note 9

Non current investments	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
<b>Trade Investments :</b>		
<b>Investment in Partnership Firm :</b>		
Shree Swami Samarth Builders and Developers Capital Contribution :	50000	50,000
Share in accumulated profits of the partnership firm	816,726	-
(i) In partnership with Mr. Vaibhav Kokate (ii) Total capital value of Rs.1,00,000 (iii) The profit sharing ratio of both the partners is 50 : 50 net of any value already realised by either of the partners.		
<b>Total</b>	<b>866,726</b>	<b>50,000</b>

## Note 10

Deferred Tax Assets (Net)	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Deferred Tax Assets Tax effect of timing difference on account of unabsorbed depreciation & carry forward losses*	24,882,180	32,433,386
<b>Total</b>	<b>24,882,180</b>	<b>32,433,386</b>

## Notes on Financial Statements for the year ended 31st March, 2015

\*In terms of Accounting Standard (AS 22) on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the company has computed Deferred Tax Asset as there is virtual certainty supported by convincing evidence that there would be sufficient future taxable income that would be available for set off.

### Note 11

Other Non current assets	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
a) Security Deposits	47,528	47,528
b) Other advances	17,919	17,919
<b>Total</b>	<b>65,447</b>	<b>65,447</b>

### Note 12

Inventories	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Project Work in Progress	62,680,425	74,987,002
Land Stock In Trade	3,621,275	7,819,550
<b>Total</b>	<b>66,301,700</b>	<b>82,806,552</b>

### Note 13

Cash and Bank Balances	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Cash in Hand	10,518	6,414
Balances with banks	356,843	354,923
<b>Total</b>	<b>367,361</b>	<b>361,337</b>

### Note 14

Short-term loans and advances	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Others		
Unsecured, considered good : Loans to related parties (Refer Note No 24)	44,234,913	1,349,373
<b>Total</b>	<b>44,234,913</b>	<b>1,349,373</b>

### Note 15

Other current Assets	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Prepaid Expenses	45,699	242,851
Advance to Suppliers	300	720
Balance with statutory authorities	933,816	964,360
<b>Total</b>	<b>979,815</b>	<b>1,207,931</b>

## Notes on Financial Statements for the year ended 31st March, 2015

## Note 16

Revenue from operations	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Revenue from Sale of Flats	36,168,710	-
Revenue from Sale of Land	1,126,923	-
<b>Total</b>	<b>37,295,633</b>	<b>-</b>

## Note 17

Other Income	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Liabilities no longer required written back	140,037	59,913
Interest Income	2,461,423	-
<b>Total</b>	<b>2,601,460</b>	<b>59,913</b>

## Note 18

Property Development Expenses	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Purchases	-	33,368,021
Direct Expenses	-	11,279,601
Land Cost	-	-
Finance Cost	-	2,112,279
<b>Total</b>	<b>-</b>	<b>46,759,901</b>

## Note 19

Changes in inventories of finished goods work-in-progress :

Inventory at the end of the year:		
Particulars	2015-16	2014-15
	Rs.	Rs.
Project Work in Progress	62,680,425	74,987,002
Land Stock in trade	3,621,275	7,819,550
<b>Total</b>	<b>66,301,700</b>	<b>82,806,552</b>
Less :Inventory at the beginning of the year:		
Particulars	2015-16	2014-15
	Rs.	Rs.
Project Work in Progress	74,987,002	30,181,989
Land Stock in trade	7,819,550	5,864,662
<b>Total</b>	<b>82,806,552</b>	<b>36,046,651</b>
<b>Increase/(Decrease) in Inventories of work in progress :</b>	<b>(16,504,852)</b>	<b>46,759,901</b>



## Notes on Financial Statements for the year ended 31st March, 2015

## Note 20

Finance Cost	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Interest expenses for the year	4,008,510	3,212,424
Less: Interest expenses charged to the Project	-	2,112,279
<b>Total</b>	<b>4,008,510</b>	<b>1,100,145</b>

## Note 21

Other Expenses	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Remuneration to Auditors (* Refer Note No 23)	62,363	44,381
Bank Charges	8,767	507
Postage & Telephone	89,727	94,935
Printing & Stationery	77,649	86,401
Travelling & Conveyance	7,306	2,010
Advertisement Expenses	57,986	72,351
Director Sitting Fees	440,000	220,000
Legal & Professional Fees	232,456	211,389
Ex Worksmen compensation	-	227,000
Annual Listing fees	224,720	112,360
Annual Custody Fees	21,859	21,829
Insurance Charges	57,152	24,565
Miscellaneous Expenses	66,034	49,989
Rate & Taxes	113,889	24,723
<b>Total</b>	<b>1,459,908</b>	<b>1,192,440</b>

## Note 22

Remuneration To Auditors	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
a. Statutory Audit	35,000	35,000
b. Tax Audit	15,000	-
c. Limited Review	4,500	4,500
d. For management services	-	-
e. For other services	-	-
f. Service Tax	7,863	4,881
<b>Total</b>	<b>62,363</b>	<b>44,381</b>

## Notes on Financial Statements for the year ended 31st March, 2015

### Note 23

Contingent Liabilities not provided for in respect of :-

	As at 31st March, 2016 Amount Rs. In Lacs	As at 31st March, 2015 Amount Rs. In Lacs
(a) Show Cause Notice from Central Excise Authorities	0	1.42
(b) Estimated Liability in respect of Suit filed by Ex Workers of the Company in Labour Court.	10.00	10.00
(c) Claims not acknowledged as debt	0	2.06

(d) Income Tax :

The company was served notices under Sec. 147 of the Income Tax Act, 1961 for Assessment Years 2004-05, 2005-06 and 2006-07 relating to sale of property of the company by the erstwhile management. The company filed the returns for the said three years on the basis of which the the Assessing Officer passed orders enhancing the income for the said assessment years. The company has appealed against the orders of the assessing officer with the Commissioner of Appeals.(CIT Appeals.)

The status of the Assessments for these assessment years is as under:

A.Y. 2004-05

The Commissioner of Income Tax (Appeals) had upheld the order of the assessing officer. The company has preferred an appeal to the Income Tax Appellate Tribunal against this order.

A.Y. 2005-06

The company has been granted substantial reliefs by the Commissioner of Income Tax (Appeals). The Income Tax Department as well as the company have approached the Income Tax Appellate Tribunal on certain points relating to the order.

A.Y. 2006-07

The company has approached the Income Tax Appellate Tribunal by way of an appeal against the order of the Commissioner of Income Tax Appeals.

In none of the above assessments any additional tax outgo is envisaged and hearings are yet to take place.

(e) There is a mortgage created on the Land and Receivables of the company in favour of ICICI Bank Ltd. against term loans sanctioned by them to Shree Swami Samarth Builders and Developers.

## Notes on Financial Statements for the year ended 31st March, 2015

### Note 24

Disclosure of the transactions with related parties as required by Accounting Standard 18 (AS - 18) On "RELATED PARTY DISCLOSURES" issued by the Institute of Chartered Accountants of India.

A) NAME OF THE RELATED PARTIES AND RELATIONSHIP :			
Name	Relationship		
Marathon Realty Private Limited Fiber Box Bombay Private Limited Shree Swami Samarth Realty and Developers	Associate Concern Associate Concern Associate Concern		
B) DETAILS OF TRANSACTIONS DURING THE YEAR AND BALANCES AT YEAR END :			
Particulars	Marathon Realty Private Limited	Fiber Box Bombay Private Limited	Shree Swami Samarth Builders and Developers
<b>Transactions during the year :</b>			
Interest on unsecured loan	4,008,510 (3,212,424)		
Capital Contribution			50,000 (-)
Refundable Deposit			1,000,000 (-)
Balances outstanding at year end :			
Short term Borrowings	35,057,400 (31,907,941)		
Long term Borrowings		36,900,000 (36,900,000)	
Short term loans and advances			44,234,913 (1,349,373)
Interest Income			2,461,423
The figures in brackets above pertain to previous year.			

### Note 25

Balances of sundry debit and credit balances are subject to confirmation from them.

On the basis of information furnished by the Management, the Board is of the opinion that Current Assets, Loans & advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated in the Accounts except those items which are shown as doubtful or bad.

### Note 26

Figures of the Previous Year are regrouped and recast wherever necessary.

As per our report of even date  
For Bipin B. Shah & Co.  
Chartered Accountants  
Firm Registration No:101511W

For and on behalf of the Board

**Bipin Shah**  
Proprietor  
Membership No. 013191  
Place : Mumbai  
Date :20<sup>th</sup> May, 2016

**V.B.Haribhakti**  
Chairman & Director

**S.Ramamurthi**  
Director & C.E.O

**V.Ranganathan**  
Director

**Chetan R.Shah**  
Director

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**CITADEL REALY AND DEVELOPERS LIMITED**  
**Regd. Off.: Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400 013**  
**CIN: L21010MHPLC011764**

**ATTENDANCE SLIP**  
**56TH ANNUAL GENERAL MEETING**

Reg. Folio / DP & Client ID no..... No. of Shares held: .....

I certify that I am a registered shareholder / Proxy for the registered shareholder of the Company. I hereby accord my presence at the 56th Annual General Meeting of the Company at Kilachand Conference Room, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai 400 020 at 11.30 a.m. on Friday, June 24, 2016.

Member's Name: ..... Member's / Proxy's signature

Proxy's Name: .....

**Note:**

1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members / Proxy Holders / authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorised Representatives of Corporate Members shall produce authorization issued in their favour.

TEAR HERE

**Form No. MGT - 11**  
**CITADEL REALY AND DEVELOPERS LIMITED**  
**Regd. Off.: Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400 013**  
**CIN: L21010MHPLC011764**

**PROXY FORM**  
**(Pursuant to Section 105(6) of the Companies Act, 2013 and**  
**Rules 19(3) of the Companies (Management and Administration) Rules, 2014)**

Name of the member(s): .....

Registered Address: .....

E-mail ID: .....

Folio No. / Client ID ..... DPID: .....

I/We, being the member(s) holding ..... 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

proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56th Annual General Meeting of the Company to be held on Friday, the June 24, 2016 at 11.30 a.m. at Kilachand Conference Room, Indian Merchants' Chamber, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1: ..... Resolution No. 2: ..... Resolution No. 3: ..... Resolution No. 4: .....

Signed this ..... day of ....., 2016.

Signature of Shareholder  
 Signature of Proxy Holder(s)

Affix Re.1 Revenue Stamp
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**Note:** This form duly filled up, stamped and signed by the appointer or his attorney duly authorised in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorised by it shall be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding meeting.

**Citadel Realty And Developers Limited**  
802, Marathon Max,  
Jn. of Mulund - Goregaon Link Road, Mulund (W)  
Mumbai - 400080.