

# **ZR INFRA LIMITED**

**(Formerly known as ZR Infraventures India Limited)**

## **15<sup>TH</sup> ANNUAL REPORT 2011-2012**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS:**

MR. ZAIN RAVDJEE	-	Managing Director
MR. B. APPI REDDY	-	Director
MR. ALI SYED MOHD FAZLE	-	Director
MR. RAVDJEE ZULFI ABDULLAH	-	Director
MR. REVANT SHARAN	-	Director
MR. V. VENKATA RAMANAIAH	-	Director

### **AUDITORS:**

**M M REDDY & CO.,**  
Chartered Accountants  
G - 8, Amrutha Ville, Right Wing,  
Rajbhavan Road, Somajiguda  
Hyderabad - 500 082.

### **BANKERS:**

AXIS BANK  
Road No. 1,  
Banjara hills,  
Hyderabad- 500 034.

### **REGISTERED OFFICE:**

Office No. 11, 6-3-249/6,  
2nd Floor, Alcazar Plaza & Towers,  
Road No. 1, Banjara Hills,  
Hyderabad - 500 034.

### **SHARE TRANSFER AGENTS:**

M/s. Aarathi Consultants Pvt Ltd,  
1-2-285, Domalguda, Hyderabad.

### **LISTED AT:**

Ahmedabad Stock Exchange Limited

## NOTICE

NOTICE is hereby given that the 15<sup>th</sup> Annual General Meeting of the shareholders of M/s. ZR Infra Limited will be held on 29<sup>th</sup> day of September 2012 at 11.00 A.M at Registered office of the Company, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2012 and Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ravdjee Zulfi Abdullah, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. M.M.REDDY & CO., Chartered Accountants, Hyderabad as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting at remuneration as may be fixed by the Board of Directors of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
**For ZR INFRA LIMITED**

Date: 28.06.2012  
Place: Hyderabad

Sd/-  
Zain Ravdjee  
Managing Director

Sd/-  
Ravdjee Zulfi Abdullah  
Director

### NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) Proxies in order to be effective must be received by the company not later than 48 hours before commencement of the meeting.
- c) The register of members and share transfer books of the company will remain closed from 26<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012 (both days inclusive).
- d) Members holding shares in physical form are requested to notify/send any change in their address to the company's share transfer agents, or to the company at its registered office.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
**For ZR INFRA LIMITED**

Date: 28.06.2012  
Place: Hyderabad

Sd/-  
Zain Ravdjee  
Managing Director

Sd/-  
Ravdjee Zulfi Abdullah  
Director

## **DIRECTORS' REPORT**

To  
**THE MEMBERS**  
**ZR INFRA LIMITED**

Your Directors have great pleasure in presenting this **15<sup>th</sup> Annual Report** together with the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2012.

### **PUBLIC DEPOSITS**

The Company has not accepted any fixed deposits from the public during the year under the provisions of the sections 58A and 58AA of the Act and the rules framed there under, where applicable.

### **AUDITORS**

The auditors, M/s. M MREDDY & CO., Chartered Accountants, be and are hereby appointed as Re-auditors of this company to hold office from the conclusion of this annual general meeting to the conclusion of the next annual general meeting of the company on such remuneration as may be mutually agreed upon between the Board of Directors or the Audit Committee and the Auditors.

### **ENERGY, TECHNOLOGY & FOREIGN EXCHANGE**

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Company (Disclosures of particulars in the report of Board of Directors) Rules, 1988.

#### **Foreign Exchange Earnings & Out Go:**

##### **Earnings:**

FOB Value of Exports : Rs. Nil

##### **Out Go:**

CIF Value of Capital Goods : Rs. Nil

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors, is hereby confirming that:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the Directors had prepared the annual accounts on a going concern basis.

#### **PERSONNEL**

There are no employees whose particulars are required to be furnished pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

#### **ACKNOWLEDGEMENT**

The Directors wish to place on record their appreciation of the continued co-operation and assistance of the Central Government, State Government of Andhra Pradesh, the Bankers, Customers and the valuable advice and support received from the shareholders.

The Directors thank the shareholders for their continued confidence and trust placed by them with the Company. The Board also records its deep appreciation for the committed services of its employees during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
**For ZR INFRA LIMITED**

Date: 28.06.2012  
Place: Hyderabad

Sd/-  
Zain Ravdjee  
Managing Director

Sd/-  
Ravdjee Zulfi Abdullah  
Director

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **A. Industry Structure & Development:**

Infrastructure Industry in India has been experiencing a rapid growth in its different sectors with the development of urbanization and increasing involvement of foreign investment in this field. The Indian Government has taken initiatives to develop the infrastructure sector, with major emphasis on construction, engineering, IT, entertainment, textiles, food, and utility to name some.

### **B. Internal control systems and their Adequacy:**

The Company has adequate internal control systems commensurate with the size and nature of business of the Company.

The internal control system is constantly assessed and strengthened with tighter control procedures. The Internal control systems ensure efficacy of operations, compliance with internal policies and applicable laws and regulations, protection of resources and assets, and accurate reporting of financial transactions.

The Audit Committee periodically reviews the adequacy and efficacy of the said internal control systems. All the issues relating to internal control systems are resolved by the Audit Committee.

### **C. Human Resource Development and Industrial Relations:**

The Company recognizes the importance and contribution of the employees. Human Resource is viewed to be as one of the most important factor in the growth process with a view to cross further frontiers in business performance, the Company strives to organize training modules for understanding and improving the core skills of the employees. It is the continuous effort by the Company that helps to provide the right environment in order to maximize team efforts while exploiting individual growth potential in the right manner.

The Directors record their appreciation of the support and continued contribution of all employees towards the growth of the Company.

### **D. Risks and Concerns:**

As many players are entering into infrastructure sector, inflation is as usual going up day to day, the prices of materials and labor costs and other overheads are increasing. All these concerns may affect your company performance.

### **E. Outlook:**

Your Company outlook for coming years seems to be very optimistic and good.

**REPORT ON CORPORATE GOVERNANCE**  
(Pursuance to clause 49 of the Listing Agreement)

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

Your Company believes in providing highest transparency and ethical values in Corporate Governance. Your Company's basic philosophy is to achieve business excellence and enhance shareholder value keeping in view the interests of shareholders. The Company stands by transparency in all its dealings and strict regulatory compliance.

**2. BOARD OF DIRECTORS AND COMPOSITION:**

**(a) Composition:**

The Chairman of the Company is Mr. Zain Ravdjee, Managing Director. The Board of Directors comprises of 6 Directors of which 1 is Executive Director and 5 are Non Executive Independent Directors.

The Board of Directors met 7 times during the year on 01.04.2011, 14.05.2011,19.07.2011, 14.08.2011, 02.09.2011,14.11.2011 and 14.02.2012. The maximum gap between two meetings was less than 4 months, as stipulated under clause 49.

Attendance at the Board Meetings during the financial year 2011-2012, last Annual General Meeting and Number of other Directorship & Chairmanship /Membership of Committee of each Director in various Companies during the year is as follows:

<b>Name of the Director</b>	<b>Category</b>	<b>No. of other Directorships</b>	<b>No. of committees in Which he is a Member</b>	<b>No. of Meetings held during the tenure of the Director</b>	<b>No. of Board Meetings attended</b>	<b>Whether attended last AGM</b>
1. Zain Ravdjee	Promoter Executive Director	Nil	Nil	7	7	Yes
2. B.Appi Reddy	Non Executive Independent Director	Nil	Nil	7	7	Yes
3. Ali Syed Mohd Fazle	Non Executive Independent Director	Nil	Nil	7	7	Yes
4. Ravdjee Zulfi Abdullah	Promoter Non Executive Director	Nil	Nil	7	7	Yes
5. Revant Sharan	Non Executive Independent Director	Nil	Nil	7	7	Yes

6. V. Venkata Ramanaiah	Non Executive Independent Director	Nil	Nil	7	7	Yes
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### 3. AUDIT COMMITTEE:

The audit committee acts as a link between the Management, the Statutory Auditors and the Board of Directors and oversees the financial operations and reporting process. The quorum for audit committee is two members.

During the year, Audit committee has met 4 times on 14.05.2011, 14.08.2011, 14.11.2011 and 14.02.2012. Mr. B. Appi Reddy, Mr. Revant Sharan & Mr. Ali Syed Mohd Fazle attended all the meetings.

The details of the composition of the committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No of meetings attended
Mr. B. Appi Reddy	Chairman	Independent, non-executive	4
Mr. Revant Sharan	Member	Independent, non-executive	4
Mr. Ali Syed Mohd Fazle	Member	Independent, non-executive	4

### 4. REMUNERATION COMMITTEE:

The Company does not have a "Remuneration Committee". Your directors recommend that all such items that may be required to be discussed at a Meeting of the "Remuneration Committee" could be considered at a Meeting of Board of Directors. The quorum of such a Meeting of the Board of Directors of the Company fixed as one-third of the total strength of the Board or two, whichever is more, including at least 2 non executive directors.

Name	Designation	Category
Mr. B. Appi Reddy	Chairman	Independent, non-executive
Mr. Revant Sharan	Member	Independent, non-executive
Mr. Ali Syed Mohd Fazle	Member	Independent, non-executive

#### Details of remuneration to all the directors for the year:

No remuneration was paid to Managing Director and other non-executive directors of the company.

### 5. SHAREHOLDERS GRIEVENCE COMMITTEE:

Shareholders / Investors Grievance committee was formed by the Board of Directors in terms of clause 49 of the Listing Agreement.

The Share holders committee was constituted with the following persons:

Name	Designation	Category
Mr. B. Appi Reddy	Chairman	Independent, non-executive
Mr. Revant Sharan	Member	Independent, non-executive
Mr. Ali Syed Mohd Fazle	Member	Independent, non-executive

The Committee oversees the performance of the Registrar and Share Transfer Agents of the Company, and recommends measures to improve the level of investor services.

The complaints, if received, are attended within seven days from the date of receipt of the complaint as communicated by our Registrars and Share Transfer Agents M/s. Aarthi Consultants Pvt. Ltd.

The total number of complaints received and resolved during the year was Nil. The outstanding complaints as on 31st March, 2012 were Nil. The number of pending share transfers as on 31st March, 2012 was nil.

## 6. GENERAL BODY MEETINGS:

Location and time for the last 3 Annual General Meetings:

Sl. No.	Year	Venue	Date	Time
1.	2010-11	Office No. 11, 6-3-249/6, 2nd Floor, Alcazar Plaza & Towers, Road No.1, Banjara Hills, Hyderabad – 500034.	30.09.2011	11.00 A.M.
2.	2009-10	Cellar Floor, Shop No.2 & 3, 3-365 Liberty Plaza, Basheerbagh, Hyderabad-500029.	30.09.2010	02.00 P.M
3.	2008-09	Cellar Floor, Shop No.2 & 3, 3-365 Liberty Plaza, Basheerbagh, Hyderabad-500029.	30.09.2009	11.00 A.M

## 7. DISCLOSURES:

**A. Disclosures on materially significant related transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management, their subsidiaries or relative etc., that may have potential conflict with the interests of the company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company and there are no any related party transactions.

**B. 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 Capital Market during the last three years.

### **C. CEO/CFO Certification**

The Managing Director of the Company have certified positively to the Board on the matters specified under Clause 49(V) of the Listing Agreement.

### **8. MEANS OF COMMUNICATION:**

As per the listing requirements quarterly, half yearly and yearly financial results of the Company will be published in leading English Newspapers for public information.

### **9. GENERAL SHAREHOLDER INFORMATION:**

**1. Annual General Meeting Date, Time & Venue**  
29th September, 2012, 11.00 A.M.  
Office No. 11, 6-3-249/6, 2nd Floor,  
Alcazar Plaza & Towers, Road No. 1,  
Banjara Hills, Hyderabad – 500034.

**2. Financial Calendar:** April – March (2012-13) tentative

Results for the quarter ending 30th June, 2012: On or before 14.08.2012  
Results for the quarter ending 30th Sept, 2012: On or before 14.11.2012  
Results for the quarter ending 31st Dec, 2012: On or before 14.02.2013  
Audited Financial results for the year ended 31st March, 2013: 15.05.2013/30.05.2013

**3. Book Closure Dates** : 26.09.2012 to 29.09.2012(Both days inclusive)

#### **4. Listing of equity shares on stock exchanges:**

a) Ahmedabad Stock Exchange Limited

#### **5. Stock Code:**

Name of the Stock Exchange: Ahmedabad Stock Exchange Limited  
Stock Code: 68072

#### **6. Demat ISIN numbers in NSDL & CDSL for Equity Shares:**

NSDL & CDSL: INE430B01019

#### **7. Stock Market Data:**

There was no trading in the shares of the company on Ahmedabad Stock Exchange.

#### **8. Registrar and Share Transfer Agents:**

Aarathi Consultants Pvt. Ltd.,  
1-2-285, Domalguda,  
Hyderabad.

#### **9. Share Transfer System:**

The Share transfers are being affected physically by the Company's share transfer agents, Aarthi Consultants Pvt. Ltd., Hyderabad. The Company has entered into an agreement with NSDL and CDSL for dematerialization of its shares.

#### 10. Shareholding Pattern as on 31<sup>st</sup> March, 2012:

Particulars	Category	No. of shares held	Percentage of shareholding
<b>A</b>	Shareholding of Promoter and promoter group		
1.	Promoters & Persons acting in concert	4961700	74.38
	<b>Sub- Total A</b>	<b>4961700</b>	<b>74.38</b>
<b>B</b>	Public Shareholding		
1.	Institutions	NIL	NIL
2.	Non- Institutions		
a)	Bodies Corporate	124356	1.86
b)	Indian public and others	1584644	23.76
c)	Any others		
	i) NRI's	NIL	NIL
	ii) Clearing Members	NIL	NIL
	Sub Total B	<b>1709000</b>	<b>25.62</b>
	<b>Grand Total (A+B)</b>	<b>6670700</b>	<b>100.00</b>

#### 11. Distribution of shareholding of the Company by number of shares held as on 31st March, 2012 is as follows:

Particulars	Shareholders		Shareholding	
	Number	%	Number	%
UPTO - 500	1193	82.90	269236	4.04
501-1000	79	5.49	69274	1.04
1001-2000	42	2.92	68548	1.03
2001-3000	43	2.99	110544	1.66
3001-4000	11	0.76	40701	0.61
4001-5000	25	1.74	123200	1.85
5001-10000	21	1.46	173488	2.6
10001 & ABOVE	25	1.74	5815709	87.18
Total	1439	100	6670700	100

#### 12. Dematerialization of Shares and liquidity:

Since the Company has entered into an agreement with both the depositories namely NSDL and CDSL for dematerialization of its shares, the shareholders of the company are free to dematerialize their shares and keep them in dematerialized form with any depository participant. 92.57 % of shares have been dematerialized up to 31st March, 2012.

#### 13. Outstanding GDR/Warrants and Convertible Bonds, Conversion date and likely impact on the Equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

**14. Office Location:** Office No. 11, 6-3-249/6, 2nd Floor,  
Alcazar Plaza & Towers, Road No. 1,  
Banjara Hills, Hyderabad – 500034.

**15. Address for Correspondence: ZR Infra Limited**  
Office No. 11, 6-3-249/6, 2nd Floor,  
Alcazar Plaza & Towers, Road No. 1,  
Banjara Hills, Hyderabad – 500034.

**16. CEO/MD Certification:**

As required by the clause 49 (V) of the Listing Agreement, the certificate from CEO is attached elsewhere in the annual report.

**17. Compliance Certificate of the Auditors:**

The Statutory Auditor has certified that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

**For and on behalf of the Board  
ZR INFRA LIMITED**

**Place: Hyderabad  
Date: 28.06.2012**

**Sd/-  
Zain Ravdjee  
Managing Director**

**DECLARATION**

To  
The Members of ZR Infra Limited

This is to declare that the Code of Conduct envisaged by the Company for members of the Board and the Senior Management Personnel have been complied with by all the members of the Board and the Senior Management Personnel of the Company respectively.

**For and on behalf of the Board  
ZR INFRA LIMITED**

**Place: Hyderabad  
Date: 28.06.2012**

**Sd/-  
Zain Ravdjee  
Managing Director**

Dear Shareholder,

Please find below the Managing Director certificate as per Clause 49(V) of the Listing Agreement:

### **MANAGING DIRECTOR CERTIFICATE**

I, Zain Ravdjee, Whole Time Director of ZR Infra Limited certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.

3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.

4. We indicate to the Auditors and to the Audit Committee:

(a) Significant changes in internal controls over financial reporting during the year;

(b) Significant changes in the accounting policies during the year;

(c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

For and on Behalf of the Board  
**ZR INFRA LIMITED**

Date: 28.06.2012  
Place: Hyderabad

Sd/-  
Zain Ravdjee  
Managing Director

## **CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE**

**To  
The Members of  
ZR Infra Limited**

We have reviewed the compliance of conditions of Corporate Governance by M/s. ZR Infra Limited, for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**For M. M. Reddy & Co.  
Chartered Accountants**

Date: 28.06.2012  
Place: Hyderabad

M. Madhusudana Reddy

## AUDITORS' REPORT

### To The Members of ZR INFRA LIMITED,

1. We have audited the attached Balance Sheet of **ZR INFRA LIMITED**, as at March 31, 2012, and also the related Profit and Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account a dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
  - (v) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012; AND
- (b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date;

For M M REDDY & CO.,  
Chartered Accountants  
Firm Reg. No.010371S

Place: Hyderabad  
Date: 28.06.2012

(M. Madhusudhana Reddy)  
Partner  
Membership No.213077

**Annexure to the Auditors' Report (referred to in paragraph 3 of our Report of even date to the Members of ZR INFRA LIMITED for the year ended March 31, 2012)**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) Fixed Assets have been physically verified by the management and, in our opinion, the verification is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification.  
  
(c) No substantial part of fixed assets has been disposed off during the year.
2. in our opinion and according to the information and explanations given to us, the Company not having any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable to the Company.
3. As informed the Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(III) (b) to (d) of the Order are not applicable.
4. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there are adequate internal control procedures commensurate with the size of the company and the nature of its business; for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.  
  
b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits with in the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. To the best our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (i) (d) of the of the Companies Act, 1956 in respect of the Company's nature of business.
9. (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income Tax, Wealth Tax, Customs Duty, Excise duty, cess and other material statutory dues applicable at the end of the year for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, there are no income tax, wealth tax, sales tax, customs duty and excise duty, which have not been deposited on account of any dispute. There were no dues on account of cess under 441A of the Companies Act 1956, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
10. The company has the accumulated losses as at the end of the financial year Rs.50562322 and it has incurred cash losses Rs. 313809 during the current financial year covered by our audit and Rs. 309877 the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company did not have any outstanding dues to financial Institutions, Banks or Debenture holders.
12. According to the information and expiations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The company is not in the business of dealing or trading in shares, securities, debenture and other instruments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. The company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not taken term loans from banks.
17. Based on our examination of the balance sheet of the company as at 31<sup>st</sup> March, 2012, since there is no loans availed by the company on the short term basis.

18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the year covered by our audit report, the Company does not have any outstanding debentures during the year.
20. During the year the company has not raised money through the Public Issue, the utilization of funds does not arise.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For M M REDDY & CO.,  
Chartered Accountants  
Firm Reg. No.010371S

Place: Hyderabad  
Date: 28.06.2012

(M. Madhusudhana Reddy)  
Partner  
Membership No.213077

**ZR INFRA LIMITED**

Balance Sheet As on 31.03.2012

(All amounts in Indian Rupees except for share data or otherwise stated)

		2011-12	2010-11
	Note No's	As at Mar' 31, 2012	As at Mar' 31, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	60,808,500	60,808,500
Reserves and Surplus	3	(50,562,322)	(50,248,513)
	<b>A</b>	<b>10,246,178</b>	<b>10,559,987</b>
<b>Non - current liabilities</b>			
Long - term borrowings	4	1,457,224	1,457,224
Deferred tax liabilities (Net)		-	-
Long term provisions		-	-
	<b>B</b>	<b>1,457,224</b>	<b>1,457,224</b>
<b>Current liabilities</b>			
Short - term borrowings		-	-
Trade Payables	5	401,946	449,747
Short - term provisions	6	460,000	460,000
	<b>C</b>	<b>861,945</b>	<b>909,747</b>
<b>Total</b>	<b>(A+B+C)</b>	<b>12,565,347</b>	<b>12,926,958</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Net block	7	2,277,767	2,410,821
Capital work- in- progress		-	-
	<b>A</b>	<b>2,277,767</b>	<b>2,410,821</b>
Deferred tax assets (Net)		-	-
Long - term loans and advances	8	143,653	143,653
Non-current investments	9	2,896,300	2,896,300
Other Non- Current Assets		-	-
	<b>B</b>	<b>3,039,953</b>	<b>3,039,953</b>
<b>Current assets</b>			
Inventories		-	-
Trade receivables	10	4,888,594	4,888,594
Cash and cash equivalents	11	416,578	1,124,264
Short - term loans and advances	12	1,942,455	1,463,325
Other current assets		-	-
	<b>C</b>	<b>7,247,627</b>	<b>7,476,183</b>
<b>Total</b>	<b>(A+B+C)</b>	<b>12,565,347</b>	<b>12,926,957</b>

The Notes referred to above and the notes to accounts form an integral part of the Balance Sheet

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

For M M REDDY &amp; CO.,

Chartered Accountants

For and on behalf of the Board of Directors of

ZR INFRA LIMITED

M Madhusudhana Reddy

Partner

Membership No. 213077

Zain Ravdjee

Managing Director

Place : Hyderabad

Date : 28-06-2012

Zulfi Ravdjee

Director

**ZR INFRA LIMITED****Profit and Loss Account for the year ended 31.03.2012**

(All amounts in Indian Rupees except for share data or otherwise stated)

		2011-12	2010-11
	Note No's	Year Ended Mar' 31, 2012	Year Ended Mar' 31, 2011
<b>INCOME</b>			
<b>Turnover (Gross)</b>			
Revenue from operations		-	-
Other Income		-	-
<b>Total Revenue</b>		-	-
<b>EXPENDITURE</b>			
Operating Expenses		-	-
Administration expenses	13	180,755	167,590
Depreciation/amortization	7	133,054	142,287
<b>Total</b>		<b>313,809</b>	<b>309,877</b>
<b>Profit/ (Loss) before tax</b>		<b>(313,809)</b>	<b>(309,877)</b>
<b>Profit before tax</b>			
Provision for taxation			
- Current Year Tax		-	-
- Deferred tax		-	-
<b>Total tax expense</b>		-	-
Profit/(Loss) from continuing operations		<b>(313,809)</b>	<b>(309,877)</b>
Balance brought forward from previous year		<b>(50,248,513)</b>	<b>(49,938,636)</b>
<b>Balance carried to Balance Sheet</b>		<b>(50,562,322)</b>	<b>(50,248,513)</b>
<b>Earnings per share</b>			
Basic		<b>(0.05)</b>	<b>(0.05)</b>
Weighted Average Number of Shares		<b>6,080,850</b>	<b>6,080,850</b>
Nominal value		<b>10</b>	<b>10</b>

The Notes referred to above and the notes to accounts form an integral part of the Profit and Loss Account

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

For **M M REDDY & CO.,**  
Chartered AccountantsFor and on behalf of the Board of Directors of  
**ZR INFRA LIMITED**M Madhusudhana Reddy  
Partner  
Membership No. 213077**Zain Ravdjee**  
Managing DirectorPlace : Hyderabad  
Date : 28-06-2012**Zulfi Ravdjee**  
Director

**ZR INFRA LIMITED****Cash Flow Statement for the year ended March 31, 2012**

(All amounts in Indian Rupees except for share data or otherwise stated)

	2011-12	2010-11
	As at	As at
	Mar' 31, 2012	Mar' 31, 2011
<b>A. Cash flow from operating activities</b>		
Net profit / (Loss) before tax	(313,809)	(309,877)
<b>Adjustments for:</b>		
Depreciation	133,054	142,287
Dividend Income	-	-
Interest expense	-	-
<b>Operating profit before working capital changes</b>	<b>(180,755)</b>	<b>(167,590)</b>
<b>Movements in working capital :</b>		
Increase in sundry debtors	-	-
Increase in inventories	-	-
Increase / (Decrease) in loans and advances	-	-
Increase in other current assets	(479,130)	-
Decrease in current liabilities	(47,802)	156,390
<b>Cash generated from/(used in) operations</b>	<b>(707,687)</b>	<b>(11,200)</b>
Taxes paid	-	-
<b>Net cash used in/(generated from) operating activities</b>	<b>(707,686)</b>	<b>(11,200)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	-	-
Sale of fixed assets	-	-
Fixed deposits	-	-
Dividends received	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash flows from financing activities</b>		
Proceeds Share capital	-	-
Other Short term Borrowings(Net)	-	-
Other Short term Unsecured Loans (Net)	-	1,000,000
Interest received	-	-
Interest paid	-	-
<b>Net cash generated from/(used in) financing activities</b>	<b>-</b>	<b>1,000,000</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(707,686)</b>	<b>988,800</b>
Cash and cash equivalents at the beginning of the year	1,124,264	135,464
<b>Cash and cash equivalents at the end of the year</b>	<b>416,578</b>	<b>1,124,264</b>

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

For M M REDDY & CO.,  
Firm Registration Number : 010671s  
Chartered Accountants

M Madhusudhana Reddy  
Partner  
Membership No. 213077

Place : Hyderabad  
Date : 28/06/2012

For and on behalf of the Board of Directors o  
**ZR INFRA LIMITED**

**Zain Ravidjee**  
Managing Director

**Zulfi Ravidjee**  
Director

**ZR INFRA LIMITED****Notes to Accounts**

(All amounts in Indian Rupees except for share data or otherwise stated)

	<b>2011-12</b>	<b>2010-11</b>
	<b>As at Mar' 31, 2012</b>	<b>As at Mar' 31, 2011</b>
<b>Note 2 : Share Capital</b>		
<b>Authorised:</b>		
7000000 EQUITY SHARES OF RS.10 EACH	70,000,000	70,000,000
<b>Issues, Subscribed and Paid up</b>		
66,70,700 Equity shares of Rs.10- each	66,707,000	66,707,000
<b>Calls in Arrears</b>		
589850 Equity shares of Rs.10/- each	5,898,500	5,898,500
	<b>60,808,500</b>	<b>60,808,500</b>
<b>Note 3 : Reserves and Surplus</b>		
<b>General Reserve</b>		
Balance as per last account	-	-
<b>Capital Reserve</b>		
Forfeiture of shares on Capital Reduction	-	-
<b>Profit &amp; Loss A/c Surplus</b>		
Balance in the statement of profit & loss	(50,248,513)	(49,938,636)
Additions during the year	(313,809)	(309,877)
	<b>(50,562,322)</b>	<b>(50,248,513)</b>
<b>Note 4 : Long - term borrowings</b>		
<b>Loans and advances from banks</b>		
<b>Term loans</b>		
From banks	-	-
From others	-	-
Directors	1,000,000	1,000,000
Other Loans	457,224	457,224
	<b>1,457,224</b>	<b>1,457,224</b>

**ZR INFRA LIMITED****Notes to Accounts**

(All amounts in Indian Rupees except for share data or otherwise stated)

	<b>2011-12</b>	<b>2010-11</b>
	<b>As at Mar' 31, 2012</b>	<b>As at Mar' 31, 2011</b>
<b>Note 5 : Trade Payables</b>		
Sundry Creditors	99,128	99,128
Expenses payable	302,818	350,619
	<b>401,946</b>	<b>449,747</b>
<b>Note 6 : Short - term provisions</b>		
Provision for Income tax	460,000	460,000
Others Provisions	-	-
	<b>460,000</b>	<b>460,000</b>
<b>Note 8 : Long - term loans and advances</b>		
Capital advances	-	-
Security deposits	143,653	143,653
Others	-	-
	<b>143,653</b>	<b>143,653</b>
<b>Note 9 : Non-current investments</b>		
<b>UNQUOTED SHARES</b>		
2,88,000 Equity shares of Rs.10/- each of Bharathi E.Com Pvt.Ltd.,	2,880,000	2,880,000
163 Equity shares of Rs.100/- each of Seven Hills Co.operative Bank Ltd.,	16,300	16,300
	<b>2,896,300</b>	<b>2,896,300</b>

**ZR INFRA LIMITED****Notes to Accounts**

(All amounts in Indian Rupees except for share data or otherwise stated)

	<b>2011-12</b>	<b>2010-11</b>
	<b>As at Mar' 31, 2012</b>	<b>As at Mar' 31, 2011</b>
<b>Note 10 : Trade receivables</b> <b>(Unsecured, considered good, unless otherwise stated)</b>		
Debts outstanding for a period exceeding six months		
Considered good	4,888,594	4,888,594
Considered doubtful		
Other debts		
Considered good	-	-
	4,888,594	4,888,594
Less: Provision for doubtful debts	-	-
	<b>4,888,594</b>	<b>4,888,594</b>
<b>Note 11 : Cash and cash equivalents</b>		
Cash on hand	94,870	106,150
Balances with Noted banks		
On current accounts	321,708	1,018,114
On deposit accounts	-	-
	<b>416,578</b>	<b>1,124,264</b>
<b>Note 12 : Short - term loans and advances</b>		
Advance to creditors	1,729,130	1,250,000
Advance tax	190,640	190,640
Tds Receivable	22,685	22,685
	<b>1,942,455</b>	<b>1,463,325</b>

**ZR INFRA LIMITED****Notes to Accounts**

(All amounts in Indian Rupees except for share data or otherwise stated)

**Note 7 : Fixed Assets**

Particulars	Gross Block			Depreciation /amortization			Net Block	
	As at April 1, 2011	Additions	As at March 31, 2012	As at April 1, 2011	For the year	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Furniture & Fixtures	1682434	-	<b>1,682,434</b>	1,058,922	<b>39,468</b>	<b>1,098,390</b>	<b>584,044</b>	623,512
Electrification	790677	-	<b>790,677</b>	489,369	<b>19,073</b>	<b>508,442</b>	<b>282,235</b>	301,308
Office Equipments	1246883	-	<b>1,246,883</b>	793,138	<b>28,722</b>	<b>821,860</b>	<b>425,023</b>	453,745
Air Conditioning	752658	-	<b>752,658</b>	470,786	<b>17,842</b>	<b>488,629</b>	<b>264,029</b>	281,872
Computers&Software	23984715	-	<b>23,984,715</b>	23,984,715	-	<b>23,984,715</b>	-	-
Buildings	666,865	-	<b>666,865</b>	118,511	<b>8,938</b>	<b>127,449</b>	<b>539,416</b>	548,354
Fire Extinguishers	14,250	-	<b>14,250</b>	8,488	<b>365</b>	<b>8,853</b>	<b>5,397</b>	5,762
Car	749,425	-	<b>749,425</b>	553,157	<b>18,646</b>	<b>571,802</b>	<b>177,623</b>	196,268
<b>Total</b>	<b>29,887,907</b>	<b>-</b>	<b>29,887,907</b>	<b>27,477,086</b>	<b>133,054</b>	<b>27,610,140</b>	<b>2,277,767</b>	<b>2,410,821</b>
<b>Previous year</b>	<b>29,887,907</b>	<b>-</b>	<b>29,887,907</b>	<b>27,334,799</b>	<b>142,287</b>	<b>27,477,086</b>	<b>2,410,821</b>	<b>2,553,108</b>

**ZR INFRA LIMITED****Notes to Accounts**

(All amounts in Indian Rupees except for share data or otherwise stated)

	<b>2011-12</b>	<b>2010-11</b>
	<b>Year Ended Mar' 31, 2012</b>	<b>Year Ended Mar' 31, 2011</b>
<b>Note : Operating Expenses</b>		
Software Development Expenses	-	-
Staff Cost and Other Direct Expense	-	-
	-	-
<b>Note 13 : Administration expenses</b>		
<b>Salaries</b>	<b>55,050</b>	
Audit Fee	10,000	10,000
Advertisement Charges	-	11,200
Consultancy Charges	79,225	23,400
CDSL	-	56,790
Filing Fees	-	10,800
Stock Exchange Fees	36,090	55,400
Office Expenses	390	
	<b>180,755</b>	<b>167,590</b>

## **NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES:**

### **1. Basis of preparation of financial statements**

The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the basis of a going concern basis, while revenue, expenses, assets and Liabilities accounted/recognized on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 1956. Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Management evaluates all recently issued or revised accounting standards on an ongoing basis. The financial statements are prepared under the historical cost convention. Recognition of income and expenses, accrual basis of accounting is followed.

### **2. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

Management periodically assessed using external and internal sources whether there is an indication that an asset may be impaired. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

### **3. Revenue Recognition**

Revenue from fixed price construction contracts is recognized by reference to the work certified as completed by the contractee.

Variations by way of escalation in price and quantum of work are recognized as revenue in the year in which claims are admitted as per the terms of contract. Other claims are recognized as revenue from contracts in the financial statements only upon final acceptance by the customer.

### **4. Expenditure**

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

### **5. Fixed Assets, intangible assets and capital work-in-progress**

Fixed Assets are stated at cost, less accumulated depreciation. All direct costs are capitalized until fixed assets are ready for use including taxes, duties, freight and other incidental expenses relating to acquisition and installation. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.

### **6. Depreciation and amortization**

Depreciation on fixed assets is applied on straight-line method, pro-rata for the period of usage, in accordance with the rates prescribed under schedule XIV of the Companies Act, 1956.

**7. Income tax**

Income taxes are computed using the tax effect accounting method, in accordance with the Accounting Standard (AS 22) "Accounting for Taxes on Income" which includes current taxes and deferred taxes. Deferred income taxes reflect the impact if current year timing differences between taxable income and accounting income for the year and the relevant of timing difference of earlier years. Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset / liability is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**8. Contract expenses**

The expenses incurred under natural head of accounts for execution of works are charged to Construction expenses.

**9. Employee Benefits**

Liability for employee benefits, both short term and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 (revised) "Employee Benefits" issued by the Institute of Chartered Accountants of India.

Contribution to Provident Fund (a defined contribution plan) made to Regional Provident Fund Commissioner is recognized as expenses.

**NOTES ON ACCOUNTS:**

**14. Contingent Liabilities:** Nil

**15. Quantitative details**

The Company is engaged in the business of development & maintenance of Infrastructure development and other related services. as required under paragraph 3,4C and 4D of Part II of Schedule VI to the Companies Act, 1956. The details of Conversation of Energy, Technology absorption are given in Directors Report. R&D expenditure is not separately accounted for.

**16. Foreign Exchange earned and outgo**

**Earnings:**

FOB Value of Exports : Rs. Nil

**Out Go:**

CIF Value of Capital Goods : Rs. Nil

**17. Dues to micro and small-scale industrial undertakings**

As at March 31, 2012 as per available information with the company, there are no dues to small scale Industrial Undertakings.

18. The previous year figures have been recast / restated, wherever necessary, to the current year's classification.
19. Financial figures have been rounded off to nearest rupee.
20. Notes 1 to 14 form part of Balance Sheet and have been authenticated.

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As per our report of even date attached

**For M M REEDY & CO.,**

Chartered Accountants

Firm Reg. No.010371S

(M. Madhusudhana Reddy)

Partner

Membership No.213077

Place: Hyderabad.

Date: 28.06.2012

For and on behalf of the board of directors

**ZR INFRA LIMITED**

Zain Ravdjee

Managing Director

Zulfi Ravdjee

Director