

CITADEL REALTY AND DEVELOPERS LIMITED

54th
ANNUAL REPORT

2013-14

DIRECTORS

MR. V. B. HARIBHAKTI

MR. CHETAN R. SHAH

MR. SUNDARAM RAMAMURTHI

MR. NILESH D. DAND

MR. V. RANGANATHAN (w.e.f. 7th February 2014)

MR. S. K. DIWANJI (upto 8th August 2013)

AUDITORS :

BIPIN SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

BANKERS :

BANK OF BARODA

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Registered Office :

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

CITADEL REALTY AND DEVELOPERS LIMITED

NOTICE OF THE FIFTY-FOURTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **54th ANNUAL GENERAL MEETING** of the Members of CITADEL REALTY AND DEVELOPERS LIMITED will be held at Kilachand Conference Room, Second Floor, Indian Merchants' Chamber, Churchgate, Mumbai 400 020, on Thursday, 14th August 2014 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 31st March, 2014 and the Balance Sheet as at 31st March, 2014 and the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Nilesh D. Dand, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint M/s.Bipin Shah & Associates, Chartered Accountants (Regd. No. 101519W), as the Auditors of the Company in terms of Section 139 of the Companies Act 2013 who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the Company's Fifty-Ninth Annual General Meeting and authorise 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.

SPECIAL BUSINESS:

4. To appoint Mr. V. Ranganathan (DIN 00269682) as an independent director and in this regard consider, and if thought fit, to pass with or without modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sec 149, 152 and other applicable provisions of the Companies Act 2013 and read with the Companies (Appointment and Qualification of Directors) Rules 2014 {including any statutory modification(s)} and Clause 49 of the Listing Agreement, Mr.V. Ranganathan (DIN 00269682) who was appointed as an Additional Director on 7th February 2014 pursuant to the provisions of Sec 161(1) of the Companies Act 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice under Section 160 of the Companies Act 2013 from a member proposing his candidature for the Office of Director be and is hereby appointed as Independent Director of the company to hold office for 5(five) consecutive years for a term upto March 2019."

5. To appoint Mr. V. B. Haribhakti, (DIN 000880062) as an independent Director and in this regard consider, and if thought fit, to pass with or without modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sec 149, 152 read with Schedule IV and other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 {including any statutory of modification(s)} and Clause 49 of the Listing Agreement, Mr.V. B. Haribhakti (DIN 000880062) who was appointed as a Director liable to retire by rotation be and is hereby appointed as Independent Director of the company to hold office for five consecutive years for a term upto conclusion of the 59th Annual General Meeting for the financial year 2018-19.

Regd. Office:
Marathon FutureX,
N. M. Joshi Marg, Lower Parel (W),
Mumbai 400013
Dated: 27th May 2014

By Order of the Board

S.Ramamurthi
Director

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(2) of the Companies Act, 2013 in respect of special business is annexed hereto.
3. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books shall remain closed from 7th August 2014 to 14th August 2014 (both days inclusive)

REQUEST TO MEMBERS :

1. Members are requested to notify immediately, changes in their address, if any, to the Company's Registrar & Transfer Agents, quoting their folio numbers.
2. 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.
3. Members / Proxy holders are requested to produce at the entrance, attendance slips duly completed and signed for admission to the Meeting Hall.
4. 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.
5. 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.
6. 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.
7. 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.
8. Non-Resident Indian Members are requested to inform RTA / Company, immediately of :
 - (a) Change in their residential status on return to Indian for permanent settlement.
 - (b) Particulars of their bank account maintained in Indian with complete name, branch, account type, account number and address of bank with pin code number, if not furnished earlier.

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES Act 2013 (ACT)

Item No.4:

The Board of Directors at its meeting held on the 7th February 2014 pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company has appointed Mr.V.Ranganathan as an Additional Director of the Company.

In terms of Section 161(1) of the Act Mr. Ranganathan would hold office up to the date of the ensuing Annual General Meeting.

The Company has received notice in writing from a member along with a the requisite deposit under Section 160 of the Act proposing the appointment of Mr. V. Ranganathan for the office of Independent Director of the Company.

Mr Ranganathan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act *inter alia* stipulates that the criteria of independence (5x2) should a company propose to appoint as an independent as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. As per the said section an independent director can hold office for a two terms of five consecutive years each on the Board of the Company and shall not be included in the number of directors liable for retirement by rotation.

The Company has received a declaration from Mr. Ranganathan that he meets with the criteria of independence as prescribed under sub-section 6 of Sec 149 of the Act as also under clause 49 of the listing agreement. Mr. Ranganathan possesses adequate skills relevant experience and expertise in the General Management.

In the opinion of the Board Mr, Ranganathan fulfils the condition for his appointment as an Independent Director as specified in the Act and in the listing agreement. He would retire at the conclusion of the 59th Annual General Meeting.

Brief Resume of Mr Ranganathan is as under :

Mr. V. Ranganathan, aged about 72 years, is post graduate in science. He is from the Indian Administrative Service Cadre and is a retired Civil servant with decades of distinguished service at senior levels in the State and Central Governments with successful stints as Municipal Commissioner, Birhan Mumbai Mahanagarpalika and Chief Secretary to the Government of Maharashtra. Currently devotes time to various social organizations besides advising and co-ordinating the activities of a prestigious Trust.

Mr. V. Ranganathan is a Member, is the Chairman of Audit Committee of the Board of Directors of the Company.

Further particulars are contained in the report on Corporate Governance.

This statement may also be considered as disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Except Mr.V.Ranganathan, none of the Directors is concerned or interested in the resolution..

The Board commends the Ordinary Resolution set out in Item No.4 of the Notice for approval of by the stakeholders

Item no 5 :

Mr. V. B. Haribhakti is an Independent Director and has held the position for more than five years.

The Securities Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement to be effective from 1 -10- 2014 inter-alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mr. Haribhakti as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for the period of 5 consecutive years for term upto the conclusion of 59th Annual General Meeting of the Company during the calendar year 2019.

The Company has received a declaration from Mr. Haribhakti that he meets with the criteria of independence as prescribed under sub-section 6 of Sec 149 of the Act as also under clause 49 of the listing agreement

In the opinion of the board Mr, Haribhakti fulfils the condition for his appointment as an independent director as specified in the Act and in the listing agreement

Brief Resume of Mr Haribhakti, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, are provided in the Corporate Governance Report forming part of the Annual Report.

Information required under Clause 49 VI A 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.V.B.Haribhakti	Mr.V.Ranganathan	Mr.Nilesh D. Dand
Date of Birth	08-10-1929	23.09.1942	09-10-1978
Date of Appointment	16-09-1993	07-02-2014	28-03-2007
Qualification	F.C.A.	M.Sc. Indian Administrative Services	B.Com., ACA
Expertise in specific functional areas	Have exposure and experience in Corporate Affairs, Finance and Accountancy and Management, Past President of The Institute of Chartered Accountants of India	Retired civil servant with decades of distinguished service at senior levels in the State and Central Govt. with successful stints as Municipal Commissioner, Birhan Mumbai Mahanagarpalika and Chief Secretary to the Govt. of Maharashtra	Have exposure in accounts and finance
Other Companies in which Directorship held	1. Tilaknagar Industries Ltd. 2. Lakshmi Automatic Loom Works Ltd. 3. The Simplex Realty Ltd 4. The Anglo-French Drug Co.(Eastern) Ltd 5. Bajaj Electricals Ltd. 6. Citadel Realty and Developers Ltd. 7. The Free Press House Ltd. 8. Mirae Asset Trustee Co., Private Limited 9. Ester Industries Ltd	Marathon Nextgen Realty Limited	1.Vinotak Investment P.Ltd. 2.Ithaca Informatics Pvt.Ltd. 3.Nextgen Buildcon Pvt.Ltd.
Other Public Companies in which membership of Committees of Directors held	1. Tilaknagar Industries Ltd. 2. The Simplex Realty Ltd. 3. Ester Industries Ltd. 4. Bajaj Electricals Ltd. - Audit committee - Remuneration committee	Marathon Nextgen Realty Limited - Share Transfer Committee - Remuneration committee	
No.of shares held as on 31.3.2014	Nil	Nil	Nil

Regd. Office:
Marathon FutureX,
N. M. Joshi Marg, Lower Parel (W),
Mumbai 400013
Date: 27th May, 2014

By Order of the Board

S.RAMAMURTHI
DIRECTOR

CITADEL REALTY AND DEVELOPERS LIMITED

DIRECTORS' REPORT

The Directors take pleasure in presenting before the shareholders the 54th Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS:

During the year under review, the company posted a profit of Rs.5.67 lacs as against a profit of Rs.6.48 lacs earned during the previous year.

OPERATIONS:

As reported earlier, the company has made considerable progress in Slum Rehabilitation Project at Bhandup - details whereof are summarized hereunder:

- i) The first phase of the Slum Rehabilitation project at Bhandup has been completed successfully and new houses were handed to the authorities concerned;
- ii) In the sale building of the first phase Project around 18% of the construction activities has been completed;
- iii) During the Financial year 2014-15 around 60% of the sale of building of the project is expected to be completed.

FUTURE PROSPECTS:

There is growth potential in the area of redevelopment of slums. With the handing over of the new houses developed and built up under the Slum Rehabilitation Authority the Company has witnessed considerable inflow of enquiries for further projects relating to slum rehabilitation.

DIRECTORS :

The Board of Directors has appointed Mr. V. Ranganathan as an Additional Director of the Company at their meeting held on the 7th February 2014. Pursuant to Section 161(1) of the Companies Act, 2013, he holds office up to the date of the ensuing Annual General Meeting. Notice along with the necessary deposit has been received from a member under Section 160 of the Companies Act 2013 proposing the appointment of Mr. V. Ranganathan as Independent Director of the Company.

In accordance with the provisions of the Companies Act 2013 and the Articles of Association of the Company, Mr. V. B. Haribhakti a Non-Executive Director of the Company will be appointed as an Independent Director for a period of five years.

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

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms :-

- i. That in the preparation of the accounts for the year ended 31st March 2014, 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 31-3-2014;
- 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, 1956 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, 2014 have been prepared on the basis that the Company is "Going Concern".

DISCLOSURE UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable.

CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing Agreement, Corporate Governance Report together with a certificate of compliance from practicing Company Secretary is attached as Annexure 1 to this report.

PARTICULARS OF EMPLOYEES:

The Company has no employee who receives remuneration to the extent provided in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, for the year ended 31st March, 2014.

AUDITORS :

Pursuant to Section 139 of the Companies Act 2013, M/s. Bipin Shah & Associates, Chartered Accountants, being eligible, are to be appointed as Auditors of the Company for a period of five years from the date of this Annual General Meeting till the conclusion of the Fifty-Ninth (59th) Annual General Meeting subject however to the proviso that matters relating to such appointment have to be ratified at each Annual General Meeting. You are requested to appoint Auditors to hold office until the Fifty-Ninth Annual General Meeting and authorize the Board to consider and fix their remuneration.

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN

Regd. Office:
Marathon FutureX,
N. M. Joshi Marg, Lower Parel (W),
Mumbai 400013

Place: Mumbai
Dated: 27th May, 2014

**ANNEXURE TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE FOR
THE YEAR ENDED 31ST MARCH, 2014.**

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.

Code of Conduct :

The Board of Directors has adopted a Code of Conduct for Directors and Senior Management of the Company .An annual affirmation of compliance with the code of conduct is taken from all the Directors and the Senior Management members of the Company to whom the code applies. Director and CEO's affirmation that the code of conduct has been complied with by the Board of Directors and the Senior Management is given at the end of this report.

The Company has complied and has been complying with the provisions contained in Clause 49 of the Listing Agreement (as amended) as detailed hereunder:

2. BOARD OF DIRECTORS :

Composition:

The present strength of the Board of Directors is five Directors and complies with the requirement of clause 49 of the Listing Agreement.

Number of Board Meetings held during the year ended 31st March 2014 and the dates of the Board Meetings :

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

21st May, 2013; 8th August, 2013; 30th October, 2013 and 7th February, 2014

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. K. Diwanji*	Non-Executive Independent Director	2	Yes
Mr.S.Ramamurthi	CEO Executive 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	-	No

- Mr.S.K.Diwanji has resigned from the directorship of the company with effect from 8th August 2013.

** Mr.V.Ranganathan has been appointed Additional Director of the Company effective from 7th February 2014.

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	7	4
Mr.S.K.Diwanji	5	Nil
Mr.S.Ramamurthi	1	1
Mr.Nilesh Dand	3	Nil
Mr.Chetan R. Shah	35	1
Mr. V. Ranganathan	1	1

NO. OF SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2014

NAME OF DIRECTORS	NO. OF SHARES HELD
Mr. V.B.Haribhakti	Nil
Mr. S.K.Diwanji	Nil
Mr. S.Ramamurthi	Nil
Mr. Nilesh Dand	Nil
Mr. Chetan R. Shah	6,22,900

Committee of Directors includes Audit Committee, Stakeholders Relationship Committee, 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.V.B.Haribhakti	Mr.V.Ranganathan	Mr.Nilesh D. Dand
Date of Birth	08-10-1929	23.09.1942	09-10-1978
Date of Appointment	16-09-1993	07-02-2014	28-03-2007
Qualification	F.C.A.	M.Sc. Indian Administrative Services	B.Com., ACA
Expertise in specific functional areas	Have exposure and experience in Corporate Affairs, Finance and Accountancy and Management, Past President of The Institute of Chartered Accountants of India	Retired civil servant with decades of distinguished service at senior levels in the State and Central Govt. with successful stints as Municipal Commissioner, Birhan Mumbai Mahanagarpalika and Chief Secretary to the Govt. of Maharashtra	Have exposure in accounts and finance
Other Companies in which Directorship held	1. Tilaknagar Industries Ltd. 2. Lakshmi Automatic Loom Works Ltd. 3. The Simplex Realty Ltd 4. The Anglo-French Drug Co.(Eastern) Ltd 5. Bajaj Electricals Ltd. 6. Citadel Realty and Developers Ltd. 7. The Free Press House Ltd. 8. Mirae Asset Trustee Co., Private Limited 9. Ester Industries Ltd	Marathon Nextgen Realty Limited	1.Vinotak Investment P.Ltd. 2.Ithaca Informatics Pvt.Ltd. 3.Nextgen Buildcon Pvt.Ltd.
Other Public Companies in which membership of Committees of Directors held	1. Tilaknagar Industries Ltd. 2. The Simplex Realty Ltd. 3. Ester Industries Ltd. 4. Bajaj Electricals Ltd. - Audit committee - Remuneration committee	Marathon Nextgen Realty Limited - Share Transfer Committee - Remuneration committee	
No.of shares held as on 31.3.2014	Nil	Nil	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 31.3.2014. The dates on which the said meetings were held are as follows :

21st May, 2013; 8th August, 2013; 30th October, 2013 and 7th February, 2014

Attendance of each Director at the said Audit Committee Meetings

Name of Director	Designation & Category of Directorship	No. of Board Meeting attended	Attendance at the last AGM
Mr. V.B.Haribhakti	Non-Executive Independent Director	4	Yes
Mr.S.K.Diwanji	Non-Executive Independent Director	2	Yes
Mr.S.Ramamurthi	Non-Executive Director	4	Yes
Mr.V.Ranganathan	Non-Executive Independent Director from 7 th February, 2014	Nil	No

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, investor grievance, etc. The Share Transfer Committee Meeting was held 22 times during the year ended 31.3.2014.

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

Non-Executive Directors	Sitting Fees (Rs.)
Mr.V. B.Haribhakti	50,000
Mr.S.K.Diwanji	20,000
Mr.S.Ramamurthi	50,000
Mr.Nilesh Dand	30,000
Mr.Chetan R. Shah	20,000

6. COMPLIANCE OFFICER :

Mr.Nilesh Dand is the Compliance Officer of the Company during the financial year ended 31st March 2014.

7. GENERAL BODY MEETINGS :

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

Year	Location	Date	Time
2010-11	Kilachand Conference Room 2 nd floor Indian Merchant Chambers,Churchgate Mumbai 400020	02-09-2011	11.30 A.M.
2011-12	Kilachand Conference Room 2 nd floor Indian Merchant Chambers,Churchgate Mumbai 400020	20-09-2012	4.00 PM.
2012-13	Kilachand Conference Room 2 nd floor Indian Merchant Chambers,Churchgate Mumbai 400020	08-08-2013	11.30 A.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.5(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) 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 quarterly results in the Free Press Journal and Navshakti Times.

10. GENERAL SHAREHOLDER INFORMATION :

Fifty-Fourth Annual General Meeting:

Date and Time: 14th August 2014 at 11.30 a.m.

Venue: Kilachand Conference Room, Second Floor, Indian Merchant Chamber, Churchgate, Mumbai 400020

Fiancial Year 1st April 2013 to 31st March 2014

Date of book closure 7th Aug. 2014 to 14th Aug. 2014 (both days inclusive)

Financial Reporting for 2014-15 (tentative)

1. First quarter result second week of August 2014.
2. Half yearly result second week November 2014.
3. Third quarter result second week of February 2015.
4. Audited Result for the year on or before May 2015.

Annual General Meeting on or before September 2015 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 1st April 2013 to March 2014.

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 :

	COMPANY'S SHARES		SENSEX		
	High	Low	High	Low	Close
April 2013	15.21	12.83	19,622.68	18,144.22	19,504.18
May 2013	15.20	12.00	20,443.62	19,451.26	19,760.30
June 2013	13.12	10.47	19,860.19	18,467.16	19,395.81
July 2013	13.50	12.43	20,351.06	19,126.82	19,345.70
August 2013	14.12	12.36	19,569.20	17,448.71	18,619.72
September 2013	14.82	14.82	20,739.69	18,166.17	19,379.77
October 2013	14.08	12.09	21,205.44	19,264.72	21,164.52
November 2013	12.85	10.90	21,321.53	20,137.67	20,791.93
December 2013	12.21	10.46	21,483.74	20,568.70	21,170.68
January 2014	12.12	11.03	21,409.66	20,343.78	20,513.85
February 2014	11.50	10.47	21,140.51	19,963.12	21,120.12
March 2014	11.99	10.31	22,467.21	20,920.98	22,386.27

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 2014

Category	No. of share holders	%	No. of shares	% to total
1-500	3244	89.08	444172	12.43
501-1000	223	6.13	172873	4.84
1001-2000	88	2.42	127461	3.56
2001-3000	28	0.76	69342	1.94
3000-4000	19	0.52	64997	1.82
4001-5000	12	0.33	53576	1.50
5001-10000	16	0.44	120875	3.38
10001 and above	12	0.32	2521204	70.53
Total	3,642	100.00	35,74,500	100.00

Categories of Shareholders as on 31st March 2014:

Category	No. of Shares held	% of Shareholding
Promoters	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 31.3.2014 :-

Total number of 35,74,500 shares, 32,60,421 Equity Shares representing 91.21% 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
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.**

Secretarial Audit Reports :

Quarterly Secretarial Audit Reports were furnished to the Stock Exchange to the following dates :

Quarter ended on	Furnished on
30-06-2013	11 th July, 2013
30-09-2013	8 th October, 2013
31-12-2013	3 rd January, 2014
31-03-2014	10 th April, 2014

CERTIFICATE

To:

The Members of Citadel Realty and Developers Limited

Sub: Declaration by Director under clause 49 D(ii) of the Listing Agreement.

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, 2014.

For and on behalf of the Board of Directors

S.Ramamurthi
C.E.O.

Place : Mumbai
Dated : 27st May, 2014

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 pursuant to Clause 49 of the Listing Agreement 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, 2014 as stipulated in Clause 49 of the Listing Agreement 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 clause 49 of 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 : 27th May 2014

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, 2014.

Industry structure and development

The Company is a part of the Marathon Group.

It has jointly developed a slum rehabilitation project in the eastern suburbs. During the year under review the first phase of the Slum Rehabilitation project at Bhandup has been completed successfully and new houses were handed to the authorities concerned;

In the sale building of the first phase of the project around 18% of the construction activities has been completed; and 60% of area is expected to be completed during the F.Y. 2014-15.

The Company expects good scope in the future in this line of business..

Opportunities

Urbanization has been progressing rapidly from around 11% in 1991 to 31% in 2011 and is expected to reach 41% by 2030. House prices are expected to rise in almost all the metropolitan cities. The Realty sector contributes and forms a significant share of the GDP and is the second largest employment generator after agriculture.

Threats

The sector, a major growth driver of the Indian economy has once again been left without the coveted "Industry" status resulted in disability to access funds at reasonable interest rates and favourable terms. There is no clarity on many issues under the negative list regime of the Service Tax, reduction of excise duty on cement and "exemption of service tax is not available for affordable housing." No steps have been taken to address long standing demands of the construction industry for removal of the cascading effect on the stamp duties, rationalization of stamp duty rates, a single window clearance mechanism for approvals, implementation of the Real Estate Regulatory bill and liberalization of FDI for the sector.

Risks and concerns

Apart from the increase in land prices, inputs costs have also been constantly increasing. Higher interest cost would dent margins and may have a direct effect on the customer's cash flow as well. Increase in end product prices coupled with tight liquidity may impact demand. The various taxes and levies would add to the costs and this is likely to squeeze margins as end product prices may not go up correspondingly.

Internal control systems and their adequacy

The internal control are commensurate with the activities and 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.

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

INDEPENDENT AUDITORS' REPORT

To,
The Members,
CITADEL REALTY AND DEVELOPERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of CITADEL REALTY AND DEVELOPERS LIMITED, which comprises the balance sheet as at 31 March 2014, statement of profit and loss and cash flow statements for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view which are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information as required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of cash flow statements, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the "Order"), issued by the Central Government of India in terms of Section 227(4A) of the Act and on the basis of such checks as we considered appropriate, we give in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 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 Balance Sheet, the Statement of Profit & Loss, and the Cash flow statement comply with the Accounting Standards referred to in subsection (3c) of section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors of the Company, as on 31 March, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

FOR BIPIN SHAH & ASSOCIATES
Chartered Accountants
FRN : 101519W

PARTNER
Membership No.: 013191
Place : Mumbai
Date : May 27, 2014

CITADEL REALTY & DEVELOPERS LIMITED : 2013-14

Annexure to the Auditors' Report

(Referred to in paragraph 4 of our report of even date)

1. 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 4 of the Order are not applicable.
2. In respect of its inventories held as stock in trade;
 - a. The inventory has been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable.
 - b. In our opinion and based on the information and explanations given to us, the procedure of physical verification followed by the management of inventories lying with it were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
 - a. The company has not granted any loan to any company that needs to be entered into the register in pursuance of section 301 of the companies act. Consequently, the requirements of clauses (iii) (a), (iii),(b), (iii) (c) and (iii) (d) of para 4 of the Order are not applicable.
 - b. The Company has taken unsecured loans from the parties listed in the register maintained under section 301 of the Companies Act, 1956 as under:

Sr. No.	Name of the Party	Interest Rate	Relationship with the Company	Opening Balance Rs.(in Lacs)	Loan repaid during the year Rs. (in Lacs)	Loan received during the year Rs. (in Lacs)	Closing Balance Rs. (in Lacs)
1.	Marathon Realty Pvt. Ltd.	12%	Associate Concern	62.88	25.00	176.40	214.28
2.	Fibre Box Bombay Pvt. Ltd.	Interest Free	Associate Concern	369	0	0	369

- c. In our opinion and based on explanations received from the management, the interest and other terms and conditions of the aforesaid loans taken are not prima facie prejudicial to the interest of the company.
- d. The said unsecured loan is repayable on demand. There is no repayment schedule / overdue amount.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system maintained by the company commensurate with the size and nature of the company, for purchase of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal controls.
5. In respect of contracts or arrangements referred to in section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a. The particulars of contracts or arrangements have been entered in the register maintained under that section.
 - b. In our opinion, transactions during the year made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the company has not accepted deposits from the public. Therefore the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
7. The company has no internal audit system.
8. According to the information and explanations given to us, the requirements of maintenance of cost records as prescribed by the Central Government under clause (d) of sub section (1) of section 209 of the Companies Act, 1956 are properly maintained by the company, as evidenced by a certificate of the compliance by a cost accountant.

9. In respect of statutory dues:

- a. According to the records of the Company, undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, as applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on 31st March, 2014 for a period more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Custom Duty, Wealth Tax and Cess which have not been deposited on account of any dispute except for the dues referred to below:

Sr. No	Nature of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
1.	Employee State Insurance Act	Employee State Insurance Contribution	797,111	1978 to 1997	Employee Insurance Court

10. The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth. The Company has not incurred cash loss during the current financial year as well as immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, company had not taken any loan from financial institution during the year and there was no loan outstanding at the beginning of the year, therefore clause xi of para 4 of the Caro,2003 is not applicable to the company.
12. In our opinion and according to the information and explanations given to us, the Company had not granted any loans and advances on the basis of security by way of pledge of shares, debentures and any other securities and hence question of maintenance of adequate records for this purpose does not arise.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company has not dealt or traded in shares, securities, debentures, mutual funds or other investments during the year. Therefore, provision of clause 4(xiv) of Caro,2003 is not applicable to the company.
15. The Company had not given any guarantee for loans taken by others from banks / financial institution. Therefore, provision of clause 4(xv) of the Caro,2003 is not applicable to the company.
16. In our opinion, and according to the information and explanations given to us, the company had not raised any term loan during the year. Therefore, provision of clause 4(xvi) of the Caro,2003 is not applicable to the company.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used for long-term investment during the year.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. During the period covered by our audit report, the Company has not issued any debentures and no debentures were outstanding at the beginning of the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year. Therefore, provision of clause 4(xx) of the Caro,2003 is not applicable to the company.
21. According to the information and explanations given to us and on the basis of the examination of the records, no fraud on or by the Company was noticed or reported during the year.

For BIPIN SHAH & ASSOCIATES
Chartered Accountants
FRN : 101519W
(Bipin B. Shah)
Partner
Membership No. 13191

Place : Mumbai
Date : May 27, 2014

Citadel Realty and Developers Ltd
Balance Sheet as at 31st March, 2014

(in ₹)

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	4,82,45,000	4,82,45,000
(b) Reserves and surplus	2	(2,22,01,805)	(2,27,69,063)
2 Non-current liabilities			
(a) Long-term borrowings	3	3,69,00,000	3,69,00,000
3 Current liabilities			
(a) Short-term borrowings	4	2,14,28,274	62,87,989
(b) Trade payables	5	19,29,640	29,53,778
(c) Other current liabilities	6	1,79,98,422	14,85,009
TOTAL		10,42,99,531	7,31,02,713
II. ASSETS			
1 Non-current assets			
(a) Deferred tax assets (net)	7	3,19,61,243	3,23,24,735
(b) Long-term loans and advances	8	16,14,597	1,14,597
2 Current assets			
(a) Inventories	9	3,60,46,651	2,16,04,325
(b) Trade receivables	10	3,38,78,637	1,73,48,399
(c) Cash and Bank Balances	11	7,35,340	1,96,108
(d) Short-term loans and advances	12	63,063	15,14,549
Significant Accounting Policies Notes on Financial Statement	1 to 19		
TOTAL		10,42,99,531	7,31,02,713

As per our report of even date
For BIPIN SHAH & Associates.
Chartered Accountants
Firm Registration No. 101519W

Bipin B. Shah
Partner
(Membership No. 013191)
Place : Mumbai
Date : 27-05-2014

For and on behalf of the Board

V. B. Haribhakti
Director

S. Ramamurthi
Director

V.Ranganathan
Director

Chetan R. Shah
Director

Citadel Realty and Developers Ltd
Profit and loss statement for the year ended 31st March, 2014

(in ₹)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March 2013
I. Revenue From Operations	13	1,26,10,026	-
II. Other income	14	-	16,04,670
III. Total Revenue (I + II)		1,26,10,026	16,04,670
IV. Expenses:			
Property Development Expenses	15	2,53,51,306	1,57,39,663
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	16	(1,44,42,326)	(1,57,39,663)
Finance costs	17	-	15,363
Other expenses	18	7,70,296	6,29,475
Total expenses		1,16,79,276	6,44,838
V. Profit before exceptional and extraordinary items and tax (III-IV)		9,30,750	9,59,832
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		9,30,750	9,59,832
VIII. Extraordinary Items		-	-
X. Profit before tax (VII- VIII)		9,30,750	9,59,832
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		3,63,492	3,11,417
XI Profit (Loss) for the period from continuing operations (IX-X)		5,67,259	6,48,415
XII Earnings per equity share:			
Basic & Diluted (in Rs.)		0.16	0.18
Significant Accounting Policies Notes on Financial Statement	1 to 19		

As per our report of even date
For BIPIN SHAH & ASSOCIATES.
Chartered Accountants
Firm Registration No. 101519W

For and on behalf of the Board

Bipin B. Shah
Partner
(Membership No. 013191)
Place : Mumbai
Date : 27-05-2014

V. B. Haribhakti
Director

S. Ramamurthi
Director

V.Ranganathan
Director

Chetan R. Shah
Director

CITADEL REALTY AND DEVELOPERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014 (in ₹)

		2013 - 2014	2012 - 2013
A >	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax and Extraordinary items	9,30,750	9,59,832
	Adjustments for :		
	Ex-workmen Compensation	-	-
	Finance Cost	12,46,147	15,363
	Miscellaneous Income		(16,04,670)
		12,46,147	(15,89,307)
	Operating Profit/(Loss) before Working Capital changes :	21,76,897	(6,29,475)
	Adjustments for :		
	Trade and Other Receivables	(1,65,30,238)	1,47,77,869
	Inventories	(1,44,42,326)	(1,57,39,663)
	Trade and Other Payables	(10,24,138)	8,51,103
	Other Current liabilities	1,65,13,413	
	Decrease in Current Liabilities	(1,54,83,289)	(1,10,691)
	Cash generated from Operations	(1,33,06,392)	(7,40,166)
	Direct Taxes Paid	-	-
	Net Cash generated /(used) from operating activities	(1,33,06,392)	(7,40,166)
B >	CASH FLOW FROM INVESTING ACTIVITIES		
	Net Cash generated /(used) in Investing Activities	14,51,486	-
	Increase in loans and advances	14,51,486	
C >	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Paid	(12,46,147)	(15,363)
	Proceeds from issue of Equity Shares		
	Increase in Short Term Borrowings (Net)	1,51,40,285	(17,27,070)
	Net Cash generated/(used) from Financing Activities	1,38,94,138	(17,42,433)
D >	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	20,39,232	(24,82,599)
E >	CASH AND CASH EQUIVALENT AT THE BEGINING OF YEAR	1,96,108	26,78,707
F >	CASH AND CASH EQUIVALENT AT THE	22,35,340	1,96,108

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 SHAH & ASSOCIATES.
Chartered Accountants
Firm Registration No. 101519W

For and on behalf of the Board

Bipin B. Shah
Partner
(Membership No. 013191)
Place : Mumbai
Date : 27-05-2014

V. B. Haribhakti
Director

S. Ramamurthi
Director

V.Ranganathan
Director

Chetan R. Shah
Director

Notes on Financial Statements for the Year ended 31st March, 2014

Note 1

Share Capital	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Authorised		
70,00,000 Equity Shares of ₹ 10/- each (Previous Year 70,00,000 Equity Shares of ₹ 10/- each)	7,00,00,000	7,00,00,000
3,00,000 0% Redeemable Preference Shares of ₹ 100/- each (Previous Year 3,00,000 0% Redeemable Preference Shares of ₹ 100/- each)	3,00,00,000	3,00,00,000
	10,00,00,000	10,00,00,000
Issued, Subscribed & fully Paid up		
35,74,500 Equity Shares of ₹ 10/- each fully paid up (Previous Year 35,74,500 Equity Shares of ₹ 10/- each) [Out of the above 13,50,000 Shares of ₹ 10/- each were allotted as fully paid up Bonus Shares by Capitalisation of Reserves]	3,57,45,000	3,57,45,000
1,25,000 0% Redeemable Preference Shares of ₹ 100/- each fully paid up (Previous Year 1,25,000 0% Redeemable Preference Shares of ₹ 100/- each fully paid up) [Above 0% Preference Shares are redeemable at a premium of 5% after 2012. The preference share holder have not opted for redemption]	1,25,00,000	1,25,00,000
Total	4,82,45,000	4,82,45,000

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

Equity Shares	As at 31 st March, 2014		As at 31 st March, 2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	35,74,500	3,57,45,000	35,74,500	3,57,45,000
Shares Issued during the year	-	- - -		
Shares outstanding at the end of the year	35,74,500	3,57,45,000	35,74,500	3,57,45,000
Preference Shares	As at 31 st March, 2014		As at 31 st March, 2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	1,25,000	1,25,00,000	1,25,000	1,25,00,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,25,000	1,25,00,000	1,25,000	1,25,00,000

Notes on Financial Statements for the Year ended 31st March, 2014

b.Details of Shareholders holding more than 5% shares in the company				
Equity Shares	As at 31st March, 2014		As at 31st March, 2013	
	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
Preference Shares	As at 31st March, 2014		As at 31st March, 2013	
	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 2

Reserves & Surplus	As at 31 March 2014 ₹	As at 31 March 2013 ₹
a. Securities Premium Account		
Opening Balance	5,13,51,300	5,13,51,300
Add : Securities premium on issue of shares	-	-
Less : Utilised for issuing Bonus Shares	-	-
Closing Balance	5,13,51,300	5,13,51,300
b. Surplus		
Opening balance	(7,41,20,363)	(7,47,68,778)
Add : Net Profit/(Net Loss) for the year	5,67,259	6,48,415
Closing Balance	(7,35,53,105)	(7,41,20,363)
Total	(2,22,01,805)	(2,27,69,063)

Note 3

Long Term Borrowings	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Unsecured		
(a) Loans and advances from related parties	3,69,00,000	3,69,00,000
Total	3,69,00,000	3,69,00,000

Notes on Financial Statements for the Year ended 31st March, 2014

Note 4

Short Term Borrowings	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Unsecured		
(a) Loans and advances from related parties	2,14,28,274	62,87,989
Total	2,14,28,274	62,87,989

Note 5

Trade Payable	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Payables including supply & services Micro, Small and Medium Enterprises	19,29,640 -	29,53,778 -
Total	19,29,640	29,53,778

Note 6

Other Current Liabilities	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Other payables		
a) Duty & Taxes	7,37,167	93,975
(b) Others	13,87,534	13,91,034
(c) Advances received from customers	1,58,73,721	-
Total	1,79,98,422	14,85,009

Note 7

Deferred Tax Assets	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Tax effect of timing difference on account of unabsorbed depreciation & carry forward losses*	3,19,61,243	3,23,24,735
Total	3,19,61,243	3,23,24,735

*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 there is virtual certainty supported by convincing evidence that there would be sufficient future taxable income that would be available for set off.

Notes on Financial Statements for the Year ended 31st March, 2014

Note 8

Long Term Loans and Advances	As at 31 March 2014 ₹	As at 31 March 2013 ₹
a. Advance to suppliers	15,00,000	-
b. Other loans and advances (Unsecured, considered good)	67,069	67,069
	67,069	67,069
c. Security Deposits (Unsecured, considered good)	47,528	47,528
	47,528	47,528
Total	16,14,597	1,14,597

Note 9

Inventories	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Land Stock in Trade (Valued at Cost)	58,64,662	58,64,662
Work In Progress : project expenses	3,01,81,989	1,57,39,663
Total	3,60,46,651	2,16,04,325

Note 10

Trade Receivables	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Unsecured, considered good		
Trade receivables outstanding for a period less than six months	3,38,78,637	1,73,48,399
Total	3,38,78,637	1,73,48,399

Note 11

Cash and Bank Balances	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Cash in Hand	-	-
Bank Balance in Current Accounts	7,35,340	1,96,108
Total	7,35,340	1,96,108

Notes on Financial Statements for the Year ended 31st March, 2014

Note 12

Short-term loans and advances	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Others		
Unsecured, considered good		
Prepaid Expenses	-	5,618
Advance to Suppliers	3,539	15,00,000
Cenvat Credit on Input Service	59,524	8,931
Total	63,063	15,14,549

Note 13

Revenue from Operations	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Income from Sale of Transferable Development Rights	1,26,10,026	-
Total	1,26,10,026	-

Note 14

Other Income	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Miscellaneous Income	-	16,04,670
Total	-	16,04,670

Note 15

Property Development Expenses	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Purchases	1,50,89,075	1,09,53,291
Direct Expenses	90,16,084	40,12,816
Land Cost	-	-
Finance Cost	12,46,147	7,73,556
Total	2,53,51,306	1,57,39,663

Notes on Financial Statements for the Year ended 31st March, 2014

Note 16

Changes in inventories of finished goods work-in-progress

Particulars	As at	As at
	31 March 2014	31 March 2013
	₹	₹
Inventory at the end of the year:		
Work in Progress	3,01,81,989	1,57,39,663
Land	58,64,662	58,64,662
Total	3,60,46,651	2,16,04,325

Inventory at the beginning of the year:

Particulars	As at	As at
	31 March 2014	31 March 2013
	₹	₹
Work in Progress	1,57,39,663	-
Land	58,64,662	58,64,662
Total	2,16,04,325	58,64,662
Changes in Inventories of work in progress	1,44,42,326	1,57,39,663

Note 17

Finance Cost	As at	As at
	31 March 2014	31 March 2013
	₹	₹
Interest expense	-	14,905
Bank Charges	-	458
Other borrowing costs	-	-
Total	-	15,363

Note 18

Other Expenses	As at	As at
	31 March 2014	31 March 2013
	₹	₹
Payments to the auditor :		
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	927	10,500
f. Service Tax	6,365	6,117
	61,792	56,117
Director's Sitting Fees	1,70,000	1,55,000
Legal & Professional Fees	2,21,250	1,68,126
Interest on delayed payment of statutory dues	1,19,261	-
Miscellaneous Expenses	1,97,993	2,50,232
Total	7,70,296	6,29,475

NOTES TO ACCOUNTS

Note 19

1) Significant Accounting Policies

- a) The financial statements have been prepared on historical costs and on the basis of going concern and are in accordance with the Generally Accepted Accounting Principles in India ("GAAP") and the provisions of the Companies Act 1956.
- b) The accounting policies of the company have been consistent over a period of time.

2) Revenue:

Revenue in respect of realty development activities is recognized upon the transfer of significant risks and rewards to the buyer in terms of the underlying sale agreement, provided it is not unreasonable to expect ultimate collection.

3) Contingent Liabilities not provided for in respect of :-

	31.03.14	31.03.13
	Amount	Amount
	Rs. In Lacs	Rs. In Lacs
a) Show Cause Notice from Central Excise Authorities	1.42	1.42
b) Estimated Liability in respect of Suit filed by Ex Workers of the Company in Labour Court.	10.00	5.00
c) Claims not acknowledged as debt	2.06	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 pf 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 Commissioref 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 apeal 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.

- 4) The company has made substantial progress in the Slum Rehabilitation Project in Bhandup. The Rehabilitation Building has been completed and company has generated substantial Transferable Development Rights(TDR) .Surplus TDR has been sold during the year.

During the year under review the company has realized revenue of Rs.126.10 lakh being share of its TDR (Transfer of Development Right) entitlement generated from the Slum Rehabilitation Project undertaken by it.

- 5) a) 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) Related Parties	Relationship	
1) Marathon Realty Pvt. Ltd	Associate Concern	
2) Fiber Box Bombay Pvt Ltd	Associate Concern	
 B) Transaction with the related parties :	 Amount (in Lacs)	
Nature of the Transaction	Related Parties Referred in 1(A) above	
	31.03.14	31.03.13
 Unsecured Loans :		
Fibre Box Bombay Pvt Ltd		
Inter Corporate Deposit-Assigned	369.00	369.00
 Marathon Realty Ltd		
Inter Corporate Deposit taken :		
Outstanding at year end	214.28	62.88
Inter Corporate Deposit taken	(151.41)	(17.27)

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the company and approved by the management, which has been relied upon by the auditors.

- 6) (a) Balances of sundry debtors & creditors are subject to confirmation from them.
 (b) 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.
- 7) Figures of the Previous Year are regrouped wherever necessary.

As per our report of even date
 For BIPIN SHAH & ASSOCIATES
 Chartered Accountants
 Firm Registration No. 101519W

For and on behalf of the Board

Bipin B. Shah
 Partner
 (Membership No. 013191)

V. B. Haribhakti
 Director

S. Ramamurthi
 Director

Place : Mumbai
Date : 27-05-2014

V.Ranganathan
 Director

Chetan R. Shah
 Director

CITADEL REALTY AND DEVELOPERS LIMITED

**Regd.Office : Marathon FutureX, N. M. Joshi Marg, Lower Parel, Mumbai 400013
CIN:L21010MH1960PLC011764**

**ATTENDANCE SLIP
54TH ANNUAL GENERAL MEETING**

Reg.Folio/DP & Client No..... No.of shares held

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 54th Annual General Meeting of the Company at KILACHAND CONFERENCE ROOM, 2ND FLOOR, INDIAN MERCHANTS' CHAMBER, CHURCHGATE, MUMBAI 400020 at 11.30 a.m. on Thursday, 14th August, 2014.

Member's Name :

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

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 proper authorization issued in their favour.

Form No.MGT-11

CITADEL REALTY AND DEVELOPERS LIMITED

**Regd.Office : Marathon FutureX, N. M. Joshi Marg, Lower Parel, Mumbai 400013
CIN:L21010MH1960PLC011764**

TEAR HERE

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration Ruels, 2014)

Name of the member(s) :

Registered Address :

E.Mail Id : Folio No./Client Id:..... DP ID.....

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 54th Annual General Meeting of the Company to be held on Thursday, the 14th August, 2014 at 11.30 a.m. at KILACHAND CONFERENCE ROOM, 2ND FLOOR, INDIAN MERCHANTS' CHAMBER, CHURCHGATE, MUMBAI 400020 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:..... Resolution No.5:.....

Signed this..... day of 2014

Signature of Sharebholder

Signature of Proxy holder(s)



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

Book-Post

if undelivered, please return to :

Citadel Realty And Developers Limited

802, Marathon Max,

Jn. of Mulund - Goregaon Link Road, Mulund (W)

Mumbai - 400080