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### **BOARD OF DIRECTORS**

Sri. Santhosh Joseph Karimattom - Chairman & Managing Director  
Sri. Kandumpully Rajesh - Director  
Sri. Rajendra Patil - Director  
Sri. Anup Kumar - Director

### **COMPANY SECRETARY**

Sri D.E. Chandrasekaran

### **REGISTERED OFFICE OF THE COMPANY**

No. 153, (Old No. 43/35), 2nd Floor, Promenade Road, 2nd Cross, Frazer Town, Bangalore - 560 005  
Tel : +91-80-2554 0183 Fax : +91-80-2554 0193  
E-mail : info@cityman.co.in, cityman97@rediffmail.com Website : www.cityman.co.in

### **AUDITORS**

M/s. Chandy & Zacheria  
Chartered Accountants  
Kottayam - 686 001, Kerala

### **BANKERS**

Bank of Baroda  
Frazer Town  
Bangalore - 560 005

### **SHARE TRANSFER AGENTS :**

#### **INTEGRATED ENTERPRISES (INDIA) LIMITED**

No.30, Ramana Residency, 4th Cross,  
Sampige Road, Malleswaram, Bangalore-560 003  
Tel: +91-80-2346 0815 to 818 Fax: +91-80-23460819  
Email: alfint@vsnl.com / irg@integratedindia.in



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## NOTICE TO THE SHAREHOLDERS

To  
The Shareholders,  
Cityman Limited  
Bangalore - 560 005

**NOTICE** is hereby given that the Twenty First Annual General Meeting of the members of the Company will be held at Father Servanton Community Hall-2 , St.Francis Xavier's Cathedral Church Compound, St.John's Church Road, Fr.Servanton Circle, (Near Coles Park), Cleveland Town, Bangalore-560 005, on the 27th of September, 2013 , at 10.00am to transact the following business:

### **ORDINAY BUSINESS:**

1. To receive, consider, approve and adopt the audited Balance Sheet as on March 31, 2013 and the Profit and Loss Statement for the year ended as on that date, together with Report of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Rajendra Patil who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint the Auditors of the Company to hold office from conclusion of this meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS**

#### **4. Re-Appointment of Managing Director**

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

**"RESOLVED THAT** Subject to the approval of the Central Government, and further subject to Section 198, 269, 309, 310 and other applicable provisions, if any, of the companies Act 1956 read with Schedule XIII, as amended from time to time approval of the members be and is hereby accorded to the re-appointment of Mr. Santhosh Joseph Karimattom, as Managing Director of the Company for a period of three years to hold office from 31-03-2013 to 30-03-2016.

**FURTHER RESOLVED** that the role, duties responsibilities, terms and conditions of the said appointment will include the following:

#### **Role:**

- Develop and deliver on the company's strategic plan in the most effective and efficient manner
- Accountable for the overall performance of the company and for the day-to-day running and management of the company's business, under delegated authority from the Board

#### **Duties and Responsibilities:**

- Implement the Board's policies and strategies
- Develop and present the strategic and annual business plans to the Board for approval

- Report to the Board on progress against the strategic and annual business plans on a regular basis. Typically, reporting against the annual plan will be monthly, while reporting against the strategic plan will be less frequent, although it should be at least two or three times a year
- Manage the day-to-day operations of the company
- Manage, motivate, develop and lead members of the Management Team
- Manage resources efficiently and effectively to achieve the company's objectives
- Take a leadership role in establishing or developing the company's culture and values
- Ensure that there is a fit between strategy and culture, and the company's processes and structure
- Ensure that appropriate internal audit processes and procedures are in place (in liaison with the Audit Committee of Company, Internal Auditors and/or the External Auditors)
- Develop and implement a risk management plan
- Ensure that there is a succession plan in place
- provide entrepreneurial leadership to the company within a framework of prudent and effective controls which enable risk to be assessed and managed
- set the company's strategic aims, ensures that the necessary financial and human resources are in place for the company to meet its objectives, and reviews management performance

**Remuneration:**

Remuneration will be Rs.50,000/- per month (all inclusive), and apart from the reimbursement of actual out of pocket expenses while discharging the duties.

**5. Delisting of Shares**

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

**“RESOLVED THAT**, subject to the provisions of the Securities Contracts (Regulations) Act, 1956, and the Securities and Exchange of Board of India, Act, 1992, and the rules framed there under and other applicable laws, rules and regulations and guidelines and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions as may be prescribed by The Securities and Exchange Board of India and Stock Exchanges while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, which expression shall be deemed to include any Committee of the Board for the time being, exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to voluntarily de-list the equity shares of the Company from The Cochin Stock Exchange Limited , The Bangalore Stock Exchange Limited, and The Madras Stock Exchange Limited.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts, deeds and things as it may in its absolute discretion deem necessary and appropriate to give effect to the above Resolution.”

By Order of the Board

Place : Bangalore  
Dated : 30-08-2013

D E Chandrasekaran  
(Company Secretary)

**Note:**

- (a) Explanatory statement u/s 173(2) of the Companies Act,1956 is enclosed and forms part of this Notice
- (b) A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy and that the proxy need not be a member of the Company.
- (c) A proxy to be valid should reach the Registered Office of the Company at least 48 hours before the commencement of the Meeting.
- (d) Shareholders are requested to notify their change of address if any, in case of shares held in electronic form to the concerned depository participant quoting their ID number and in case of Shares held in physical form to the Company or to the Registrars of the Company.
- (e) Shareholders attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting place. Duplicate admission slips will not be provided at the hall.
- (f) Members who hold Shares in dematerialized form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their folio no. in the attendance slip for attending the Meeting.
- (g) In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (h) The Register of Members and the Share Transfer Book will remain closed from 19-09-2013 to 27-09-2013 (both days inclusive)

**EXPLANATORY STATEMENT AS PER SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No: 4- Re- appointment of Managing Director**

Mr. Santhosh Joseph Karimattom is the chief promoter director of the Company. He was Managing Director of the Company till the financial year 2002-03. Again at the Board meeting held on 31-03-2012, he was re- appointed as Managing Director of the Company for a period of one year from 31.03.2012. The necessary Approval from the Central Government was obtained, vide letter dated 18.10. 2012, from the Ministry of Corporate Affairs

Since his appointment was for a period of one year from 31-03-2012, the Board of Directors, subject to the members approval and further subject to the approval of the Central Government, re-appointed him for further a period of three years. Being an NRI, his appointment will not be as per Sch. XIII of the Companies Act,1956, and will be subject to the approval of the Central Government as per Section 269,198/309,310,311 and other applicable provisions, if any , of the Companies Act 1956.

The role, duties and responsibilities etc of the Managing Director is mentioned in the resolution and are self explanatory. The said duties are not exhaustive in nature and are in addition to the duties that are to be legally discharged by him being Managing Director of the Company

Since this resolution requires your approval, the same is placed before the meeting. No other Directors, other than Mr. Santhosh Joseph Karimattom is interested in the resolution

**Item No:5**

At present, the shares are listed in Bangalore, Bombay, Madras and Cochin Stock Exchanges. The Board is of the view that the listing at Bombay Stock Exchange alone is required and that steps be taken to voluntarily de-list the equity shares of the Company from the Cochin Stock Exchange Limited, The Bangalore Stock Exchange Limited and Madras Stock Exchange Limited.

Since this resolution requires your approval, the same is placed. None of the Directors is interested in the resolution.

By Order of the Board

Place : Bangalore  
Dated : 30-08-2013

D E Chandrasekaran  
(Company Secretary)

**Statements pursuant to clause (iv) of proviso to sub - paragraph C of paragraph 1 of section II of Part II of Schedule XIII to the Companies Act, 1956**

**I General Information:**

(1) Nature of industry

The company is engaged in the following business:

- i) Infrastructure and property development
- ii) Garment and related items

(2) Date or expected date of commencement of commercial production.

The Company is an existing company.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

The Company is an existing company

(4) Financial performance based on given indicators

(Amount in Rs. )

Particulars	Year ending 31-03-2013	Year ending 31-03-2012
<b>Total Income/ Sales</b>	<b>6,984</b>	<b>13,760</b>
<b>Profit before Tax</b>	<b>(4,104,204)</b>	<b>(4,255,753)</b>
<b>Profit after tax</b>	<b>(4,104,204)</b>	<b>(4,255,753)</b>

(5) Export performance and net foreign exchange collaborations.

The Company has not earned any income in foreign exchange.

(6) Foreign investments or collaborators, if any.

The Company has not any foreign investments or collaboration during the financial year.

**II Information about the appointee:**

(1) Background details

Given in detail in the Notice

(2) Past remuneration

entitled @ Rs. 50,000 per month (all inclusive).  
He waived the whole of the remuneration

(3) Recognition or awards

NIL

(4) Job profile and his suitability

Details in the Notice

(5) Remuneration proposed

Rs. 50,000.00 per month (all inclusive).

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

It is difficult to compare the remuneration with respect to industry, size of the company, profile of the position and person and hence not furnished. His remuneration is less than what is prescribed in the Act.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any

NIL

**III Other information:**

- (1) Reasons of loss or inadequate profits:  
During the year under reference, the Company's turnover was meagre and has incurred expenses which are statutorily required.
- (2) Steps taken or proposed to be taken for improvement:  
The Company is planning to take up other business opportunities such as real-estate development with which the profitability of the Company would improve substantially.
- (3) Expected increase in productivity and profits in measurable terms.  
It is difficult to quantify the improvement in productivity and profits in measureable terms.

**IV Disclosures:**

- (1) The shareholders of the company are hereby informed of the details remuneration package of the managerial person.

Mr. Santhosh Joseph Karimattom was re-appointed as Managing Director of the Company for a period of three years to hold office from 31-03-2013 to 30-03-2016. Since his appointment is not as per Sch XIII, it is Subject to Central Government approval. His remuneration is Rs. 50000/- per month all inclusive.

None of the other Directors are drawing any remuneration from the Company.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty First Annual Report together with the audited statement of accounts for the year ended March 31, 2013

### WORKING RESULTS

(Amount in Rs)

Particulars	31-03-2013	31-03-2012
Sales	6,984	13,760
Profit(Loss) before Tax	(4,104,204)	(4,255,753)
Provision for Tax	NIL	NIL
Profit (loss) after Tax	(4,104,204)	(4,255,753)
Balance brought forward	(230,082,553)	(225,826,800)
Balance carried to Balance Sheet	(234,186,757)	(230,082,553)

### YEAR UNDER REVIEW AND FUTURE PLANS

As mentioned in the previous year, the Company has acquired a water front property in Cochin. This is reflected as a stock in trade in the financial statements as the Company intends to develop the property into Villas and Apartments. It is proposed to seek a Joint venture partner for the purpose.

At present some preliminary work and documentation related work is in progress. It is expected that the work on the project will commence in the next year that is 2014-15

### DIVIDEND:

Since the Company could not generate any profits, your directors do not propose any dividend for the year under review

### DIRECTORS

Mr. Rajendra Patil retires at the ensuing Annual General Meeting and being eligible offers himself for reappointment. At the Board meeting held on 30-03-2013, Mr. Santhosh Joseph Karimattom was re-appointed as Managing Director of the Company for a period of three years to hold office from 31-03-2013 to 30-03-2016. His re-appointment is not as per Sch-XIII of the Companies Act, 1956, and it will be subject to the approval of the Central Government.

### DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors' state:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departure;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the loss of the Company for the period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts on a going concern basis.

### FIXED DEPOSITS

Your company has neither invited nor accepted any Fixed Deposits from the public during the financial year under review.



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**CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE:**

Separate notes on Corporate Governance and Management Discussion and Analysis Report are set out as Annexure “A” and “B” respectively. A Certificate from the Auditor of the Company Certifying compliance conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

**LISTING AGREEMENTS REQUIREMENTS:**

The securities of your company are listed at Bombay, Bangalore, Madras and Cochin Stock Exchanges. The Board is seeking approval from the members during the ensuing AGM for voluntary de-listing of shares in Bangalore, Madras and Cochin Stock Exchanges.

**BUY-BACK OF SHARES**

There was no buy-back of shares during the year under review.

**PARTICULARS OF THE EMPLOYEES:**

None of the employees employed during the year was in receipt of remuneration in excess of the prescribed limit specified in section 217 (2A) of the Companies Act, 1956. Hence, furnishing of particulars under the Companies (Particulars of Employees) 1975 does not arise.

**AUDITORS**

CHANDY & ZACHERIA, Chartered Accountants, Kottayam - 686 001, Kerala, Auditors of the Company retire at the ensuing Annual General Meeting. They have expressed their willingness for reappointment.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

During the year under review, there were no activities, which required heavy consumption of energy. However adequate measures have been taken to make sure that there is no wastage of energy. Since the requisite information with regard to the conservation of energy, technology absorption (Disclosures of Particulars in the report of Board of Directors ) Rules are irrelevant/not applicable to the Company during the year under review, the same are not reported.

**FOREIGN EXCHANGE EARNINGS AND OUTGO : NIL****ACKNOWLEDGEMENTS**

The Board of Directors wish to place on record their appreciation for the co-operation and support received from all.

By Order of the Board

Place : Bangalore  
Date : 30-08-2013

**Santhosh Joseph Karimattom**  
Chairman & Managing Director

**Anup Kumar**  
Director



**CORPORATE GOVERNANCE:**

Annexure - A

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

The company has a transparent and professional corporate governance as provided in the Clause 49 of the Listing agreement, the details of which are as under :

**1. BOARD OF DIRECTORS:**

The Board is constituted of four directors. The Chairman and Managing Director of the company is the Chief Promoter of the Company. All the other Directors are independent Directors, and not related to one another.

The Board of the Company met 6 times during the last financial year on 29-04-2012, 29-07-2012, 03-09-2012, 29-10-2012, 22-01-2013 and 30-03-2013.

Santhosh Joseph Karimattom was re-appointed as Managing Director of the company for a period of three years to hold office from 31-03-2013 to 30-03-2016. Since his appointment is not as per Schedule XIII, to the Companies Act, 1956, the Company, it will be subject to the approval of the Central Government.

**Code of conduct:**

Code of Conduct for all Board Members and Senior Management of the Company in compliance with Clause 49 (1) of the Listing Agreement, is already implemented by the Company. The applicability of the said codes were very limited, since the activities of the company was negligible during the year under review

The constitution of the Board and the attendance of the Directors are given below:

Name of the Director	Category of the Director	No. of other Directorship (*)	No of Board meetings Attended	Attendance at Last AGM
Santhosh Joseph Karimattom	Executive / Chairman	NIL	2	Yes
Kandumpully Rajesh	Non-Executive/ independent Director	NIL	6	Yes
Anup Kumar	Non-Executive/ independent Director	NIL	6	Yes
Rajendra Patil	Non-Executive/ independent Director	NIL	1	No

- Excludes Directorship in Indian Private Limited Companies, Foreign Companies, Companies u/s 25 of the Companies act, 1956
- The Director(s) are neither Chairman nor members of any other committee(s) other than Audit committee, grievance committee of Cityman Limited as mentioned in this report
- Leave of absence was given to Directors who were unable to attend the Board meetings

All relevant information in the form of detailed Agenda/ notice is given to the members of the Board as provided, in advance. In addition to the statutory matters, all important matters are discussed and decided as and when the requirement arises.

**Risk Mitigation Plan:** The Company has a risk mitigation plan, suitable to the activities of the Company. During the year under review there were no activities that required the assessment of risk.

**Secretarial Standards:** The secretarial and operating practices of the Company are in line with the Secretarial Standards published by the Institute of Company Secretaries of India.

**Accounting Treatment:** Prescribed Accounting standards have been followed in the preparation of financial statements.

**2. AUDIT COMMITTEE:**

The total strength of the Audit Committee consists of three directors. All the members including Chairman are Non Executive Directors. The said committee is constituted to exercise powers and discharge functions as stipulated in Clause 49 of the Listing Agreement and other relevant statutory and regulatory provisions.

During the year under review, since the operations were negligible, the functions of the audit committee was limited to reviewing / analyzing the quarterly results and making necessary recommendations and suggestions wherever required , and discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern and Management discussion and analysis of financial condition and results of operations. Company Secretary acts as the Secretary of the Committee.

During the relevant financial year, five Audit Committee Meetings were held on 29-04-2012, 29-07-2012, 03-09-2012, 29-10-2012, and 22-01-2013

The constitution of the Committee and the attendance of each member of the Committee is given below;

Name of the Member	Category	Attendance (No.)
Anup Kumar	Non-Executive Director	05
Kandumpully Rajesh	Non-Executive Director	05
Rajendra Patil	Non-Executive Director	01

**3. SHARE HOLDERS GRIEVANCE / SHARE TRANSFR COMMITTEE:**

**Share Holders' Grievance Committee**

Share Holders Grievance Committee consists of two independent Directors, and one compliance officer who have met on 30-06-2012, 30-09-2012, 25-11-2012 and 30-03-2013 .The terms of reference of the Committee includes (a) review the reports submitted by the R&T Agents (b) periodically interact with R&T Agents to ascertain and look in to the quality of the grievance redressal system (c) periodically reporting to the Board.

The data for the year is as follows:

No of Complaints received during the year:- 3, resolved- 3 There are no unresolved complaints

During the year company had affected transfers of 141314 equity shares

The constitution of the Committee is as under:

Name of the Member	Category	Attendance (No.)
Anup Kumar	Chairman / Non-Ex. Director	04
Kandumpully Rajesh	Non-Ex. Director	04
D.E. Chandrasekaran	Company Secretary	04

**4. SHARE TRANSFER**

In line with the Clause 49(G) (iv) of the Listing Agreement, the Board has delegated the power of share transfer to a Committee consisting of Mr. Anup Kumar Independent Director, CFO and Company Secretary.

**5. REMUNERATION COMMITTEE**

During the year under review, remuneration committee was constituted with three independent directors. They have met only once on 15-03-2013. The purpose was to recommend the re-appointment of Mr. Santhosh Josep Karimattom as Managing Director of the Company. Mr. Santhosh Joseph Karimattom was appointed as a Managing Director for a period of one year w.e.f 31-03-2012. And again at the Board Meeting held on 30-03-2013, he was re-appointed as Managing Director of the Company for a period of three years to hold office from 31-03-2013 to 30-03-2016. Taking into account the financial conditions of the Company, he fully waived his remuneration of one year for the year ended 30-03-2013. His proposed remuneration, for the present tenure of three years is Rs. 50000/- per month (all inclusive). Other Directors also do not draw any remuneration.

**6. OTHER DETAILS /INFORMATIONS**

The details of Annual General Meeting held in last 3 years are as under:

<b>Year Ended</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
31-03-2010	Vagdevi Seshappa Hall, 1637-38,1st Cross Rammohanpura (Behind Devayya Park) Srirampuram, Bangalore - 560 021	30-09-2010	10.00 am
31-03-2011	Aishwarya Kalyana Mantapa, TC Palaya Main Road, Akshaya Nagar, Kowdenahally, Bangalore - 560 016.	30-09-2011	10.00 am
31-03-2012	Father Servanton Community Hall - 2 St. Francis Xavier's Cathedral Church Compound St. John's church Road, Fr. Servanton Circle, (Near Coles Park), Cleveland Town, Bangalore-560005.	28-09-2012	10.00am

At the Annual General Meeting held on 28-09-2012, one Special Resolution was passed for the appointment of Managing Director and there was no Extra Ordinary General Meetings of the members of the Company during the relevant period.

During the year 2011-12, the objects clause of the Memorandum Of Association of the Company through process of postal ballot as required under Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001.NSVM & Associates, Chartered Accountants, were the scrutinizers of the postal ballot procedure. Share holders holding 1162752 equity shares , being 24.71 % of the total voting rights of the Company submitted valid Postal Ballot forms, and of these, Share Holders holding 965 equity shares(equivalent to 0.02% of the total voting rights) dissented to the proposal and Share Holders holding 1161787 equity shares (equivalent to 24.71% of the total voting rights) gave their assent. The scrutinizers submitted their report on 20-09-2011. At present, company does not have any plans to conduct postal ballot procedure

● **Means of communication:**

The Company submits all the quarterly/half yearly/annual results of the company with the Stock Exchanges and press releases are made in English (Financial Express) and in one Kannada news paper (Sanjevani) as stipulated in the Listing Agreement. The Company has a web site, which is periodically updated. It also has not displayed in official news releases and no presentations were made to institutional investors or to the analysts. Company do not send half yearly financial reports to the share holders. The management Discussion and Analysis is a part of the Annual Report.

● **Compliance of Insider Trading Norms:**

Company has adopted the code of internal procedures commensurate with the activities and thus complies with the insider trading norms.

● **General shareholder's information**

a) AGM Date and Venue

Venue	Date	Time
Father Servanton Community Hall-2 St.Francis Xavier's Cathedral Church Compound St.John's Church Road, Fr.Servanton Circle, (Near Coles Park), Cleveland Town, Bangalore-560005	27-09-2013	10.00 am

b) Financial year ending 31st March 2013

c) Book closure date 19-09-2013 to 27-09-2013 (both days inclusive)

d) Listing on stock exchanges.

The shares are listed in Bangalore, Mumbai, Chennai, and Cochin Stock exchanges.  
All the dues regarding the Listing Fee have been paid

e) Distribution schedule as on 31-03-2013

Category	Number of Shareholders	% (percentage)	Number of Shares Held	% (percentage)
Upto 500	7660	90.79	1403731	12.00
501 - 1000	490	5.81	388089	3.32
1001 - 2000	155	1.84	231304	1.98
2001 - 3000	44	0.52	110455	0.94
3001 - 4000	16	0.19	57621	0.49
4001 - 5000	25	0.30	117050	1.00
5001 - 10000	26	0.31	195068	1.67
10001 and above	21	0.24	9197782	78.60
<b>Total</b>	<b>8437</b>	<b>100.00</b>	<b>11701100</b>	<b>100.00</b>

f) Share price movements:

The details are available in the web site of BSE for the last financial year is given below

*Annual Report 2012-13*

<b>Month</b>	<b>Open Price</b>	<b>High Price</b>	<b>Low Price</b>	<b>Close Price</b>	<b>No. of Shares</b>
Apr 12	11.80	12.33	10.65	10.82	8,437
May 12	10.82	14.01	8.14	14.00	41,265
Jun 12	14.70	20.58	13.36	20.23	1,30,416
Jul 12	20.30	20.75	17.85	17.85	67,451
Aug 12	17.50	17.50	14.75	14.90	3,150
Sep 12	15.19	15.19	9.75	10.03	16,042
Oct 12	9.60	11.02	9.10	9.10	10,911
Nov 12	8.65	9.55	8.14	8.15	2,045
Dec 12	8.15	11.02	8.15	10.15	3,033
Jan 13	9.65	9.65	6.81	7.05	6,286
Feb 13	6.70	7.87	6.66	6.66	5,073
Mar 13	6.34	7.68	5.75	7.50	5,317

g) Share holding Pattern as on 31-03-2013

<b>Category</b>	<b>No of shares</b>	<b>% of Equity</b>
Promoters & Relatives of promoters	8,402,132	71.81
Resident Body Corporate	369,103	3.15
Banks / FI / FII / MF / Trust	Nil	Nil
NRI/OCB/FFI	364,273	3.11
Resident Individuals	2,565,592	21.93
<b>Total</b>	<b>11,701,100</b>	<b>100.00</b>

Shares held by independent Directors

Rajendra Patil	400 (0.009%)
Kandumpully Rajesh	NIL
Anup Kumar	NIL

h) Additional information :

i) Director retiring by rotation :

Mr. Rajendra Patil who retires by rotation and being eligible offers himself for reappointment. He is an Engineering graduate and has more than two decades of experience in the different fields of management. He will be an independent Director. As on date, he is not a Director in any other public company.

ii) Approval of re-appointment Managing Director

Santhosh Joseph Karimattom is the Chief promoter of the Company. He has about 3 decades of experience in all the facets of organization and management. He has been instrumental in the successful completion of many projects. He is a Non- resident Indian. He was appointed as a Managing Director for a period of one year w.e.f 31-03-2012. And again at the Board Meeting held on 30-03-2013, he was re-appointed as Managing Director of the Company for a period of three years to hold office from 31-03-2013 to 30-03-2016. This appointment will be subject to the approval of the members at the Annual General Meeting and also subject to the approval of the Central Government

iii) Insider Trading: The Company has adopted measures for prevention of Insider Trading. The same prohibits purchase/sale of shares of the Company by Insiders while in possession of unpublished price sensitive information.

iv) The ISIN for the dematerialized share of the company is INE 117CO1010

v) Share transfer system:

Both D'mat and physical form. Integrated Enterprises (India) Limited having registered office at No.30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore -560003 is the Company's R&T Agents. Company receives periodical reports from them and necessary delegations have been made for proper execution of all the related work.

vi) The Company has not proposed / declared any dividend during the year.

vii) There were no related party transactions during the year

viii) The Company does not have any subsidiaries

ix) The Company has not made any public issues, rights issues, preferential issues etc during the year .

x) Financial Calendar: April to March

For the current financial year, following is the calendar (tentative and subject to change) Financial reporting for:2013-2014

- 1<sup>st</sup> Quarter -29-07-2013
- 2<sup>nd</sup> Quarter-31-10-2013
- 3<sup>rd</sup> Quarter-31-01-2014
- Financial year closing : 31-03-2014
- 4<sup>th</sup> Quarter- 25-04-2014

xi) Plant Location (as on 31-03-2013) B-3, Sattar Sahabe Dinne, Koppa Gate, Bukkasagara Village. Jigani Hobli, Anekal Taluk, Bangalore - 560 083

xii) Address for correspondence

**Regd Office:**

2nd Floor, No.153 (Old No.43/35),  
2nd Cross, Promenade Road, Frazer Town  
Bangalore - 560 005

E-mail id of the Company: info@cityman.co.in, cityman97@rediffmail.com

- Website : www.cityman.co.in
- Email id of the compliance officer: dechandrakaran@cityman.co.in
- Telephone No: 080-25540183
- Fax : 080-25540193

**Share Transfer Agents:**

Integrated Enterprises (India) Limited

No.30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore -560 003

- xiii) Stock Code - 521210 / Cityman (Bombay Stock Exchange Limited)  
Bangalore Stock exchange - CMCL  
Cochin Stock exchange - CTM  
Madras Stock exchange - CMG

- xiv) Dematerialization of shares & liquidity as on 31-03-2013

Sl.No.	Particulars	No.of share holders	No. of shares	%
1	Physical Shares	6,991	2,577,600	22.03
2	Electronic Shares	1,446	9,123,500	77.97
	<b>Total</b>	<b>8,437</b>	<b>11,701,100</b>	<b>100.00</b>

- xv) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity NIL
- xvi) SEBI guidelines on Corporate Governance : The Company has fully complied the said guidelines
- xvii) Conversion date and likely impact on Equity Shares: No such warrants/ instruments have so far been issued by the Company.
- xviii) Penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period under review:

There were no penalty or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter during the year under review. But for the non compliance of Listing Agreement in the earlier years, Company had submitted Consent Application to the SEBI, which was finally disposed off by the SEBI, vide their letter dated 05-04-2013

- xix) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc. Performance report –in comparison – is not given because of the following:

- a) The volume of transactions has been very minimum and negligible.
- b) CRISIL rating was not done during the year under.

Whistle Blower policy : The Company is yet to implement fully such a system due to the low level of operations. No personal had been denied access to the audit committee.

- xx) Training of Board Members: Company is yet to commence such a programme. shortage of fund was one of the reasons.
- xxi) Mechanism for evaluating non-executive Board Members: At present company does not have any such mechanism, because the activities of the company are still in a minimum scale which does not call for such an evaluation.
- xxii) The SEBI vide its circular Nos MRD/DOP//Cir- 05/2009 dated 20th May, 2009 and SEBI /MRD / DOP/SE RTA /cir -03/2010 dated 7th January, 2010 has made it mandatory to furnish a copy of income Tax PAN Card to the Company / the Registrar and share Transfer Agent for Transfer / Transmission / deletion / transposition of securities held in physical Form.
- xxiii) SEBI vide its circular No CIR/CFD/DIL/10/2010 dated 16th December 2010 has amended clause 5A of the listing agreement by laying down a uniform procedure for dealing with unclaimed share in physical mode and getting the same dematerlized after completing the said procedure. The Company's Registrar & Share Transfer Agent is in the process of complying with said amendment.
- xxiv) The members are requested to register email address by a written communication with the depository participant/ the registrar and share transfer agent of the company as the case may be, for communication through electronics mode to receive documents such as, notice calling annual general meeting, annual report comprising of the balance sheet, Profit and loss Statement, cash flow statement, directors' report , auditors' report or to receive any other documents prescribed under law



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**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members  
Cityman Limited  
Bangalore - 560 005

We have examined the compliance of the conditions of Corporate Governance by City Man Limited, (The Company) Bangalore for the year March 31, 2013 as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information, and according to the explanations given to us, we certify, that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

For CHANDY & ZACHERIA  
Chartered Accountants  
FRNNO.000664S

Thankachan Zacherias LLB, FCA, CISA, DISA  
Partner  
M. No. 023421

Camp : Bangalore  
Date : 12.08.2013

**Overall review, industry Structure and Developments:**

The Company is in the process of rebuilding its businesses. At this juncture, a comparison of industrial structure and review of Global industry scenario will be premature and will not serve the desired purpose. So an attempt towards that is not made.

**Opportunities and Threat**

The Company is at present just starting to scale up operations and is in the process of looking at options. Therefore an attempt is not made here to evaluate the opportunities and threats.

**Segment wise Performance**

The Company does not have multiple products/segments

**Out look**

The Board is positive on the future outlook of the company and is examining various business options.

As a first step, the Company has acquired a property in Cochin and is contemplating developing the property as a Joint Venture into Villas/Apartments.

A clearer road map would emerge in the next year 2014-15 when the Company targets to commence its first project.

**Internal control System**

Company at present has internal control procedures, which are commensurate with the present requirements. Internal controls are being monitored, reviewed and upgraded on an ongoing basis

**Human relations**

At present , the Company does not have a full fledged HR Department due to low level of activity. The Board is keen to have a fully equipped HR Department, once the activity is started in a big way.

Financial performance with respect to operational performance

(Amount in Rs)

<b>Particulars</b>	<b>31-03-2013</b>	<b>31-03-2012</b>
Sales	6,984	13,760
Profit(Loss) before Tax	(4,104,204)	(4,255,753)
Provision for Tax	NIL	NIL
Profit (loss) after Tax	(4,104,204)	(4,255,753)
Balance brought forward	(230,082,553)	(225,826,800)
Balance carried to Balance Sheet	(234,186,757)	(230,082,553)

**Caution:**

The actual performance of the company may vary due to economic fluctuations, both national and international, government regulations, tax laws and other unforeseen factors which are beyond the control of the Company.

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**CEO & CFO CERTIFICATION**

The Board of Directors  
Cityman Limited  
Bangalore - 560 005

Re-financial Statements for the year 2012-2013 - Certification

We, Santhosh Joseph Karimattom, Chairman & Managing Director and T. N. Sajeevan, CFO, on the basis of the review of the financial statements and the cash flow statement for the financial year ending March 31, 2013 and to the best of our knowledge and belief, thereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transactions entered into by the company during the year ended March 31, 2013 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
  - (a) there have been no significant changes in the internal control over financial reporting during this year.
  - (b) there have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
  - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Santhosh Joseph Karimattom  
Chairman & Managing Director

T.N. Sajeevan  
CFO

Place : Bangalore  
Date : 30.08.2013

**DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT**

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, I Santhosh Joseph Karimattom, Chairman & Managing Director of the Company, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended March 31, 2013.

For Cityman Limited

Place Bangalore  
Date : 30.08.2013

Santhosh Joseph Karimattom  
Chairman & Managing Director

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**SECRETARIAL AUDIT REPORT**

To,  
The Board of Directors  
Cityman Limited  
Bangalore - 560 005

I have examined the registers, records and documents of Cityman Limited ("the Company") for the financial year ended March 31, 2013 according to the provisions of:-

- The Companies Act, 1956 and the Rules made under that Act;
  - The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
  - The Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') as amended from time to time
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997; and 2011
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2011;
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - The Securities Contracts (Regulation) Act, 1956 ('SCRA'), the Rules made under that Act; and
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
1. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to be by the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies act, 1956("the Act") and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:
- (a) Maintenance of various statutory registers and documents and making necessary entries therein;
  - (b) Closure of the Register of Members/ Debenture holders;
  - (c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
  - (d) Service of documents by the Company on its Members
  - (e) Notice of Board meetings and Committee meetings of Directors;
  - (f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - (g) 20th Annual General Meeting held on 28-09-2012;
  - (h) Minutes of proceedings of General Meetings and of Board and its Committee meetings;
  - (i) Approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required;

- (j) Constitution of the Board of Directors/ Committee(s) of Directors and appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
- (k) Appointment and remuneration of Auditors;
- (l) Transfers and transmissions of the Company's shares and debentures, issue and allotment of shares and debentures and issue and delivery of original and duplicate certificates of shares and debentures;
- (m) Investment of the Company's funds including inter corporate loans and investments and loans to others;
- (n) Form of Balance Sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit and Loss Account as per Part II of the said Schedule;
- (o) Board's report;
- (p) Contracts, common seal, registered office and publication of name of the Company; and I further report that:
  - (a) The directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/ debenture holdings and directorships in other companies and interests in other entities;
  - (b) The Directors have complied with the disclosure requirements in respects of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel. During the year Mr. Santhosh Joseph Karimattom was re-appointed as Managing Director for a period of three years. Since his appointment was not as per Sch. XIII to the Companies Act, 1956, it will be subject to Central Government approval. The management has confirmed that proper enabling resolutions will be passed at the ensuing Annual General Meeting of the Company to obtain members approval for the said appointment.
  - (c) The Company has obtained all necessary approvals under the various provisions of the Act; and
  - (d) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.
  - (e) The Company has not made any investments; or given guarantees or provided securities to other business entities during the year under review.
  - (f) The Company has not defaulted in the repayment of public deposits, unsecured loans, debentures, facilities granted by bank(s) / financial institution(s) and non-banking financial companies
  - (g) The Company has not created, modified or satisfied any charges on the assets of the company
  - (h) The Company has not declared dividend

(i) The Company was not required to pay any amount to the Investor Education and Protection Fund

2. I further report that:

- (a) The Company has complied with the requirements under the Equity Listing Agreements entered into with the Stock Exchange.
- (b) During the year, Company has not allotted any securities.
- (c) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- (d) Since there was no employee stock option scheme, the Company was not required to comply with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of Employee Stock Option Scheme, grant of Options and other aspects; and
- (e) Since the Company has not issued any debt securities, the Company was not required to comply with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,

**Mr. K.JAYARAJ**  
Practicing Company Secretary  
CP No:4410

Place : Bangalore  
Dated : 12-08-2013

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## **INDEPENDENT AUDITOR'S REPORT**

To,

The Members,  
Cityman Limited.  
Bangalore - 560 005.

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Cityman Limited ("the Company") which comprise the Balance Sheet as at March 31, 2013, and the Profit and Loss statement and the Cash Flow Statement for the year ended on that date 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 flows of the company in accordance with accounting principles generally accepted in India, including the 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 control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **OPINION**

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

- (a) in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the profit and Loss statement, of the Loss for the year ended on that date: and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on other Legal and Regularity Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss statement and 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 director as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.

For CHANDY & ZACHERIA  
Chartered Accountants  
FRN.NO. 000664S

(Thankachan Zacherias, LLB, FCA, CISA, DISA)  
Partner  
M. No. 023421

Camp: Bangalore  
Date: 12.08.2013

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1 of our report of even date on the accounts of CITYMAN LIMITED, Bangalore, for the year ended March 31, 2013.

In terms of Companies ( Auditor's Report) Order 2003, issued by the Government of India, in terms of section 227(4A) of Companies Act, 1956, we further report, on the matters specified in paragraph 4 and 5 of the said order, to the extent applicable to the Company, that :

1. We are informed that detailed records showing quantitative particulars and situation of fixed assets are being updated. We are also informed that physical verification was conducted of plant and machinery, furniture and fittings and other major assets by the management during the year and no material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.



3. The company has not disposed off any fixed assets during the year.
4. The company is maintaining proper records of inventory.
5. We are informed that physical verification of inventory was conducted at reasonable intervals by the management during the year.
6. According to the information and explanations given to us and in our opinion, the procedure for physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
7. The discrepancies noticed on verification between the physical stock and records were not material having regard to the size of the company and operations of business of the company.
8. In our opinion and on the basis of our examination of the stock records and having regard to the information and explanations given to us, the valuation of stock is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
9. (a) We are informed that the company has not taken or granted any loans, secured or unsecured from/to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 except those mentioned in (b) and (c) below and trade advances in the course of regular trade as per commercial expediency and the terms and conditions of which are in our opinion, not prima facie prejudicial to the interest of the company  
  
(b) The company has given Rs. 12 lakhs as interest free refundable deposit to a partnership firm in which the Managing Director is a partner for using the brand name owned by them for a period of 99 years in addition to royalty payment of 1 % of the turnover of the company under the brand name to the above firm for using its brand name.  
  
(c) The company has taken an interest free long term borrowing of Rs.1475.50 lakhs from the Managing Director, which is to be either repaid in the next five years or converted into equity as per relevant and applicable SEBI and other guidelines.  
  
(d) The above payment mentioned in (b) and loan mentioned in (c) have been approved by the shareholders of the company.
10. In respect of loans and advances in the nature of loans given/taken by the company, the company/parties are generally repaying the principal amounts and interest as per terms of granting/receiving the same.
11. There is no overdue repayable advance amount of Rupees One Lakh or more due from any party listed in the register maintained under section 301 of the Companies Act, 1956.
12. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of it's business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
13. The company has neither purchased nor sold any goods and materials or services in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 during the year under reference.

14. As explained to us unserviceable or damaged stores, raw materials and finished goods are determined by the management and provisions have been made in the accounts for the loss so determined.
15. We are informed that the company has not accepted any deposits from public during the year.
16. We are informed that the company has no realizable scrap which is material. There are no by-products.
17. In our opinion, the company has an adequate internal audit system commensurate with the size of the company and nature of its business.
18. According to the information and explanations given to us and as per the records of the company and on the basis of test checks conducted by us, no personal expenses have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practices.
19. The company is not a sick industrial unit within the meaning of clause (o) of sub section 1 of section 3 of the sick industrial companies (special provisions) Act, 1985.
20. As per the records, the company has a reasonable system of recording the receipts, issues and consumption of materials and stores and allocating materials consumed to relative jobs, commensurate with the size of the company and nature of its business.
21. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, for the year under reference.
22. According to the information and explanations given to us, employees coming within the purview of ESI and EPF Acts are not presently employed with the company.
23. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund and employees state insurance, investor education and protection fund, sales tax, income tax and other statutory dues applicable to it.  
  
(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which have remained outstanding as at March 31, 2013 for a period of more than six months from the date they become payable.  
  
(c) There is no disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited by the company except income tax demand of Rs.20,96,325/-.
24. The company has an accumulated loss of Rs.23,41,86,757/- as at the end of the financial year and has incurred a cash loss of Rs.40,68,164/- during the financial year and has incurred cash loss of Rs. 42,68,363/- during the immediately preceding financial year. The accumulated loss of the company is more than 50% of its net worth amounting to Rs.11,79,69,000/-
25. The company has not taken any term loan from financial institutions or banks, nor has issued any debentures during the year under reference. There are no dues from the company to any bank or financial institution as at March 31, 2013.

26. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence we have no comments to offer in respect of clause 4 (xii) of the Companies (auditor's report) Order, 2003.
27. In our opinion, 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.
28. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (auditor's report) Order, 2003 are not applicable to the company.
29. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions and hence we have no comments to offer in respect of clause 4 (xv) of the Companies (auditor's report) Order, 2003.
30. The company has not obtained any term loans. Accordingly the question of reporting on its application does not arise.
31. According to the information and explanations given to us and on an overall examination of the balance sheet of the company as at March 31, 2013, we report that no funds raised on short-term basis have been used for long-term investment and also that no long-term funds have been used to finance short-term assets except working capital.
32. The Company has not raised any money through public issue during the year and accordingly clause (xx) of the Companies (Auditor's Report ) Order 2003,as amended is not applicable for the Current year.
33. The company has neither issued any debentures during the year nor there is any outstanding debentures as on March 31,2013 and hence we have no comments to offer in respect of clause 4 (xix) of the Companies (auditor's report) Order, 2003.
34. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For CHANDY & ZACHERIA  
Chartered Accountants  
FRN.NO. 000664S

Thankachan Zacherias, LLB, FCA, CISA, DISA  
Partner  
M. No. 023421

Camp: Bangalore  
Date:12.08.2013



**BALANCE SHEET AS AT MARCH 31, 2013**

(Amount in Rupees)

PARTICULARS	Note No.	Current Reporting Period as on 31.03.2013	Previous Reporting Period as on 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
1. Shareholder's funds			
(a) Share Capital	2.1	117,011,000	117,011,000
(b) Reserves and Surplus	2.2	(176,290,228)	(172,186,024)
(c) Money received against share warrants		-	-
2. Share application money pending allotment		-	-
3. Non-Current Liabilities			
(a) Long-term borrowings	2.3	147,550,000	127,500,000
(b) Deferred Tax liabilities (Net)		-	-
(c) Other Long term liabilities	2.4	-	-
(d) Long term provisions	2.5	429,569	429,569
4. Current Liabilities			
(a) Short-term borrowings	2.6	-	-
(b) Trade payables		-	-
(c) Other current liabilities	2.7	881,218	898,752
(d) Short term provisions	2.8	-	-
<b>TOTAL</b>		<b>89,581,559</b>	<b>73,653,297</b>
<b>II. ASSETS</b>			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	2.9	161,315	197,355
(ii) Intangible assets		-	-
(iii) Capital work in progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	2.10	-	-
(c) Deferred tax assets (Net)		-	-
(d) Long-term Loans and Advances	2.11	1,200,000	1,200,000
(e) Other non-current assets	2.12	543,203	548,681
2. Current Assets			
(a) Current Investements	2.13	-	-
(b) Inventories	2.14	72,625,177	71,508,286
(c) Trade receivables	2.15	6,984	13,760
(d) Cash and cash equivalents	2.16	44,880	185,215
(e) Short-term Loans and advances	2.17	15,000,000	-
(f) Other Current assets	2.18	-	-
<b>TOTAL</b>		<b>89,581,559</b>	<b>73,653,297</b>
Contingent Liabilities and Commitments	2.19	-	-
Proposed Dividends	2.20	-	-
Significant accounting policies	1.1		
Notes 1 and 2 are an integral part of the financial statement			

For and on behalf of the Board of Directors

As per our report of even date attached

Santhosh Joseph Karimattam  
Managing Director

Anup Kumar  
Director

For CHANDY & ZACHERIA  
Chartered Accountants  
FRN NO. 000664S

D.E. Chandrasekaran  
Company Secretary

Thankachan Zacherias LLB, FCA, CISA, DISA  
Partner, M. No. 023421

Place : Bangalore  
Date : 12-07-2013

Camp : Bangalore  
Date : 12-08-2013

**PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED MARCH 31, 2013**

(Amount in Rupees)

PARTICULARS	Note No.	Current Reporting Period as on 31.03.2013	Previous Reporting Period as on 31.03.2012
<b>I. Revenue from operations</b>			
(a) Sales	2.21	6,984	13,760
(b) Less: Excise Duty		Nil	Nil
(c) Net Revenue from operations		6,984	13,760
(d) Other Income	2.22	-	-
<b>TOTAL</b>		<b>6,984</b>	<b>13,760</b>
<b>II. EXPENSES</b>			
(a) Cost of materials consumed	2.23	-	-
(b) Purchases of Stock-in-Trade		-	-
(c) Changes in inventories of finished goods, WIP and Stock-in-Trade	2.24	6,790	12,040
(d) Employee benefit expenses	2.25	1,038,550	982,770
(e) Finance costs	2.26	-	-
(f) Depreciation and Amortization expenses		36,040	37,390
(g) Other expenses	2.27	3,029,808	2,472,197
<b>TOTAL</b>		<b>4,111,188</b>	<b>3,504,397</b>
III. Profit before exceptional and extraordinary items (I-II)		(4,104,204)	(3,490,637)
IV. Exceptional items	2.28	-	815,116
V. Profit before extraordinary items and tax (III-IV)		(4,104,204)	(4,305,753)
VI. Extraordinary items		-	-
VII. Profit before tax (V-VI)		(4,104,204)	(4,305,753)
VIII. Tax expense:			
(a) Current Tax (Regular or MAT)		-	-
Less: Mat credit entitlement		-	-
Net Current Tax		-	-
(b) Deferred Tax		-	-
(c) Excess Tax provision written back		-	50,000
<b>TOTAL TAX EXPENSES</b>		<b>-</b>	<b>50,000</b>
IX. Profit (Loss) for the period from continuing operations (VII-VIII)		(4,104,204)	(4,255,753)
X. Profit (Loss) from discontinuing operations		-	-
XI. Tax expense of discontinuing operations		-	-
XII. Profit / (Loss) for the period		(4,104,204)	(4,255,753)
XIII. Earnings Per Share:			
(a) Basic		(0.35)	(0.36)
(b) Diluted		(0.35)	(0.36)

Significant accounting policies 1.1  
Notes 1 and 2 are an integral part of the financial statement

For and on behalf of the Board of Directors

Santhosh Joseph Karimattam  
Managing Director

Anup Kumar  
Director

D.E. Chandrasekaran  
Company Secretary

As per our report of even date attached

For CHANDY & ZACHERIA  
Chartered Accountants  
FRN NO. 000664S

Thankachan Zacherias LLB, FCA, CISA, DISA  
Partner, M. No. 023421

Place : Bangalore  
Date : 12-07-2013

Camp : Bangalore  
Date : 12-08-2013

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements are prepared under the historical cost convention, under going concern basis and on an accrual basis of accounting and in accordance with the generally accepted accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and referred to in section 211 (3C) of the Companies Act, 1956 to the extent applicable. The accounting policies applied by the Company are consistent with those applied in the previous year.

#### 1.2. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles often requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### 1.3. FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working conditions for its intended use. Depreciation is provided on the Straight Line Method at old rates for assets acquired up to 30th November 1993 and at the new rates for assets acquired after that date. On additions and disposals, depreciation is provided for the period of use during the year. The rates of depreciation are determined on the basis of useful life of the assets as estimated by the management, which are rates specified in Schedule XIV to the Companies Act, 1956.

#### 1.4. IMPAIRMENT

- (a) The carrying amounts of assets are reviewed at each Balance sheet date, if there is any indication of impairment based on internal / external factors. An impairment loss is recognized, wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital
- (b) Depreciation on impairment assets is provided on the revised carrying amount of the assets over its remaining useful life.
- (c) A previously recognized impairment loss is increased or reversed depending on changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

#### 1.5. INVESTMENTS

Investments are stated at cost.

#### 1.6. TRANSACTIONS IN FOREIGN CURRENCIES

Current assets and current liabilities are translated at year end exchange rates or on actual basis, where they are available at the time of finalization of accounts.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

1.7. INVENTORIES

Inventories are valued at lower of cost or net realizable value. Finished goods are valued on full absorption cost and includes material, labour and overheads.

1.8. MISCELLANEOUS EXPENDITURE

Preliminary expenses and public issue related expenses have been fully written off.

1.9. CONTINGENT LIABILITIES

Contingent liabilities not provided for, are reflected in the notes on accounts.

1.10. SALES

Sales are inclusive of all charges, but net of normal trade discount and returns

1.11. RETIREMENT AND OTHER EMPLOYEE BENEFITS

The Company has made appropriate provision for gratuity cum settlement benefit for all employees, who have completed eligible number of years of service under relevant acts.

1.12. CAPITAL SUBSIDY

Subsidy referable to specific fixed assets are deducted from cost of assets, while subsidies not referable to specific fixed assets are credited to Capital Reserve Account.

1.13. TAXATION

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years.

1.14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when an enterprise has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in case of

- (a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- (b) A possible obligation, unless the probability of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed.

Contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

**1.15. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity share are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus elements in a right issue to existing shareholder; share split; and reverse share split (consolidation of shares)

For the purposes of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.16. SEGMENT REPORTING**

The company has only one business segment and geographical segment viz. manufacturing and selling of readymade garments, hence the enterprise accounts are representing the segmental accounts. The other business segment to which the company has just entered into is development of residential township and no major activity except acquisition of land and some minor development has been carried out in this segment and the same is put under the head inventories. No special reporting is required for the current year in this segment.

**1.17. CASHFLOW STATEMENT**

Cash flow statement has been prepared under the indirect method.



**B. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	Note No.	Current Reporting Period 31-03-2013	Previous Reporting Period 31-03-2012
<b>2.1. Share Capital</b>			
a) Authorized Share Capital (25,000,000 Equity Shares of Rs. 10/- each)		250,000,000	250,000,000
Issued Share Capital (11,701,100 Equity Shares of Rs. 10/- each)	A	117,011,000	117,011,000
Subscribed and Fully paid up (11,701,100 Equity Shares of Rs. 10/- each)		117,011,000	117,011,000
Subscribed and Not fully paid up (11,701,100 Equity Shares of Rs. 10/- each)		NIL	NIL
Less: Calls unpaid			
Add: Forfeited Shares			
<b>TOTAL</b>		<b>117,011,000</b>	<b>117,011,000</b>

**A. Share Capital**

(a) Reconciliation of number of shares outstanding at the beginning and end of the reporting period	Outstanding as at beginning of the Reporting as at 31.3.2012	Allotment / (Buy Back) during the period ended 31.3.2013	Outstanding as at end of the Reporting period as at 31.3.2013
Equity Shares of Rs. 10/- each	11,701,100	Nil	11,701,100

(b) Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital. The Company has only one class of Equity Shares having a par value of Rs. 10/- each. Each holder of Equity shares is entitled to one vote per share. The Company as and when declares dividend the same is paid in Indian Rupees. There are no restrictions on distribution of dividends or repayment of capital

(c) Shares of each class held by its holding company or its ultimate holding company (including shares held by it or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate) - NIL

(d) Shares in Company held by each shareholder holding >5% shares specifying number of shares held by

Name of the Shareholder	No. of Shares	% of shareholding
1. Santhosh Joseph Karimattom	7,720,312	65.98

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

- (e) Shares reserved for issue under options & contracts / commitments for sale of shares / disinvestment, including the terms and the amounts - NIL and Not applicable
- (f) For period of 5 years immediately preceeding the Balance sheet date disclose:  
 - Aggregate number and class of shares  
 - Allotted as fully paid up pursuant to contract(s) without payment being received in cash - NIL  
 - Allotted as fully paid up by way of bonus shares - NIL  
 - Bought back - NIL
- (g) Terms of any securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date - NIL and Not Applicable

Particulars	Current Reporting Period 31-03-2013	Previous Reporting Period 31-03-2012
<b>2.2. Reserves and Surplus</b>		
(a) Capital Reserve	56,938,529	56,938,529
(b) Capital Redemption Reserve	-	-
(c) Securities Premium Account	-	-
(d) Debenture Redemption Reserve	-	-
(e) Revaluation Reserve	-	-
(f) Share Options Outstanding Account	-	-
(g) Other Reserves	958,000	958,000
(h) Surplus: (i) Opening Balance	(230,082,553)	(225,826,800)
Adjustments	-	-
(ii) Transferred during current reporting period	(4,104,204)	(4,255,753)
(iii) Balance at the end of the period	(234,186,757)	(230,082,553)
<b>TOTAL</b>	<b>(176,290,228)</b>	<b>(172,186,024)</b>

- 2.2(a) Capital Reserve represents the Principal loan amount waived by consortium of banks and financial institutions i.e., Indus Ind Bank Limited, State Bank of India, UTI (AXIS) Bank Limited and Karnataka State Industrial Investment & Development Corporation Limited on one time settlement of dues to them and
- 2.2(g) Other Reserve represents the subsidy received for the Project from the Department of Industries & Commerce, Government of Karnataka.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

**2.3. Long - Term Borrowings**

(a) Bonds / Debentures		
Secured	-	-
Unsecured	-	-
(b) Term Loan from		
i) Banks		
Secured	-	-
Unsecured	-	-
(c) Deferred payment liabilities	-	-
(d) Deposits	-	-
(e) Loans and Advances from related parties	147,550,000	127,500,000
(f) Long term maturities of finance lease obligations	-	-
(g) Other Loans and Advances	-	-
	<b>TOTAL</b>	<b>147,550,000</b>
		<b>127,500,000</b>

**2.3 (e)** Loans and Advances from related parties represent a loan received from the Managing Director and the terms of loan are:

- (i) Interest on Loan -NIL
- (ii) Repayment terms: Either the Loan will be repaid in the next 5 years or converted into Equity as per relevant and applicable SEBI & other guidelines

**2.4. Other Long - Term Liabilities**

(a) Trade payables	-	-
(b) Others	-	-

**2.5. Long - Term Provisions**

(a) Provision for employee benefits	429,569	429,569
(b) Others	-	-
	<b>TOTAL</b>	<b>429,569</b>
		<b>429,569</b>

**2.6. Short - Term borrowings**

(a) Loans repayable on demand from		
(i) Banks		
Secured	-	-
Unsecured	-	-
(ii) Other Parties		
Secured	-	-
Unsecured	-	-
(b) Loans and advances from related parties	-	-
(c) Deposits	-	-
(d) Other Loans and advances	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

**2.7. Other Current Liabilities**

(a) Current maturities of Long-term debt	-	-
(b) Current maturities of finance lease obligation	-	-
(c) Interest accrued but no due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid dividends	-	-
(g) Share application money received & due for refund and Interest accrued thereon	-	-
(h) Unpaid matured deposits & interest accrued	-	-
(i) Unpaid matured debentures & interest accrued	-	-
(j) Other payables	881,218	898,752
<b>TOTAL</b>	<b>881,218</b>	<b>898,752</b>

**(k) Note:-**

- (i) Confirmation of balances have not been obtained from many of the creditors
- (ii) No provision for income Tax has been made for the year since the Company has incurred loss during the year. No provision has been made for demand of interest U/s. 220(2) of the Income Tax Act for Assessment Year 1997-98 and 1998-99 amounting to Rs. 20,96,325/-, as the company is advised of waiver of the same by higher Authorities on the company's application.
- (iii) The information regarding amounts due to Micro and Small Enterprises have been determined based on the information available with the company and have been relied up on by the Auditors
- (iv) Principle amount remaining unpaid to Micro and Small Enterprises as at the end of the Accounting Year –NIL
- (v) Interest due on principle amount remaining un paid as at the end of the Accounting year –NIL
- (vi) Amount of interest paid by the Company along with the payment made to the suppliers beyond the appointed day during the year – NIL
- (vii) Amount of Interest due and payment for the period of delay in making payment (amount have been paid, but after the appointed day) but without interest specified under Micro Small and Medium Enterprises Development Act, 2006 – NIL
- (viii) Interest accrued and remaining unpaid as at the end of the accounting year –NIL
- (ix) Unpaid interest brought forward to current year - NIL
- (x) The Small Scale Industrial Undertaking ( SSI Unit ) to whom amount outstanding for more than 30 days is NIL

**2.8. Short - Term provisions**

(a) Provision for employee benefit	-	-
(b) Others - Provision for Income Tax	-	-
(c) Others	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**  
**2.9. FIXED ASSETS**

Sl. No.	Particulars	Gross Carrying Value					Depreciation & Amortization					Net Carrying Value		
		As at Beginning of the Reporting Period	Additions	Acquisitions thru business combinations	Disposal	Other Adjustments	As at the end of the Reporting period	Rate of Depreciation %	Upto Last Year	For the Year	Withdrawn	Total	As at Beginning of the Reporting period	As at end of the Reporting period
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	<b>Tangible Assets</b>													
a	Plant and Equipment	88,114	-	-	-	-	88,114	4.75	60,688	4,185		64,873	27,426	23,241
b	Furniture & Fixtures	29,092	-	-	-	-	29,092	6.33	29,091	-		29,091	1	1
c	Office Equipment	71,683	-	-	-	-	71,683	4.75	15,182	3,404	-	18,586	56,501	53,097
d	Others	598,973	-	-	-	-	598,973	4.75	485,546	28,451	-	513,997	113,427	84,976
	Total	787,862	-	-	-	-	787,862	-	590,507	36,040	-	626,547	197,355	161,315
	Previous Year	765,132	22,730	-	-	-	787,862	-	553,117	37,390	-	590,507	212,015	197,355



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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****2.10. Non - Current Investments**

Investments in

(a) Investment Property	-	-
(b) Equity Instruments	-	-
(c) Preference Shares	-	-
(d) Government / Trust securities	-	-
(e) Debentures / Bonds	-	-
(f) Mutual Funds	-	-
(g) Partnership Firms	-	-
(h) Other non-current Investments	-	-

**2.11. Long - Term Loans & Advances****(a) Capital Advances**

(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-

**(b) Security Deposits**

(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-

**(c) Loans & Advances to related parties**

(i) Secured, considered good	-	-
(ii) Unsecured, considered good	1,200,000	1,200,000
(iii) Doubtful	-	-

**(d) Other Loans & Advances**

(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-

<b>TOTAL</b>	<b>1,200,000</b>	<b>1,200,000</b>
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2.11 (c)(ii) Loans & Advances to related Parties represent the amount paid towards Deposit for the use of Trade mark "Cityman" to M/s. S.S.Agencies, a firm in which the Managing Director and his relatives are interested

**2.12. Other non-current Assets**

(a) Long Term Trade Receivables		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-
(b) Others	543,203	548,681
<b>TOTAL</b>	<b>543,203</b>	<b>548,681</b>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

**2.13. Current Investments**

(a) Equity Instruments	-	-
(b) Preference Shares	-	-
(c) Government / Trust securities	-	-
(d) Debentures / Bonds	-	-
(e) Mutual Funds	-	-
(f) Partnership Firms	-	-
(g) Other Investments	-	-

**2.14. Inventories**

(a) Raw Materials	-	-
(b) Work - in - Progress	-	-
(c) Finished Goods - at net realisable value	1,400	8,190
(d) Stock -in- Trade	-	-
(e) Stores & Spares	-	-
(f) Loose Tools	-	-
(g) Others - Landed property - at cost	72,623,777	71,500,096
<b>TOTAL</b>	72,625,177	71,508,286

2.14 (g) The Company has purchased a property in Panangad, Ernakulam, Kerala for residential township development. The Company has to buy further lands to get advantage of better access and higher realisation at the time of sale.

**2.15. Trade Receivables**

(a) Secured, considered good	6,984	13,760
(b) Unsecured, considered good	-	-
(c) Doubtful	-	-
<b>TOTAL</b>	<b>6,984</b>	<b>13,760</b>

**2.16. Cash & Bank Balances**

a. Cash & Cash equivalents		
(i) Balance with Banks	8,682	169,722
(ii) Cheques, drafts on had	-	-
(iii) Cash on hand	36,198	15,493
(iv) Others	-	-
b. Earmarked balanes with banks	-	-
c. Balances with banks - held as margin money or security deposits against borrowings, guarantees / other commitments	-	-
d. Repatriation restrictions	-	-
e. Bank deposits with more than 12 months maturity	-	-
<b>TOTAL</b>	<b>44,880</b>	<b>185,215</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

**2.17. Short - Term Loans and Advances**

(a) Loans and Advances to related parties		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-
(b) Others		
(i) Secured, considered good	<b>15,000,000</b>	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-
<b>TOTAL</b>	<b>15,000,000</b>	-

**2.18. Other Current Assets**

- a) Current Assets, Loans and Advances
- i. In the opinion of the board of directors, the current assets, loans and advances have the values at which they are stated in the balance sheet as and when realized in the ordinary course of business.
  - ii. Confirmation of balances have not been obtained from debtors and for advance payments.
- b) Deferred Tax Liability / Asset
- i. The deferred tax liability / assets as per accounting standard 22 issued by the Institute of Chartered Accountants of India for the current year as well as for the previous year as per re - calculation is nil, as the company does not foresee any reasonable certainty in generation of profit in the coming years.
- c) Disclosure in accordance with accounting standard - 18
- i. Related party transaction NIL
  - ii. Name of key management personnel Amount of remuneration
    1. Mr. Santhosh Joseph Karimattom - Managing Director - -
    2. Mr. Anup Kumar - Director - -
  - iii. Transaction with related parties, referred to item (i) above - -
- d) The Managing Director was appointed with a monthly remuneration of Rs. 50,000/- with effect from 31.3.2012 and the same was approved by the Annual General Meeting and Central Government. As the Company could not expand its operations to the expected level the Managing Director offered to waive his claim for remuneration and hence the same is not provided in the accounts.

**2.19. Contingent Liabilities & Commitments**

(a) Contingent Liabilities		
(i) Claims against the company not acknowledged as debt	-	-
(ii) Guarantees	-	-
(iii) Other money for which company is contingently liable	-	-
(b) Commitments	-	-
(i) Estimated amount of contracts remaining to be executed on capital account & not provided for	-	-
(ii) Uncalled liability on shares & other investments partly paid	-	-
(iii) Others	-	-



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

<b>2.20. Proposed Dividends</b>	-	-
<b>2.21. Revenue from Operations</b>		
(i) Sale of Products	6,984	13,760
(ii) Sale of services	-	-
(iii) Other operating revenues	-	-
	-	-
Less: Excise duty	-	-
<b>TOTAL</b>	<b>6,984</b>	<b>13,760</b>
<b>2.22. Other Income</b>		
(i) Interest Income	-	-
(ii) Dividend income	-	-
(iii) Net gain or loss on sale of Investments	-	-
(iv) Other Non-operating income (Net of expenses)	-	-
<b>2.23. Cost of Materials Consumed</b>		
(a) Raw materials		
(i) Opening Stock	-	-
(ii) Add: Purchases	-	-
(iii) Less: Closing stock	-	-
<b>2.24. Changes in Inventories of Finished Goods</b>		
(a) Finished stock		
(i) Opening Stock	8,190	20,230
(ii) Closing stock	1,400	8,190
(b) Work - in - progress		
(i) Opening stock	-	-
(ii) Less: Closing stock	-	-
	<b>6,790</b>	<b>12,040</b>
<b>2.25. Employee Benefit Expenses</b>		
(i) Salaries & Wages	1,038,550	982,770
(ii) Contribution to Provident & Other funds	-	-
(iii) Expenses ESOP & ESPP	-	-
(iv) Staff welfare expenses	-	-
<b>TOTAL</b>	<b>1,038,550</b>	<b>982,770</b>
<b>2.26. Finance Costs</b>		
(i) Interest expense (incl Finance lease charges)	-	-
(ii) Other borrowing costs	-	-
(iii) Net gain or loss on Foreign currency transaction / translation	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

**2.27. Other Expenses**

(i) Consumption of stores & Spare parts	-	-
(ii) Power & Fuel	-	-
(iii) Rent	315,000	145,000
(iv) Repairs to buildings	-	-
(v) Repairs to machinery	-	-
(vi) Insurance	-	-
(vii) Rates & Taxes (excluding taxes on income)	1,283,034	351,505
(viii) Advertisement and Sales Promotion	314,829	314,382
(xi) Printing & Stationery	121,578	210,162
(xii) Legal & Professional Charges	709,830	916,410
(xiii) Postage & Courier charges	93,772	197,409
(xiv) Travelling & Conveyance	97,780	125,668
(xv) AGM Expenditure	54,760	42,016
(xvi) Other Expenses	39,225	169,645
<b>TOTAL</b>	<b>3,029,808</b>	<b>2,472,197</b>

**2.28. Exceptional Items**

<b>TOTAL</b>	Nil	815,116
<b>TOTAL</b>	Nil	<b>815,116</b>

**Other Information**

- a. Previous years' figures have been regrouped or recast wherever necessary to suit with current year's disclosure and layout.
- b. Remuneration paid to directors consist of the following
- 1) Remuneration to Directors
  - 2) Perquisites
    - i) House rent allowance
 

Managing director	NIL	NIL
Executive director	NIL	NIL
    - ii) Insurance - whole time director
    - iii) Medical reimbursement to executive director
  - 3) Directors sitting fee
- c. 1) Value of imports calculated on C.I.F. basis by the Company during the financial year in respect of
- i) Raw Materials;
  - ii) Components and spare parts;
  - iii) Capital Goods;
- 2) Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

3) Total value if all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption			
(i) During the year under reference, the Company has not imported any raw materials, spare parts and components and hence the value of imports are:		NIL	NIL
(ii) Consumption of finished goods in stock - indigenous		NIL	NIL
(iii) % of indigenous to imported		NIL	NIL
4) The amount remitted during the year in foreign currencies on account of dividends with specific mention of the total number of non-resident shareholders, the total number of share held by them on which the dividends were due and the year to which the dividend Related		NIL	NIL
5) Earning in foreign exchange classified under the following heads, namely :-			
(i) Export of goods calculated on FOB basis		NIL	NIL
(ii) Royalty, Know-how, professional and Consultation fee		NIL	NIL
(iii) Interest and dividends		NIL	NIL
(iv) Other Income, indicating the nature thereof		NIL	NIL
6) Auditors' Remuneration - Audit Fee		50,000	50,000
-Fee for other services		20,000	20,000

d. Information with regard to Opening Stock, Purchases, Production, Sales & Closing Stock

	Unit	Quantity	Current Year Value	Previous Year Quantity	Value
(1) Opening stock					
i) Woven garments	Nos.	117	8,190	289	20,230
ii) Fabrics	Mtrs.	nil	nil	nil	nil
Total		<u>117</u>	<u>8,190</u>	<u>289</u>	<u>20,230</u>
(2) Purchases		<u>nil</u>	<u>nil</u>	<u>nil</u>	<u>nil</u>
Total		<u>117</u>	<u>8,190</u>	<u>289</u>	<u>20,230</u>
(3) Production (including job work)					
Woven garments	Nos.	nil	nil	nil	nil
(4) Sales					
i) Woven garments	Nos.	97	6,984	172	13,720
Total		<u>97</u>	<u>6,984</u>	<u>172</u>	<u>13,720</u>
(5) Closing stock					
i) Woven garments	Nos.	20	1,400	117	8,190
ii) Fabrics	Mtrs.	nil	nil	nil	nil
Total		<u>20</u>	<u>1,400</u>	<u>117</u>	<u>8,190</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

Note:

- i) Purchase are net of returns
- ii) Sales are net of returns but includes damages and compliments
- iii) Production is net of damages in production process
- iv) Information with regards to raw materials and components consumed
 

a. Fabrics	Mtrs.	Nil	Nil	Nil	Nil
b. Other materials			Nil		Nil
Total			Nil		Nil

e. Quantitative information in regard to licensed and installed capacity of the goods manufactured

Item	Measure- ment	Unit of capacity	Licenced capacity	Installed production	Actual production during the year	Previous year production
Woven garments	units	N.A.	N.A.	N.A.	Nil	Nil

For and on behalf of the Board of Directors

Santhosh Joseph Karimattam      Anup Kumar  
 Managing Director                      Director

D.E. Chandrasekaran  
 Company Secretary

Place : Bangalore  
 Date : 12-07-2013

As per our report of even date attached

For CHANDY & ZACHERIA  
 Chartered Accountants  
 FRN No. 000664S

Thankachan Zacherias LLB, FCA, CISA, DISA  
 Parnter, M. No. 023421

Camp : Bangalore  
 Date : 12-08-2013

**CASH FLOW STATEMENT FOR THE PERIOD 01-04-2012 to 31-03-2013**

(Rs. Lacs)

<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>Current Reporting Period as on 31.03.2013</b>	<b>Previous Reporting Period as on 31.03.2012</b>
Net Profit before tax and extraordinary items	(41.04)	(34.91)
Adjustments for :-		
Depreciation	0.36	0.37
Preliminary expenses written off	-	-
Public issue expenses written off	-	-
Interest	-	-
Operating profit before working capital changes	(40.68)	(34.54)
Adjustments for :-		
Trade and other receivables	(149.88)	(5.59)
Inventories	(11.17)	(714.88)
Trade and other payable	(0.17)	(15.93)
Cash generated from operations	(201.90)	(770.94)
Interest paid	-	-
Direct taxes paid	-	-
Cash flow before extraordinary items	(201.90)	(770.94)
Extraordinary items (net)	-	(7.65)
Net cash from operating activities (A)	(201.90)	(778.59)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	-	(0.23)
Sales of fixed assets	-	-
Purchases of investments	-	-
Sale of investments	-	-
Interest received	-	-
Dividend received	-	-
Net cash generated for investing activities (B)	-	(0.23)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	700.00
Proceeds from short and long term borrowings	200.50	80.00
Repayment of finance and lease liabilities	-	-
Government subsidy received (net)	-	-
Dividends paid	-	-
Net cash generated for financing activities (C)	200.50	780.00
Net increase in cash and cash equivalents	(1.40)	1.18
Cash and cash equivalents as at 31.03.2012	1.85	0.67
Cash and cash equivalents as at 31.03.2013	0.45	1.85

For and on behalf of the Board of Directors

Santhosh Joseph Karimattam  
Managing Director

Anup Kumar  
Director

D.E. Chandrasekaran  
Company Secretary

As per our report of even date attached

For CHANDY & ZACHERIA  
Chartered Accountants  
FRN NO. 000664S

Thankachan Zacherias LLB, FCA, CISA, DISA  
Partner, M. No. 023421

Camp : Bangalore  
Date : 12-08-2013

Place : Bangalore  
Date : 12-07-2013



**CITY MAN LIMITED**

No. 153, (Old No. 43/35), 2nd Floor, Promenade Road, 2nd Cross, Frazer Town, Bangalore - 560 005  
Tel : +91-80-2554 0183 Fax : +91-80-25540193 E-mail : info@cityman.co.in, cityman97@rediffmail.com Website :  
www.cityman.co.in

**ATTENDANCE SLIP**

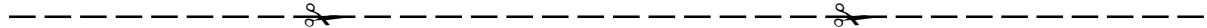
Regd.Folio No. \_\_\_\_\_

I certify that I am a registered shareholder / proxy for the registered share holder of the Company

I hereby record my presence at the TWENTY FIRST ANNUAL GENERAL MEETING of the Company held at Father Servanton Community Hall-2 ,St.Francis Xavier's Cathedral Church Compound, St.John's Church Road, Fr.Servanton Circle, (Near Coles Park), Cleveland Town, Bangalore-560 005 on 27th of September, 2013, at 10.00 A.M

\_\_\_\_\_  
Member's/proxy's name in BLOCK LETTERS

\_\_\_\_\_  
Member's / Proxy's Signature



**CITY MAN LIMITED**

No. 153, (Old No. 43/35), 2nd Floor, Promenade Road, 2nd Cross, Frazer Town, Bangalore - 560 005  
Tel : +91-80-2554 0183 Fax : +91-80-25540193 E-mail : info@cityman.co.in, cityman97@rediffmail.com Website :  
www.cityman.co.in

**ATTENDANCE SLIP**  
**PROXY FORM**

I/We \_\_\_\_\_

Of \_\_\_\_\_

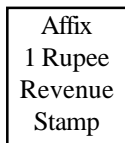
Being a member / members of the above –named company hereby appoint \_\_\_\_\_

Of \_\_\_\_\_

As my / our proxy to vote for me/ us behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company held at Father Servanton Community Hall-2 ,St.Francis Xavier's Cathedral Church Compound, St.John's Church Road, Fr.Servanton Circle, (Near Coles Park), Cleveland Town, Bangalore-560 005 on 27th of September, 2013, at 10.00 A.M

Signed this \_\_\_\_\_

Signature \_\_\_\_\_



day of \_\_\_\_\_ 2011

\_\_\_\_\_