

DIRECTORS' REPORT

Dear Members,

The Directors submit their SEVENTH Annual Report and accounts for the year ended 31st March, 2014.

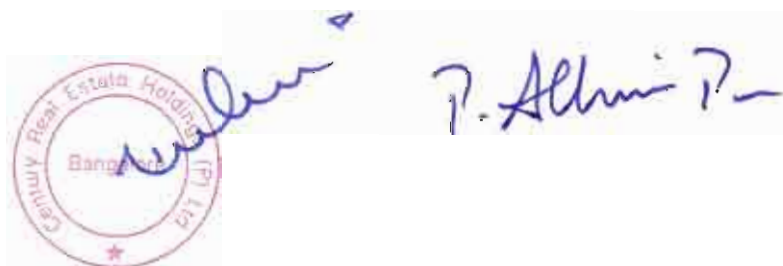
Performance

During the year under review, the Company has reported revenue of Rs. 1,495.91 million compared to the previous year Rs.1032.42 million, thereby posting a growth of 44.89%. The revenue from interest from investments by the Company in various partnership firms stood at Rs. 1017.42 million as against Rs. 968.59 million during the previous year. During the current year the operating cost stood at Rs. 134.26 million as against Rs. 99.60 million during the previous year. The Operating costs of the Company are mainly on account of personnel, administrative, legal and professional expenses. The Company has posted an Operating Profit of Rs. 112.30 million as against Rs. - 52.50 million during the previous year.

The finance cost of the company has increased from Rs. 1009.12 million to Rs. 1122.25 million. The Company has earned net profit after taxes of Rs. 3.80 million considering the higher finance and operating costs. The Company is taking all the steps to reduce the finance cost and increase the profits.

Financial Results:

	2013-14	2012-13
Total Income	1,495.92	1032.42
Expenditure		
Operating costs	357.40	99.60
Depreciation	2.69	2.27
Interest	1,122.25	1,009.12
Corporate taxes	2.43	-
Deferred Tax Credit	7.35	(40.75)
Net profit / (Loss) for the period	3.80	(37.83)



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At the end of the year under review, the Company has 20 SPV's of which are 12 partnership firms, 5 Subsidiary Companies and 1 joint venture. In addition to above SPV's Company has also entered into Joint Development Agreement (JDA) with its SPV and 2 JDA's with other land owners to develop the projects on Joint Development basis. Company has also consolidated 11 SPV's including 10 Partnership firms 1 Subsidiary and a JDA with one of the SPV and other 5 JDA's with other land owners to develop these projects through its wholly owned subsidiary M/s. Century Joint Developments Private Limited. Totally, the Company has 31 SPV's and 7 projects under JDA's under its fold as on 31st March 2014.

Initiatives & Future Outlook

The company continues to engage in the residential developments across segments which include luxury, super luxury residential apartments, villas, row houses, plotted developments and commercial complexes. Excellent facilities covering well-equipped club house, swimming pool, gymnasium, game courts and recreating center are provided in all projects. The projects are spread out predominantly across the city of Bangalore.

Your Company shall continue with its strategy in development of the projects:

- To launch projects only after achieving financial closure with minimal dependence on pre sales.
- To de-risk project and the land parcel by launch of projects in logical phases.
- To enter into strategic alliance with contractors and vendors through long term agreements.
- To develop the land parcels through Joint-Development and Joint Ventures.
- Also to take up plotted development of relatively larger land parcels firstly unlock the land parcels and also to improve the liquidity.

Century's Development Profile spreads through all sectors in the Real Estate Development by utilizing all the possible inputs and providing the world-class facilities to the customers. 'Century' seizes all the opportunities possible for development and bring-in a new era in the real estate development.

Share Capital

During the Current Year, your Company has not altered its Authorised Capital.



Debentures

During the year the Company had not issued any new series of Debentures, however the company redeemed the following series of Debentures in full:

- 100 16.5% Freely Transferable, Secured, Redeemable Unlisted, Unrated And Non-Convertible Debentures Of Rs. 1,00,00,000/- (Rupees One Crore Only) each amounting to Rs. 100,00,00,000/- (Rupees One hundred crore only)
- 25,00,000 17.75% Senior Secured Redeemable Non-Convertible Debentures - Series 1 of Rs. 100/- (Rupees One hundred only) each amounting to Rs. 25,00,00,000/- (Rupees Twenty Five crore only).
- 1,500 17.75% Senior, Secured, Redeemable, Non-Convertible Debentures - Series 2 of Rs. 1,00,000/- (Rupees one lakh only) each amounting to Rs. 15,00,00,000/- (Rupees fifteen crore only).

Notes on Subsidiaries

Your Company has six subsidiaries:

1. M/s. Century Joint Developments Private Limited with a shareholding of 99.9975%.
2. M/s. Suruchi Properties Private Limited with shareholding of 95.00%.
3. M/s Geetanjali Effective Realty Solutions Private Limited with a shareholding of 99.9766%.
4. M/s Indiland Developers Bangalore Private Limited with a shareholding of 99.7679%.
5. M/s Century Property Management Company Private Limited with a shareholding of 99.5099%
6. M/s Pai Electronics Systems Private Limited a company which is a subsidiary of M/s Century Joint Developments Private Limited with a shareholding of 95% and therefore becoming the Subsidiary of the Company vide., Section 4(1)(c) of the Companies Act, 1956.

In terms of circular no. 2/2011 dated 8th February 2011, issued by Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents of subsidiary companies are not required to be attached with the Balance Sheet of the Company. Shareholders desirous of obtaining the annual accounts of your Company's subsidiaries may obtain the same upon request. The report and accounts of the subsidiary companies will be kept for inspection at your Company's registered office.

Century Joint Developments Private Limited

During the year under review, the Company achieved a turnover of Rs.403.89 million. Company has about 13 projects with a total BUA of 1.4 million at different stages of development.



The image shows a handwritten signature in blue ink over a circular purple stamp. The stamp contains the text "Century Joint Developments Private Limited" and "BANGALORE". To the right of the stamp is another handwritten signature in blue ink.

Suruchi Properties Private Limited

Suruchi Properties owns prime land parcel at the strategic location in the city of Bangalore, the rights of development on which is given to a leading developer on Joint Development. The work towards creating a residential complex is progressing. The Company expects the project to be launched and the Company to generate in the next 2 years.

Geetanjali Effective Realty Solutions Private Limited

Geetanjali Effective owns a prime land parcel at Yelahanka-Doddaballapur main road which is developed by the company in two phases first phase being a plotted development (aggregating an area of 40.36 Acres) was launched on August 15, 2012.

Indiland Developers Bangalore Private Limited and Century Property Management Company Private Limited.

These two Companies were taken over during 2011-12 with a futuristic option to develop projects. There were no major events during the year under review to report with respect to these Companies.

Pai Electronics Systems Private Limited

Pai Electronic Systems Private Limited is a subsidiary Company of M/s Century Joint Developments Private Limited. Pai Electronics Systems owns a prime land parcel at Whitefield, Bangalore.

Directors

In accordance of the provisions of Companies Act, 1956 and Articles of Association of the Company, Mr. Mahesh Prabhu (DIN: 01515242), Whole-Time Director will retire by rotation at the upcoming Annual General Meeting and being eligible, offer himself for re-appointment. The Board has recommended his re-appointment.

The Company has appointed Mr. Stuart Bohart (DIN:06943362) as nominee director in the board of the Company pursuant to Section 161 of the Companies Act, 2013 on September 16, 2014. The appointment of Nominee Director was pursuant to the Amendment Agreement - Investment Agreement entered into by the Company on September 16, 2014.

Directors' Responsibility Statement

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

The financial statements are prepared in conformity with the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to us; on the historical cost convention; as a going concern



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and on the accrual basis. There are no material departures from prescribed accounting standards. The accounting policies used in the preparation of the financial statements have been consistently applied except as otherwise stated in the notes on accounts.

The Board of Directors accepts responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present our state of affairs and profits for the year. To ensure this, we have taken proper and sufficient care in implementing a system of internal control and accounting records; for safeguarding assets; and for preventing and detecting frauds as well as other irregularities; which are reviewed, evaluated and updated on an ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounts.

Auditors

M/s Haribhakti & Co, Chartered Accountants were appointed as the Statutory Auditors of the Company as per the provisions of Section 224(6) of the Companies Act, 1956 vide an Annual General Meeting conducted by the Company on September 30, 2013.

M/s Haribhakti & Co, Chartered Accountants, Coimbatore, the Statutory Auditors holds the office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received from M/s Haribhakti & Co the consent for re-appointment and they have confirmed that their appointment if made would be within the limits prescribed under Section 139 of the Companies Act, 2013 and the applicable rules thereof and they are not disqualified for re-appointment within the meaning of Section 141 of the said Act.

Auditors' Report

With reference to the observation given in the point no. ix in the Annexure to the Auditors' Report, it is to state that during the year under review, there were some delays in depositing tax deducted at source, but the Company has paid major amount since then and also taken all the steps to regularize the entire outstanding.

With reference to the observation given in the point no. xi with regard the amount of Rs. 205.40 million due to the financial Institutions, the company is taking steps for the repayment of the dues.

With reference to the observation given in the point no. xvii in the Annexure to the Auditors' Report, it is to state that the Company is of the view that funds raised on short-term basis



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have not been utilized for long-term requirement. It is a matter of interpretation of the business transaction and Company has used the funds for which it has been raised.

Conservation of energy and technology absorption:

The Company has not consumed energy of any significant level and hence no extra comments are made in respect of Conservation of Energy and Technology Absorption. However, all efforts are on to save and conserve energy. No foreign technology has been absorbed till date.

Foreign exchange earnings & outgo

There were no foreign exchange earnings and outgo during the year.

Public Deposits

The Company has not accepted/renewed any public deposits during the year under review and hence there is no amount of principal or interest was outstanding as on the date of Balance Sheet.

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, there were no employees who were in receipt of remuneration more than the limit prescribed.

Business Partnerships

The Company is highly focused and as always is keen to establish strong tie ups with business partners for the long term, to ensure there is synergy and focus to conceptualize, design, develop, build and deliver distinct, signature class real estate products.

Through constant networking and relations building the Company has strengthened relationships across business segments and forged new alliances for strategic and mutual growth and development.

Corporate Social Responsibility

Your Company continued to enlarge the footprint laid by its promoters, during the year in social sector by expanding and deepening its coverage in the social development. The Company had a series of activities for promoting the "CSR" activities in the Company. The Company regularly promotes the Joy of Giving Week in the first week of October of every year.

The Management of the Company on a regular basis review, monitor and provide strategic direction to the Company's sustainability practices towards fulfilling its obligation towards



the society. The Company seeks to integrate its social and environmental objectives with its business strategies.

Human Resource & Personnel:

The Company is carefully assessing the growth in business, the quality of resources and carefully nurturing each addition and providing ample opportunities for training, knowledge building and growth opportunities.

Employee relations are always cordial and harmonious at all levels and departments of the Company.

Acknowledgement

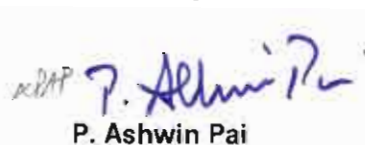
The Directors thank all customers, architects, contractors, vendors, investors, Broker & Channel Partners, real estate developers associations and bankers for their support during the year. The Directors place on record their appreciation of the contribution made by employees at all levels.

The Directors thank the Government of India, Ministry of Commerce & Industry, Ministry of Finance, Ministry of Corporate Affairs, the Income Tax departments, the Reserve Bank of India and all other agencies for their support.

The steady support of the Government of Karnataka, in particular BWSSB, BESCOM, BDA, BBMP, KPTCL, BIAPPA, the state police department, the state traffic police department and other bodies associated with the Company are highly appreciated.

The continued support from all the stakeholders is solicited in the future.

For and on behalf of the Board of Directors


P. Ravindra Pai
Managing Director
P. Ashwin Pai
Director

Place: Bangalore
Date: September 29, 2014



**STATEMENT U/S 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

Particulars		Subsidiaries				
1.	Name of the Company	Century Joint Development Pvt. Ltd.	Suruchi Properties Pvt. Ltd.	Century Property Management Company Pvt. Ltd.	Geetanjali Effective Realty Solutions Pvt. Ltd.	Indiland Developers Bangalore Pvt. Ltd.
2.	Date from which they became Subsidiary	28.06.2010	20.01.2011	31.03.2011	31.03.2011	31.03.2011
3.	Financial Year of the Subsidiary ended on	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
4.	Shares of the Subsidiary held by Century Real Estate Holdings Private Limited on the above date					
	i) Number of shares held	1,99,99,500	9,500	2,03,03,200	4,28,13,150	8,16,66,034
	ii) Face value (Rs)	10	10	10	10	10
	iii) Extent of Holding	99.9975%	95%	99.5099%	99.9766%	99.7679%
5.	Net Aggregate Profit/(Loss) for the Current Year					
6.	Net Aggregate amount of Profit or Loss of the Subsidiaries so far as it concerns the Members of the Holding Company and is dealt within the Accounts of the Holding Company.					
	a) for the Financial Year of the Subsidiaries	NIL	NIL	NIL	NIL	NIL
	b) for the previous Financial Year of the Subsidiaries since they became its Subsidiary	NIL	NIL	NIL	NIL	NIL

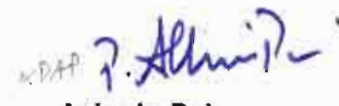


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7.	Net Aggregate amount of Profit or Loss of the Subsidiaries so far as it concerns the Members of the Holding Company and is not dealt within the Accounts of the Holding Company.					
	a) for the Financial Year of the Subsidiaries	- 1,69,18,867	NIL	NIL	- 1,99,17,169	NIL
	b) for the previous Financial Year of the Subsidiaries since they became its Subsidiary	- 8,59,55,202	- 66,640	NIL	- 29,078	NIL

On behalf of the Board
For **Century Real Estate Holdings Private Limited**


Ravindra Pai
Managing Director


Ashwin Pai
Director

Place: Bangalore
Date: 29.09.2014


Vivekananda Nayak
Company Secretary

