

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY**  
**PRIVATE LIMITED**

**ANNUAL AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2011**

**M. A. PARIKH & CO.**

Chartered Accountants  
Yusuf Building, 2<sup>nd</sup> Floor,  
Mahatma Gandhi Road,  
Fort, Mumbai – 400 001.

Tel No.: 22041018 \*22043850 \*22029187

Fax: 22874524 \*Email : maparikh@eth.net

**NOTICE**

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of Gokuldham Real Estate Development Company Private Limited will be held on Tuesday, 20<sup>th</sup> September 2011 at 5.00 P.M at the Registered Office of the Company, at DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai 400063 to transact the following Business:

**AGENDA**

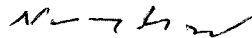
1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March, 2011, the Profit and loss Account for the year ended on that date together with the reports of the Board of Directors & Auditors thereon
2. To appoint a Director in place of Mr. Rajiv Agarwal who retires by rotation
3. To re-appoint M/s. M.A.Parikh & Co, Chartered Accountants (Reg. No.107556W) the retiring auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors.

**SPECIAL BUSINESS**

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

“**RESOLVED THAT** Mr. Jagat A. Killawala, who was appointed as Additional Director by the Board of Directors of the Company with effect from 17<sup>th</sup> May, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under the section 257 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

By Order of the Board  
For Gokuldham Real Estate Development Company Pvt. Ltd.



Director

Mumbai

Date: 30.05.2011

**Notes:**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2) THE INSTRUMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 3) THE RELATIVE EXPLANATORY STATEMENT IN RESPECT OF ITEMS 4 IS ANNEXED HERETO.

**EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 4**

Mr. Jagat A. Killawala was appointed as Additional Director at Board Meeting held on 17<sup>th</sup> May, 2011 and he holds his office up to the date of the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, proposing his appointment as a Director in the Annual General Meeting.

Your Directors recommend the resolution for your acceptance.

None of the Directors other than Mr. Jagat A. Killawala is in any way concerned or interested in the said resolution.

**By Order of the Board  
For Gokuldham Real Estate Development Company Pvt. Ltd.**

*N. K. Killawala*

**Director**

**Mumbai  
Date: 30.05.2011**



## DIRECTORS' REPORT

To  
The Members  
Gokuldhham Real Estate Development Company Private Limited

Your Directors have pleasure in presenting the Annual Report together with the Audited Accounts of the Company for the year ended on 31<sup>st</sup> March, 2011:

### NATURE OF OPERATIONS

Your Company is engaged in the business of development and construction of residential complex "Orchid Woods" on the land at Dindoshi, Goregaon (East), Mumbai- 400 063 and the work has progressed satisfactorily.

### FINANCIAL RESULTS:

In accordance with the percentage completion method followed by the Company in recognizing the revenue, the Company has recognized revenue during the year and accounted in the Profit and Loss Account:

Particulars	Amount (in Rs.)	
	Year ended March 31, 2011	Year ended March 31, 2010
Income by way of Revenue from Sale of Flats, Interest Sale of TDR & Other Income	2,98,47,98,196	1,59,96,88,728
Profit before Depreciation	79,84,43,398	37,48,12,835
Less: Depreciation	11,94,427	1,22,21,941
Profit Before Tax	79,72,48,971	36,25,90,894
Less: Provision for Taxation	30,45,66,803	13,11,93,599
Profit / (Loss) after Tax	49,26,82,168	23,13,97,295
Add: Balance brought forward from Earlier year	28,91,26,609	5,77,29,314
Less : Appropriation Capital Redemption Reserve	40,00,00,000	-
Balance carried to Balance Sheet	38,18,08,777	28,91,26,609

### DIVIDEND

In order to conserve resources for the completion of the Project, the Directors have not proposed any dividend on the Equity Share Capital for the year

## **STATUS OF THE COMPANY**

The Company continues to be a subsidiary company of D B Realty Limited and accordingly by virtue of Section 3(1)(iv)(c) of the Companies Act, 1956, the Company is a Public Company.

## **REDEMPTION OF PREFERENCE SHARES**

The Company has redeemed 40,00,000 (Forty lakhs) 0.1% Redeemable Cumulative Preference Shares of Rs. 100/- at par amounting to Rs. 40,00,00,000/ (Rupees Forty Crores only) during the year under review and hence the Paid – up Capital of the Company as on 31<sup>st</sup> March, 2011 is Rs. 5,00,00,000/-

## **DIRECTORS:**

Mr. Vinod Goenka was appointed as Additional Director with effect from 1<sup>st</sup> October, 2010 and thereafter he was appointed as Director of the Company subject to retirement by rotation in the Extra- Ordinary General Meeting held on 11<sup>th</sup> April, 2011.

Mr. Vinod Goenka was appointed as Managing Director for a period of three years with effect from 1<sup>st</sup> October, 2010 with the overall responsibilities and functions of Business Development, Business Strategy and over all control over the affairs of the Company.

Mr. Shonit Dalmia was appointed as Whole time Director for a period of three years with effect from 1<sup>st</sup> October, 2010 with the overall responsibilities and functions of Finance.

Your Company is a material subsidiary Company of D B Realty Limited, the holding Company as per Clause 49 of Listing Agreement. Mr. Karunchandra Srivastava, ceased to be Independent Director of the Company with effect from 17<sup>th</sup> May, 2011 on his resignation as Independent Director from D B Realty Limited, the holding Company as per the said clause. Mr. Jagat Killawala an independent Director on the Board of the holding Company, D B Realty Limited was appointed as an independent Director in the Company with effect from 17<sup>th</sup> May, 2011 in accordance with Clause 49 of the Listing Agreement and he holds office up to the date of the annual general meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received Notice in writing from a member proposing his appointment as Director subject to retirement by rotation.

Mr. Rajiv Agarwal retires by rotation at the ensuing annual general meeting.

## **AUDIT COMMITTEE**

Mr. Karunchandra Shrivastava resigned from the directorship of the Company Consequently there was reconstitution of Audit committee by inducting Mr. Shonit Dalmia and Mr. Jagat Killawala as members of the Audit Committee.

The present members of the committee after reconstitution are:

1. Mr. Narayan P. Bajaj
2. Mr. Shonit Dalmia
3. Mr. Jagat Killawala

The Committee met from time to time and reviewed the audited financial statements and also the internal control systems.

#### **AUDITOR'S REPORT**

With regard to the observation made by the Auditors in their Report, Your Directors would like to state that

- (i) One of the Director of the Company viz Mr. Rajiv Agarwal was not able to furnish the requisite declaration as required under section 274(1)(g) since he has been detained in the matter relating to issue of 2G telecom license.
- (ii) As regards, Note No C-5 referred to by the Auditors on the revised cost estimates which has impacted the revenue reorganization for the year, Your Directors would like to state that the said note is self explanatory.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

The Directors' State:

- (i) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2011, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and had 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 as it exists for the year ended 31<sup>st</sup> March, 2011 and of the Profit of the company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

#### **FIXED DEPOSITS**

The Company has not accepted any deposit from the public within the meaning of Section 58A of Companies Act, 1956 during the year under review.

## **PARTICULARS OF EMPLOYEES:**

Information as per Section 217 (2A) of the Companies Act, 1956, (the Act) read with the Companies (Particulars of Employees) Rule, 1975 as amended from time to time forms the part of this Report

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Considering the nature of the business, it is not necessary to give statement showing required particulars in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1998 read with the provisions of Section 217(1)(e) of the Companies Act, 1956 and hence it has not been annexed hereto.

The Company has neither imported any technology nor carried on the business of export or import and therefore the disclosure requirements against technology absorption are not applicable.

During the year under review, the Company had no Foreign Exchange earnings. The expenditure in foreign currency on account of CIF value of imports was Rs. 15,14,21,594/- and travelling expense was Rs. 3,87,200/-(Previous Year: Rs.1,58,321/-)

## **AUDITORS:**

The Statutory Auditors of the Company M/s. M.A. Parikh & Co., Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and being eligible, offer themselves, for re-appointment. The Board recommends their re-appointment as the Auditors of the Company.

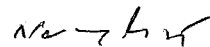
## **ACKNOWLEDGEMENT:**

Your Directors would like to express their appreciation for the support extended by the Bankers, Government Authorities, its Employees, Creditors and Suppliers.

**By order of the Board of Directors  
For Gokuldharm Real Estate Development Company Pvt. Ltd.**



**Shonit Dalmia  
Director**



**N.P. Bajaj  
Director**

**Place: Mumbai  
Date : 30.05.2011**

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

Annexure to Directors' Report for the year ended 31<sup>st</sup> March, 2011

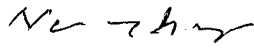
Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Sr.No.	Name	Remuneration received	Nature of Employment/ Designation	Qualification & Experience (Years)	Date of commencement of employment/ Date of Joining	Age Years	Previous Employment
*1.	Mr. Vinod K. Goenka	90,00,000	Managing Director	B. Com 26 Years	01.10.2010	52	Business
*2.	Mr. Ishaq Balwa	75,00,000	Managing Director	B.Com 20 Years	27.07.2010	44	Business of Hotel Industry
*3.	Mr. Shonit Dalmia	60,00,000	Whole Time Director	M.B.A	01.10.2010	27	Business

\*Employed for the part of the Financial Year.

**By order of the Board of Directors  
For Gokuldham Real Estate Development Company Pvt. Ltd.**

  
**Shonit Dalmia  
Director**

  
**N.P. Bajaj  
Director**

**Place: Mumbai  
Date : 30.05.2011**



**M. A. PARIKH & CO.**  
CHARTERED ACCOUNTANTS

**AUDITORS' REPORT**

**To the Members of Gokuldham Real Estate Development Company Private Limited**

1. We have audited the attached Balance Sheet of **Gokuldham Real Estate Development Company Private Limited** ('the Company') as at March 31, 2011 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 here-in-above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



- (e) In respect of one director, the Company has not received written representation regarding his disqualification as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956. In respect of balance directors, on the basis of written representations received from them as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) Without qualifying our opinion, we draw your attention to Note No C-5 of Schedule 20 of the Audited Accounts for the impact on the profit for the year on account of change in the estimate of project costs as compared to last year;
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2011;
- (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For M.A.Parikh & Co.  
Chartered Accountants  
(Registration No. 107556W)

*e. ghelani*



Partner  
Name: Chintan Ghelani  
Membership No. 132791

Mumbai, Dated:

30 MAY 2011

**ANNEXURE TO THE AUDITORS' REPORT**  
**(Referred to in paragraph 3 of our report of even date)**

1. Fixed Assets

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management as of the year-end. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) No fixed assets have been disposed off during the year.

2. Inventories

- (a) The Company is in the business of real estate development and as up to the year-end the project undertaken for development and construction is in progress. The inventory consists of units under construction and building materials. As explained to us, the building materials and units under construction have been physically verified by the management at reasonable intervals. The verification in respect of units under construction is based on the stage of completion of the project.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business. As explained to us, no material discrepancies were noticed on such physical verification as compared to the book records.
- (c) The Company is maintaining proper records of inventory in respect of units under construction and of building materials.

3. In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has granted unsecured loan to its holding company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding at any time during the year and the year-end balance is Rs. 17,00,00,000/-.
- (b) The said loan is with interest and repayable on demand. Since the loan is repayable on demand, the question of overdue amount does not arise.



- (c) According to the information and explanations given to us, the rate of interest and the other terms and conditions of the said loan, are prima facie not prejudicial to the interest of the Company.
- (d) The Company had taken unsecured loans from the holding company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding at any time during the year is Rs. 132,62,97,644/- and the year-end balance of the said loan is Rs. Nil/-.
- (e) The said loans were with interest and repayable on demand. According to the information and explanations given to us, the rate of interest and the other terms and conditions of the said loans were prima facie not prejudicial to the interest of the Company.
- (f) Since the said loans and interest thereon are / were repayable on demand, the question of repayment being regular does not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and inventory and for the sale of flats. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said areas.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that needed to be entered into the register required to be maintained under the said section have been so entered.
- (b) In relation to a transaction in excess of rupees five lakhs in respect of a party, the same has been made at a price which is prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. A firm of Chartered Accountants has been appointed by the management to carry out internal audit. In our opinion, the function is commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the activities carried on by the Company.



9. Statutory Dues

- (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, the Company except for delay in depositing the Value Added Tax and payment of advance tax for the financial year concerned, is regular in depositing the other undisputed statutory dues including Provident Fund, Income Tax and Other applicable Statutory Dues with the appropriate authorities. However, according to the information and explanations given to us and according to the books and records produced before us, no undisputed amounts payable in respect of the said applicable statutory dues were in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.
- (b) The Company has disputed the levy of service tax on sale of residential flats and the dispute is pending before the Hon' High Court of Bombay. Attention is drawn to Note No C-4 in Schedule 20 of the Audited Accounts in this regard. Except for the same, according to the information and explanations given to us, there are no other disputed dues of Income – tax / Value Added tax / Custom duty / Excise duty / Cess.
10. The Company does not have any accumulated losses. The Company has not incurred cash losses in the financial year concerned and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bank.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the requirements of Clause 4(xii) of the Order are not applicable.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the requirements of Clause 4(xiii) of the Order are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the requirements of Clause 4(xiv) of the Order are not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the requirements of Clause 4(xv) of the Order are not applicable.
16. During the year, the Company has obtained a working capital demand loan (term loan) from a bank, which, on an overall examination of the balance sheet of the Company, has been applied for the purpose for which the same was obtained.



17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short – term basis have not been utilized for making long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the requirements of Clause 4(xviii) of the Order are not applicable.
19. The Company has not issued any debentures. Therefore, the requirements of Clause 4(xix) of the Order are not applicable.
20. The Company has not raised any monies by way of Public Issue. Therefore, the requirements of Clause 4(xx) of the Order are not applicable.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For M.A.Parikh & Co.  
Chartered Accountants  
(Registration No. 107556W)



*C. Ghelani*

Partner  
Name: Chintan Ghelani  
Membership No. 132791

Mumbai, Dated:-

**30 MAY 2011**

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2011**

Schedules	Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>SOURCES OF FUNDS:</b>			
<b>Shareholders Funds</b>			
Share Capital	1	50,000,000	450,000,000
Reserves & Surplus	2	781,808,777	289,126,609
		831,808,777	739,126,609
<b>Loan Funds</b>			
Secured Loans	3	702,175,227	986,494,360
Unsecured Loans	4	-	276,297,644
		702,175,227	1,262,792,004
<b>TOTAL RUPEES</b>		<b>1,533,984,004</b>	<b>2,001,918,613</b>
<b>APPLICATION OF FUNDS:</b>			
<b>Fixed Assets</b>			
Gross Block	5	39,523,803	39,331,087
Less: Accumulated Depreciation		37,342,231	36,803,624
Net Block		2,181,572	2,527,463
Deferred Tax Asset (Net)	6	1,312,234	659,375
Investments	7	5,902,380	-
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	8	1,789,276,849	2,384,935,163
Sundry Debtors	9	137,136,875	352,198,083
Cash and Bank Balances	10	194,177,648	77,068,479
Loans and Advances	11	1,541,812,380	494,744,219
		3,662,403,752	3,308,945,944
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	12	2,056,908,131	1,241,682,815
Provisions	13	80,907,803	68,531,354
		2,137,815,934	1,310,214,169
		1,524,587,818	1,998,731,775
<b>TOTAL RUPEES</b>		<b>1,533,984,004</b>	<b>2,001,918,613</b>

**NOTES TO ACCOUNTS**

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In terms of our report of even date attached

For M. A. PARIKH & CO.  
Chartered Accountants

*C. Ghelani*

PARTNER  
Name: Chintan Ghelani  
Membership No. 132791

Place : Mumbai  
Dated :

**30 MAY 2011**



For and on behalf of Board of Directors

*(Signature)*  
(Soni Dalmia)  
Director

*(Signature)*  
(N.P. Bajaj)  
Director

Place : Mumbai  
Dated :

**30 MAY 2011**

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

Schedules	Rs.	For the Year ended	For the Year ended
		31.03.2011	31.03.2010
		Rs.	Rs.
<b>INCOME:</b>			
Revenue from Sale of Flats		2,896,940,950	1,506,211,266
Interest Income	14	60,714,358	10,778,141
Other Income	15	27,142,888	-
Sale of TDR		-	82,699,321
<b>TOTAL RUPEES</b>		<b>2,984,798,196</b>	<b>1,599,688,728</b>
<b>EXPENDITURE:</b>			
Project Expenses	16	1,306,682,630	1,325,407,185
(Increase) / Decrease in Inventories	17	595,658,314	(218,925,316)
Purchase of TDR		-	67,509,650
Establishment Expenses	18	139,186,914	50,884,374
Financial Charges	19	144,826,940	-
Depreciation		1,194,427	12,221,941
		<b>2,187,549,225</b>	<b>1,237,097,834</b>
Profit Before Tax		797,248,971	362,590,894
<u>Provision for Taxation</u>			
Current Tax		(302,600,000)	(135,400,000)
Deferred Tax		652,859	4,206,401
Prior Year Tax Adjustment		(2,619,662)	-
		(304,566,803)	(131,193,599)
<b>Profit after Tax</b>		<b>492,682,168</b>	<b>231,397,295</b>
Add:- Balance brought forward		289,126,609	57,729,314
<b>Amount available for appropriation</b>		<b>781,808,777</b>	<b>289,126,609</b>
<u>Less: Appropriation</u>			
Capital Redemption Reserve		400,000,000	-
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>381,808,777</b>	<b>289,126,609</b>
Basic and Diluted Earnings per Equity Share		985.36	461.99
Face Value per Equity Share		100	100

NOTES TO ACCOUNTS

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In terms of our report of even date attached

For M. A. PARIKH & CO.  
Chartered Accountants

PARTNER  
Name: Chintan Ghelani  
Membership No. 132791



Place : Mumbai  
Dated :

**30 MAY 2011**

For and on behalf of Board of Directors

(Soni Dalmia)  
Director

(N.P. Bajaj)  
Director

Place : Mumbai  
Dated :

**30 MAY 2011**



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	For the Year Ended 31.03.11		For the Year Ended 31.03.10	
	Rs.	Rs.	Rs.	Rs.
<b>(A) Cash Flow From Operating Activities:</b>				
Profit before taxation and extraordinary items		797,248,971		362,590,894
		797,248,971		362,590,894
<b>Adjustments for:</b>				
Depreciation	1,194,427		12,221,941	
Interest and Finance Charges	220,791,398		201,976,987	
Provision for Gratuity	987,860		253,748	
Provision for Leave Encashment	1,010,787	223,984,472	261,368	214,714,044
<b>Operating Income before Working Capital Changes</b>		<b>1,021,233,443</b>		<b>577,304,938</b>
<b>Working Capital Changes:</b>				
Debtors	215,061,208		(277,657,753)	
Advances	328,121,071		205,439,166	
Inventories	595,653,314		(218,925,316)	
Current Liabilities	815,225,316	1,954,065,909	315,662,818	24,518,915
<b>Cash used in operations</b>		<b>2,975,299,352</b>		<b>601,823,853</b>
Income Tax paid		(294,841,860)		(105,204,304)
<b>Net Cash Flow From Operating Activities</b>		<b>2,680,457,492</b>		<b>496,619,549</b>
<b>(B) Cash Flow From Investing Activities:</b>				
Loans	(1,375,189,232)		-	
Purchase of investments	(6,558,200)		-	
Purchase of Fixed Assets	(192,716)		(211,300)	
<b>Net Cash used in Investing Activities</b>		<b>(1,381,940,148)</b>		<b>(211,300)</b>
<b>(C) Cash Flow From Financing Activities:</b>				
Borrowings (Net)	(560,616,777)		(255,690,655)	
Redemption of Preference Shares	(400,000,000)		-	
Interest and Finance Charges	(220,791,398)		(188,539,732)	
<b>Net Cash Generated from Financing Activities</b>		<b>(1,181,408,175)</b>		<b>(444,230,387)</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>117,109,169</b>		<b>52,177,862</b>
Add: Cash and Cash Equivalents (Opening)		77,068,479		24,890,617
<b>Cash and Cash Equivalents (Closing)</b>		<b>194,177,648</b>		<b>77,068,479</b>
<b>(D) Cash and Cash Equivalents includes:</b>				
Cash on hand		69,656		315
Cheques on Hand		187,500		300,000
Bank Balances		193,920,492		76,768,164
		<b>194,177,648</b>		<b>77,068,479</b>

For M. A. PARIKH & CO.  
Chartered Accountants

*C. Ghole*  
PARTNER  
Name:  
Membership No.

Place : Mumbai  
Dated :

**30 MAY 2011**



For and on behalf of Board of Directors

*(Signature)*  
(Sohit Dalmia)  
Director

*(Signature)*  
(N.P. Bajaj)  
Director

Place : Mumbai  
Dated :

**30 MAY 2011**

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>SCHEDULE: 1</b>		
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED:</b>		
500,000 Equity Shares of Rs.100/- each	50,000,000	50,000,000
4,000,000 0.1% Redeemable Cumulative Preference Shares of Rs.100/- each	400,000,000	400,000,000
	<b>450,000,000</b>	<b>450,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>		
500,000 (Previous Year 500,000) Equity Shares of Rs.100/- each, fully paid-up	50,000,000	50,000,000
Nil (Previous Year 4,000,000) 0.1% Redeemable Cumulative Preference Shares of Rs.100/- each, fully paid-up (Refer Note No.C.2 in Schedule 20)	-	400,000,000
<b>Notes:</b>		
(a) Of the above 374,990 Equity Shares and 3,000,000, 0.1% Redeemable Cumulative Preference Shares were held by the Holding Company, viz D B Realty Ltd.		
(b) Redeemable Cumulative Preference Shares were, at the discretion of the Board of Directors, redeemable at par fully or partially, after expiry of 3 years from the date of issue, i.e. 21.11.2006 but not later than 20 years from the date of issue.(Refer Note No.C.2 in Schedule 20)		
<b>TOTAL RUPEES</b>	<b>50,000,000</b>	<b>450,000,000</b>
<b>SCHEDULE: 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Redemption Reserve</b>		
-Transferred from Profit & Loss Account	400,000,000	-
Surplus per annexed Profit & Loss Account	381,808,777	289,126,609
<b>TOTAL RUPEES</b>	<b>781,808,777</b>	<b>289,126,609</b>
<b>SCHEDULE: 3</b>		
<b>SECURED LOANS:</b>		
<b>Term Loans from Banks:</b>		
(i) State Bank of India	-	1,994,712
(ii) Bank of India	-	343,874,372
(iii) Allahabad Bank	-	337,258,921
(iv) Punjab National Bank	-	303,366,355
(v) Kotak Mahindra Bank	702,175,227	-
<b>Secured by:</b>		
(a) First charge on Pari Passu basis:		
(i) By way of Equitable mortgage of Land and Building (Under Construction).		
(ii) On all the fixed and current assets of the Company; and		
(iii) On the escrow of receivables from the Project.		
(b) Personal guarantee of some of the Directors in case of loans stated in Sr. No. (i) to (iv)		
(c) Corporate Guarantee of Holding Company and an associate, namely Conwood Construction & Developer Private Limited in case of loan from Kotak Mahindra Bank.		
<b>TOTAL RUPEES</b>	<b>702,175,227</b>	<b>986,494,360</b>
<b>SCHEDULE: 4</b>		
<b>UNSECURED LOAN:</b>		
From Holding Company	-	276,297,644
<b>TOTAL RUPEES</b>	<b>-</b>	<b>276,297,644</b>



**GOKULDHAM REAL ESTATE DEVELOPMENT CO.PVT.LTD.**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 5**

**FIXED ASSETS(AT COST LESS DEPRECIATION)**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 31.03.2010 RS.	ADDITIONS RS.	AS AT 31.03.2011 RS.	AS AT 31.03.2010 RS.	PROVIDED FOR THE YEAR RS.	AS AT 31.03.2011 RS.	AS AT 31.03.2011 RS.	AS AT 31.03.2010 RS.
SAMPLE FLAT AND SALES OFFICE	34,777,637	-	34,777,637	34,777,637	-	34,777,637	-	-
FURNITURE & FIXTURES	1,300,890	-	1,300,890	619,490	123,333	742,823	558,067	681,400
OFFICE EQUIPMENTS	2,146,638	56,301	2,202,939	798,583	192,486	991,069	1,211,870	1,348,055
COMPUTERS	1,105,922	26,725	1,132,647	607,914	214,463	822,377	310,270	498,008
VEHICLES	-	109,690	109,690	-	8,325	8,325	101,365	-
<b>TOTAL RUPEES</b>	<b>39,331,087</b>	<b>192,716</b>	<b>39,523,803</b>	<b>36,803,624</b>	<b>538,607</b>	<b>37,342,231</b>	<b>2,181,572</b>	<b>2,527,463</b>
<b>PREVIOUS YEAR</b>	<b>39,119,787</b>	<b>211,300</b>	<b>39,331,087</b>	<b>24,581,683</b>	<b>12,221,941</b>	<b>36,803,624</b>	<b>2,527,463</b>	<b>-</b>



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE: 6**

**DEFERRED TAX ASSET/(LIABILITY) (NET)**

**Deferred Tax Liability:**

Difference between book and tax depreciation

**Less: Deferred Tax Asset:**

Deduction under section 35D of the Act

Disallowances under Section 40A(7)/ 43B of the Act

**TOTAL RUPEES**

**SCHEDULE: 7**

**INVESTMENTS**

**Long - Term (Non Trade)**

In Immovable Property (Flat)

Less: Depreciation

**SCHEDULE: 8**

**INVENTORIES**

(At cost, taken, valued and certified by a Director)

Project Work In Progress

**TOTAL RUPEES**

**SCHEDULE: 9**

**SUNDRY DEBTORS**

(Unsecured - Considered Good)

- Outstanding for more than six months

- Outstanding for less than six months (Refer Note No.C.18 in Schedule 20)

**TOTAL RUPEES**

**SCHEDULE: 10**

**CASH AND BANK BALANCES:**

Cash on hand

Cheques on Hand

Balance with Scheduled Banks

- In Current Accounts

- In Deposit Accounts

**TOTAL RUPEES**

**SCHEDULE: 11**

**LOANS AND ADVANCES:**

(Unsecured Considered Good)

Loans (Including Interest due thereon)

Advances recoverable in cash or in kind or for value to be received

Deposits

**TOTAL RUPEES**

**SCHEDULE: 12**

**CURRENT LIABILITIES:**

**Sundry Creditors**

- Micro Enterprises and Small Enterprises (Refer Note No.C.11 of Schedule 20)

- Others

Advances received against Sale of Flats/Car Parking

Other Liabilities

**TOTAL RUPEES**

**SCHEDULE: 13**

**PROVISIONS:**

Gratuity

Leave Encashment

Tax Provisions (Net of Taxes Paid)

**TOTAL RUPEES**

As at 31.03.2011	As at 31.03.2010
Rs.	Rs.
(13,949)	(42,434)
-	7,950
1,326,183	693,859
<b>1,312,234</b>	<b>659,375</b>
6,558,200	-
655,820	-
<b>5,902,380</b>	<b>-</b>
1,789,276,849	2,384,935,163
<b>1,789,276,849</b>	<b>2,384,935,163</b>
27,842,052	25,346,988
109,294,823	326,851,095
<b>137,136,875</b>	<b>352,198,083</b>
69,656	315
187,500	300,000
165,080,242	76,768,164
28,840,250	-
<b>194,177,648</b>	<b>77,068,479</b>
1,375,189,232	-
164,810,514	42,931,585
1,812,634	451,812,634
<b>1,541,812,380</b>	<b>494,744,219</b>
-	-
153,343,703	454,398,218
153,343,703	454,398,218
1,821,990,027	742,364,276
81,574,401	44,920,321
<b>2,056,908,131</b>	<b>1,241,682,815</b>
2,043,752	1,055,892
2,043,730	1,032,943
76,820,321	66,442,519
<b>80,907,803</b>	<b>68,531,354</b>



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE:14**

**INTEREST INCOME**

Interest on Delay payment from Allottees	3,378,439	10,778,141
Interest on Term Deposits placed with Banks (Gross) (*)	908,796	-
Interest Received on Inter Corporate Deposits (Gross) (*)	56,427,123	-
(*) Tax deducted at Source Rs.57,33,591/-, Previous year Rs. Nil)		
<b>TOTAL RUPEES</b>	<b>60,714,358</b>	<b>10,778,141</b>

**SCHEDULE:15**

**OTHER INCOME**

Amount Forfeited against Cancellation of Flats	1,000,000	-
Profit on Sale of Investment (Refer Note No.C.23 in Schedule 20)	26,142,888	-
<b>TOTAL RUPEES</b>	<b>27,142,888</b>	<b>-</b>

**SCHEDULE: 16**

**PROJECT EXPENSES:**

Compensation for Acquiring Land/Development Rights	201,196,754	139,076,930
Direct Cost of Construction	991,095,475	966,944,694
<i>Construction Overhead</i>		
- Salaries, Wages and Bonus	27,597,586	6,053,769
- Contribution to Provident Fund and other Allied Funds	252,342	193,773
- Staff Welfare And Other Amenities	2,089,952	908,934
- Other Construction Overhead	8,486,063	10,252,098
Financial Charges	75,964,458	201,976,987
<b>TOTAL RUPEES</b>	<b>1,306,682,630</b>	<b>1,325,407,185</b>

**SCHEDULE:17**

**(INCREASE) / DECREASE IN INVENTORIES**

Balance as of commencement of the year:

- Project work in progress

Less:

Balance as of end of the year:

- Project work in progress

**TOTAL RUPEES**

**SCHEDULE: 18**

**ESTABLISHMENT EXPENSES**

*Payment to and Provision for Employees*

- Salaries and Allowances	12,137,415	4,249,399
- Contribution to Provident Fund and Allied Funds	143,738	140,317
- Staff Welfare and Other Amenities	1,365,787	814,754
Rent	3,946,178	3,761,670
Legal and Professional Charges	3,759,767	3,286,260
Donations	7,668,100	4,102,751
Advertisement and Publicity	33,023,906	13,113,478
Printing, Stationery, Postage Telegrams and Telephone Expenses	374,277	281,929
Conveyance and Travelling expenses	18,992,909	537,853
Commission and Brokerage	53,202,288	18,102,809
Remuneration to Auditors'	833,316	566,357
Miscellaneous expenses	3,739,233	1,926,797
<b>TOTAL RUPEES</b>	<b>139,186,914</b>	<b>50,884,374</b>

**SCHEDULE: 19**

**FINANCIAL CHARGES**

(1) Interest on:

(i) Term Loans (Secured)

(ii) Unsecured Loans

(2) Other Financial Charges

Less: Transferred to Project Expenses

**TOTAL RUPEES**

	For the Year ended 31.03.2011 Rs.	For the Year ended 31.03.2010 Rs.
<b>SCHEDULE:14</b>		
<b>INTEREST INCOME</b>		
Interest on Delay payment from Allottees	3,378,439	10,778,141
Interest on Term Deposits placed with Banks (Gross) (*)	908,796	-
Interest Received on Inter Corporate Deposits (Gross) (*)	56,427,123	-
(*) Tax deducted at Source Rs.57,33,591/-, Previous year Rs. Nil)		
<b>TOTAL RUPEES</b>	<b>60,714,358</b>	<b>10,778,141</b>
<b>SCHEDULE:15</b>		
<b>OTHER INCOME</b>		
Amount Forfeited against Cancellation of Flats	1,000,000	-
Profit on Sale of Investment (Refer Note No.C.23 in Schedule 20)	26,142,888	-
<b>TOTAL RUPEES</b>	<b>27,142,888</b>	<b>-</b>
<b>SCHEDULE: 16</b>		
<b>PROJECT EXPENSES:</b>		
Compensation for Acquiring Land/Development Rights	201,196,754	139,076,930
Direct Cost of Construction	991,095,475	966,944,694
<i>Construction Overhead</i>		
- Salaries, Wages and Bonus	27,597,586	6,053,769
- Contribution to Provident Fund and other Allied Funds	252,342	193,773
- Staff Welfare And Other Amenities	2,089,952	908,934
- Other Construction Overhead	8,486,063	10,252,098
Financial Charges	75,964,458	201,976,987
<b>TOTAL RUPEES</b>	<b>1,306,682,630</b>	<b>1,325,407,185</b>
<b>SCHEDULE:17</b>		
<b>(INCREASE) / DECREASE IN INVENTORIES</b>		
Balance as of commencement of the year:		
- Project work in progress	2,384,935,163	2,166,009,847
Less:		
Balance as of end of the year:		
- Project work in progress	1,789,276,849	2,384,935,163
<b>TOTAL RUPEES</b>	<b>595,658,314</b>	<b>(218,925,316)</b>
<b>SCHEDULE: 18</b>		
<b>ESTABLISHMENT EXPENSES</b>		
<i>Payment to and Provision for Employees</i>		
- Salaries and Allowances	12,137,415	4,249,399
- Contribution to Provident Fund and Allied Funds	143,738	140,317
- Staff Welfare and Other Amenities	1,365,787	814,754
Rent	3,946,178	3,761,670
Legal and Professional Charges	3,759,767	3,286,260
Donations	7,668,100	4,102,751
Advertisement and Publicity	33,023,906	13,113,478
Printing, Stationery, Postage Telegrams and Telephone Expenses	374,277	281,929
Conveyance and Travelling expenses	18,992,909	537,853
Commission and Brokerage	53,202,288	18,102,809
Remuneration to Auditors'	833,316	566,357
Miscellaneous expenses	3,739,233	1,926,797
<b>TOTAL RUPEES</b>	<b>139,186,914</b>	<b>50,884,374</b>
<b>SCHEDULE: 19</b>		
<b>FINANCIAL CHARGES</b>		
(1) Interest on:		
(i) Term Loans (Secured)	111,842,146	198,701,299
(ii) Unsecured Loans	91,011,677	3,108,493
(2) Other Financial Charges	17,937,575	167,195
	<b>220,791,398</b>	<b>201,976,987</b>
Less: Transferred to Project Expenses	75,964,458	201,976,987
<b>TOTAL RUPEES</b>	<b>144,826,940</b>	<b>-</b>



## 20 NOTES TO ACCOUNTS

### A. NATURE OF OPERATIONS

The Company, a subsidiary of D B Realty Limited, is engaged in the business of development and construction of complexes. In furtherance thereof, it has undertaken development and construction of residential complex on the land bearing Cts No. 157/7(P) and 157/8(P) of Village Dindoshi, Goregaon (East), Mumbai 400 063.

### B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 1 **Basis of preparation of Financial Statements**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention on an accrual basis, to comply in all material aspects with the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 1956.

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

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

#### 3 **Fixed Assets and Depreciation**

Fixed Assets are capitalized at cost of acquisition / construction and includes expenses incidental thereto. Depreciation on fixed assets has been provided for on written down value method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

#### 4 **Investment**

Long Term Investment represented by Immovable Property is valued at cost less accumulated depreciation.

#### 5 **Inventories**

Project Work- In- Progress represents expenditure incurred in relation to development and construction of the Project. Direct expenses and construction overheads are taken as the cost of the Project. It is valued at lower of cost or net realizable value. Building materials are valued at cost and are included in the value of project Work - In - Progress.

#### 6 **Impairment of Assets**

Management periodically assesses using internal sources whether there is an indication that an asset may be impaired. The impairment occurs where the carrying value exceeds the recoverable amount. The impairment loss to be expensed is determined as the excess of carrying amount over the higher of the assets net selling price or present value of future cash value expected to arise from the continuing use of the assets and its eventual disposal.

#### 7 **Revenue Recognition**

Revenue from construction and development of the Project is recognized on the basis of percentage of Completion method. Initial revenue was recognized after the work had progressed to the extent of 30% of the total work involved subject to minimum threshold limit of incurrence of 20% of construction cost excluding cost incurred in relation to acquisition of land and its development rights.

Interest from Allottees is accounted for when there is no uncertainty as to its ultimate collection.



## 8 Borrowing Cost

Borrowing costs which have a direct nexus with the Project, being a qualifying asset, are allocated to the cost of the Project. Other borrowing costs are expensed out as period cost.

## 9 Employee Benefits:

### Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits and are recognized in the period in which the employee renders the related service.

### Post employment benefits:

Contribution to the provident fund, which is a defined contribution scheme, is recognized as an expense in the Profit & Loss Account in the period in which the contribution is due.

Provision for gratuity and leave encashment is made on the basis of actuarial valuation done by an independent valuer as of year-end.

## 10 Operating lease

Lease rentals under an operating lease in respect of an Office Premise and Store Room are charged off to the Profit & Loss account in accordance with the terms of the lease agreement.

## 11 Taxes on Income

Income tax expense comprises current tax, fringe benefit tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

## 12 Provision and Contingent Liabilities

Provisions are recognized when there is a present obligation as a result of past event and 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. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 13 Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.



### C. OTHER NOTES

1 The Company is a subsidiary of D B Realty Limited, which has become a "public company" w.e.f. 23.09.2009. Therefore, w.e.f. the said date, the Company has become a private company which is a subsidiary of a public company and accordingly, by virtue of provision of section 3(1)(iv)(c) of the Companies Act, 1956, the Company is a public company. The Company continues to use the word Private Limited as permitted by law.

#### 2 Preference Shares

2.1 The Company had issued 40 lacs 0.1% Redeemable Cumulative Preference Shares of Rs.100/- each fully paid up amounting to Rs.40 Crores. The said Preference Shares were at the discretion of the Board of Directors redeemable at par fully or partially after expiry of 12 years from the date of allotment, i.e. 21st November, 2006, but not later than 20 years from the date of allotment.

2.2 The Company at its Extra Ordinary General Meeting held on 25th October, 2010 has modified the terms of redemption whereby it has granted power to its Board of Directors to redeem the said Preference Shares after expiry of 3 years from the date of allotment.

2.3 Consequent to above, the Board of Directors at their Meeting held on 3rd November, 2010 decided to redeem the said Preference Shares without declaring any dividend thereon including the unprovided cumulative dividend as upto 31st March, 2010 and the same stands, duly accepted by each of the Preference Shareholder and accordingly, the said Preference Shares stands redeemed.

2.4 In view of the redemption being made not out of the proceeds of fresh issue of capital, an amount equivalent to Rs.40 Crores has been transferred from the balance standing to the credit of Profit & Loss Account to Capital Redemption Reserve Account in compliance of the provisions of Section 80(1)(d) of the Companies Act, 1956.

#### 3 Sub-development rights of land undertaken for development and construction:

3.1 The Company had acquired sub-development rights from the developer vide agreement dated 1st July, 2005, whereby it had to pay in aggregate 10% of the proceeds received on sale of flats as compensation and accordingly, had accounted for such compensation of Rs. 48,11,51,925/- (Previous year Rs. 29,88,03,346/-) as upto 30th September, 2010.

3.2 In the quarter ended 31st Decemebr, 2010, both the parties to the agreement have vide letter dated 4th January, 2011 agreed to crystallise the consideration at Rs.50 Crores, as full and final consideration, for granting of sub-development rights by the developer to the Company.

3.3 Further to the same, as agreed the consideration payable by the Company stands adjusted against the interest free security deposit of Rs.45 Crores placed with the developers in terms of the agreement and as of year end, the Company has to pay Rs.2,00,00,000/- to the developer towards compensation.

#### 4 Service Tax on Sale of Residential Flats

The Company is a member of Maharashtra Chambers of Housing Industry (MCHI). MCHI, on behest of its Members, has filed a writ petition in the High Court of Bombay challenging the levy of service tax by them on Sale of Residential Flats, which has not reached its finality. Meanwhile, the High Court of Bombay have passed a Notice of Motion dated 18th February, 2011, whereby the Members are permitted to deposit the service tax with the Prothonotary & Senior Master/ Registrar (O.S.) of the Court, with a direction that the same will be refunded with interest in the event Members succeed in the said writ petition. In view of the same, the Company has demanded the amount of service tax from each of the purchasers after 31st March 2011 and the amount of such service tax as upto 31st March 2011 is Rs. 8,98,97,810/-. The Company is of the view that the same is required to be deposited as and when collected from the purchasers. The Management of the Company has taken adequate steps for recovering of such service tax and are of the opinion that the same shall be collected and deposited in due course of time and accordingly, the necessary entries in this regard would be passed in the books of account on collection. Further, in the opinion of the Management of the Company, this litigation will not have any material adverse impact on the state of affairs of the Company.





5 During the year ended 31st March, 2011, the Management of the Company has revised the estimated project cost from Rs. 676.62 Crores to Rs. 755.73 Crores. This revision also include the impact on account of the revised terms of the compensation payable for obtaining sub-development rights of the land undertaken for development and construction. On account of such revision, the profit before tax for the current year include the reversal of the estimated profit recognised upto 31st March, 2010 Rs. 21.18 Crores. Provision for income tax is made after considering the impact of reversal of such estimated profits.

6 Current Liabilities includes amount due to Directors of Rs. 17,28,000/- (Previous year Rs.Nil).

7 The Company's Statutory Auditors have employed direct confirmation procedure for verification of balances of certain parties in the nature of loans granted, balances held in bank and balances of sundry debtors, advances and sundry creditors.

In the opinion of the management of the Company, the balances for which confirmations have not been received, in case of amounts recoverable the same are good for recovery and in case of liabilities, the same are payable.

8 **Contingent Liabilities not provided for**

(Amount in Rupees)

Particulars	As at 31.03.11 Rs.	As at 31.03.10 Rs.
Claims made against the Company not acknowledged as debt relating to service tax on lease rentals in respect of an office premise	1,149,764	754,976
Arrears of dividend in respect of cumulative preference shares	-	1,343,562

9 **Advances (Refer Schedule 11)**

Includes Rs.69,86,650/- being claim made with Stamp duty authority for refund of Stamp Duty paid on execution of an agreement for purchase of Transferrable Development Rights , which was subsequently cancelled. The Company expects to recover the refund of the entire amount and review the recoverability aspect in the ensuing financial year.

10 In the opinion of the Board of Directors, Current Assets, Loans and Advances are stated at a value to be realised in the ordinary course of business. Provisions are made for all known liabilities and the same are adequate.

11 **Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**

(Amount in Rupees)

Particulars	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date.	-	-
Interest accrued on the due to suppliers under MSMED Act on the above amount.	-	-
Payment made to suppliers (Other than interest) beyond the appointed date, during the year.	-	-
Interest paid to suppliers under MSMED Act (other than Section 16).	-	-
Interest paid to suppliers under MSMED Act (Section 16).	-	-
Interest due and payable to suppliers under MSMED Act for payments already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED.	-	-

**Note:** The above information is compiled by the Company on the basis of the information made available by vendors and the same has been relied upon by the Statutory Auditors.



12 **Break-up of Auditors' Remuneration:**

(Amount in Rupees)

Particulars	For the Year ended	For the Year ended
	31.03.2011	31.03.2010
- Audit Fees (including Service Tax)	551,500	554,230
- Tax Audit (including Service Tax)	110,300	-
- Other Certification (including Service Tax)	165,450	-
- Out of Pocket Expenses	6,066	12,127
<b>Total</b>	<b>833,316</b>	<b>566,357</b>

13 **Operating Lease:**

(Amount in Rupees)

Particulars	For the Year ended	For the Year ended
	31.03.2011	31.03.2010
Lease payments recognized in the Profit & Loss account	3,946,178	3,753,314
<b>Future Lease Payments</b>		
(a) Not later than one year.	3,301,237	4,041,157
(b) Later than one year but not later than five years.	520,931	3,466,298
(c) Later than five years.	-	-
<b>Total of future lease payments</b>	<b>3,822,168</b>	<b>7,507,455</b>

Note: There are no exceptional / restrictive covenants in the lease agreement.

14 As per Accounting Standard-15 "Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard is given below:

**Defined Contribution Plan:**

Contribution to Provident Fund recognized as expense for the year is as under:

(Amount in Rupees)

Particulars	For the Year ended	For the Year ended
	31.03.2011	31.03.2010
Employer's Contribution to Provident Fund and Allied Funds	396,080	334,090

**Defined Benefit Plan:**

The present value of obligation is determined based on actuarial valuation done by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. **Reconciliation of opening and closing balances of Defined Benefit obligation.**

(Amount in Rupees)

Particulars	Gratuity (Un-Funded)	
	For the Year ended	For the Year ended
	31.03.2011	31.03.2010
Defined Benefit obligation at the beginning of the year	1,055,892	802,144
Current Service Cost	490,970	464,749
Interest Cost	123,749	98,184
Actuarial (gain)/loss	373,141	(309,185)
<b>Defined Benefit obligation at the end of the year</b>	<b>2,043,752</b>	<b>1,055,892</b>



II. **Expense recognized during the year:**

(Amount in Rupees)

Particulars	Gratuity (Un-Funded)	
	For the Year ended	For the Year ended
	31.03.2011	31.03.2010
Current Service Cost	490,970	464,749
Interest Cost	123,749	98,184
Actuarial (gain)/loss	373,141	(309,185)
<b>Net Cost</b>	<b>987,860</b>	<b>253,748</b>

III. **Actuarial assumptions**

(Amount in Rupees)

Particulars	Gratuity (Un-Funded)	
	For the Year ended	For the Year ended
	31.03.2011	31.03.2010
Discount Rate	8.00%	8.00%
Rate of Escalation in Salary	10.00%	10.00%

**Notes:**

- The obligation towards Gratuity is unfunded and therefore, the following disclosures are not given:
    - Reconciliation of Opening and Closing Balances of fair value of plan assets.
    - Details of Investments.
  - The obligation of Leave Encashment is provided for on actuarial basis done by an independent valuer and the same is unfunded. The amount recognised in the Profit & Loss Account for the year is Rs.11,18,757/- (Previous Year Rs. 4,32,295/-)
- 15 **Segment Reporting:**  
Keeping in view the object of the Company as that of developing and constructing the Project, it has only one reportable segment and hence separate disclosure requirements of AS-17 Segment Reporting are not applicable.

16 **Expenditure in foreign currency**

(Amount in Rupees)

Particulars	For the Year ended	For the Year ended
	31.03.2011	31.03.2010
Travelling	387,200	158,321

17 **Value of Imports on CIF basis in respect of:**

(Amount in Rupees)

Particulars	For the Year ended	For the Year ended
	31.03.2011	31.03.2010
Doors, Windows & Grills	46,347,350	-
Elevator / Escalator	105,074,244	-

- 18 Sundry Debtors of Rs.1,90,02,457/- (Previous Year Rs. 3,46,51,309/-) represents accrued revenue in accordance with policy followed for recognition of revenue from sale of flats and does not represent progressive payments due from Allottees as per the terms and conditions of Sale.

19 **Quantitative Information**

Quantitative Information	Unit	For the Year ended	For the Year ended
		31.03.2011	31.03.2010
Opening Stock of TDR	Square Meter	-	-
Purchase of TDR	Square Meter	-	6,271.80
Sale of TDR	Square Meter	-	6,271.80
Closing Stock	Square Meter	-	-

20 **Managerial Remuneration**

(Amount in Rupees)

Particulars	For the Year ended	For the Year ended
	31.03.2011	31.03.2010
- Remuneration	22,500,000	-



## 21 Related Party Disclosure

As per Accounting Standard 18 (AS-18) 'Related Party Disclosures', the disclosure of transactions with the related parties as defined in AS -18 is given below:

## A. List of Related Parties with whom transactions have taken place and their relationship:

a) Holding Company  
D B Realty Limitedb) Fellow Subsidiary Company  
Neelkamal Realtors Tower Pvt. Ltd.  
Neelkamal Realtors Suburban Private Limited  
Nine Paradise Erectors Pvt. Ltd.  
Real Gem Buildtech Pvt. Ltd.

c) Enterprises over which Director(s) exercises Significant Influence (Associated Enterprises)

Conwood Construction & Developers Private Limited  
Eon Aviation Pvt.Ltd.  
Eversmile Construction Co. Private Limited  
Upvan Developers  
K G Enterprize  
Majestic Infracon Pvt. Ltd.  
Pony Infrastructure & Contractors Ltd.  
New Grid Buildcon Pvt. Ltd.  
BD & P Hotels (I) Private Limited

d) Jointly Controlled Entity of Holding Company/Fellow Subsidiary (Joint Control Entity)

Dynamix Realty  
Suraksha DB Realty

e) Key Management Personnel (KMP)

Vinod Goenka  
Soni Dalmia  
Ishaq Balwa

f) Relative of the Key Managerial Personnel (Relative of KMP)

Ms. Sunita Bali  
Khadiza Balwa

## B. Transactions with Related Parties and outstanding balances as of year end:

(Amount in Rupees)

Description	Holding Company	Fellow Subsidiary	Associated Enterprises	Joint Control Entity	Relative of KMP	KMP
<b>Loans Taken</b>						
Opening Balance	276,297,644	-	-	-	-	-
	(361,418,804)	(-)	(-)	(-)	(-)	(-)
Taken during the year	1,301,483,955	-	-	-	-	-
	(458,517,141)	(-)	(-)	(-)	(-)	(-)
Interest Expenses	91,011,677	-	-	-	-	-
	(3,108,493)	(-)	(-)	(-)	(-)	(-)
Repaid during the year, (including interest)	1,668,793,276	-	-	-	-	-
	(546,746,794)	(-)	(-)	(-)	(-)	(-)
Closing Balance	(276,297,644)	(-)	(-)	(-)	(-)	(-)
<b>Loans Given</b>						
Opening Balance	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Granted during the year	197,483,955	800,000,000	150,000,000	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Interest Receivable	326,027	657,534	7,454,795	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Repaid during the year, (including interest)	27,764,367	65,753	745,479	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Closing Balance	170,045,615	800,591,731	156,709,316	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Charges for use of premises by the Company/Reimbursement of expenses incurred on behalf of the Company</b>						
Transaction during the year	2,537,346	21,569	4,570,375	-	-	-
	(7,440,833)	(-)	(4,463,273)	(-)	(-)	(-)
Closing Balance	(2,300,278)	(-)	258,619	-	-	-
	(-)	(-)	(267,874)	(-)	(-)	(-)
<b>Reimbursement of expenses incurred by the Company on behalf of parties</b>						
Transaction during the year	-	-	-	-	-	-
	(-)	(66,250)	(-)	(7,930)	(-)	(-)
Closing Balance	-	95,318	7,930	-	-	-
	(-)	(314,608)	(95,318)	(7,930)	(-)	(-)
<b>Compensation for obtaining sub-development rights of the land</b>						
Compensation for the year	-	-	201,196,754	-	-	-
	(-)	(-)	(139,076,930)	(-)	(-)	(-)
Closing Balance payable thereagainst	-	-	20,000,000	-	-	-
	(-)	(-)	(298,803,246)	(-)	(-)	(-)
Outstanding deposit for sub-development rights	-	-	-	-	-	-
	(-)	(-)	(450,000,000)	(-)	(-)	(-)
<b>Business Promotion expenses</b>						
Business Promotion expenses	-	-	92,517	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Advance granted against Business promotion	-	-	1,000,000	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Closing Balance	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)



<b>Contractor charges</b>						
Transaction during the year	-	-	211,003,504	-	-	-
Closing Balance	(-)	(-)	27,333,171	(-)	(-)	(-)
<b>Mobilization Advance</b>						
Opening Balance	-	-	-	-	-	-
Granted during the year	(-)	(-)	30,000,000	(-)	(-)	(-)
Adjusted	(-)	(-)	9,686,703	(-)	(-)	(-)
Closing Balance	(-)	(-)	20,313,297	(-)	(-)	(-)
<b>Outstanding advance payment for purchase of TDR</b>						
Opening Balance	-	-	3,500,000	-	-	-
Advance Paid	(-)	(-)	(13,500,000)	(165,378,096)	(-)	(-)
Purchase of TDR/Refund	(-)	(-)	(57,509,650)	(600,000,000)	(-)	(-)
Closing Balance	(-)	(-)	(67,509,650)	(765,378,096)	(-)	(-)
<b>Sale of Flat</b>						
Sale	-	-	9,107,854	-	-	-
Closing Debtors	(-)	(-)	(-)	(-)	(12,375,722)	(-)
Advance received Outstanding at year-end	(-)	(-)	3,392,146	(-)	(-)	(-)
<b>Professional fees</b>						
Transaction during the year	-	-	-	-	140,000	-
Closing Balance	(-)	(-)	(-)	(-)	(-)	(-)
<b>Managerial remuneration</b>						
Transaction during the year	(-)	(-)	(-)	(-)	(-)	22,500,000
Closing Balance	(-)	(-)	(-)	(-)	(-)	1,728,000
<b>Hire Charges</b>						
Transaction during the year	-	-	19,379,710	-	-	-
Advance given and adjusted before year end	(-)	(-)	5,000,000	(-)	(-)	(-)
Closing Balance	(-)	(-)	(-)	(-)	(-)	(-)

Previous year figures are denoted in brackets.

Note: The aforesaid related parties are as identified by the Company and relied upon by the Statutory Auditors.

22 **Earnings Per Share:**

The Profit/ (Loss) considered in ascertaining the Company's Earnings Per Share comprises the net profit/ (loss) after tax. The number of shares used in computing Basic and Diluted Earnings Per share is the weighted average number of shares outstanding during the year.

Particulars	(Amount in Rupees)	
	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Net Profit after tax as per Profit & Loss Account	492,682,168	231,397,295
Adjustments:		
Cumulative Preference Share Dividend not declared for the year	-	(400,000)
Net Profit after Adjustments	492,682,168	230,997,295
Weighted Number of Shares outstanding during the year	500,000	500,000
Basic & Diluted Earnings per Share	985.36	461.99
Face value per Equity Share	100	100

- 23 During the year the Company had acquired 15,90,200 Equity Shares of Rs. 10/- each fully paid up of BLR Logistics (India) Limited which stands sold.
- 24 The Management is of the view that the activities of the Company, being in the nature of construction and development of the Project, the requirements of Paragraphs 3(i)(a), 3(ii)(a), 4-C and 4-D(a) & (b) of Part II of Schedule VI to the Companies Act, 1956 are not applicable.
- 25 Previous year's figures have been rearranged and reclassified, wherever necessary to conform with current year's presentation.

Signatures to Schedules 1 to 20

In terms of our report of even date attached.

For M.A. PARIKH & CO.  
Chartered Accountants

Partner  
Name: Chiptan Ghelani  
Membership No. 132791

Place: Mumbai  
Dated:

30 MAY 2011



For and on behalf of Board of Directors  
  
(Sonit Palmia)  
Director  
  
(N.P. Bajaj)  
Director

Place: Mumbai  
Dated:

30 MAY 2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No. : U45201MH2004PTC144704 State Code : 11

Balance Sheet Date : 31.03.2011

**II. Capital raised during the year**

Public Issue : NIL Right issue : NIL  
Bonus Issue : NIL Private Placement : NIL

**III Position of Mobilisation and Deployment of Funds**

**(Rupees In Thousands)**

Total Liabilities : 1,533,984 Total Assests : 1,533,984

**Sources of Funds**

Paid-up Capital : 50,000 Reserves & Surplus : 781,809

Secured Loans : 702,175 Unsecured Loans : -

Deferred Tax Liabilities : NIL

**Application of Funds**

Net Fixed Assets : 2,182 Investments : 5,902

Net Current Assets : 1,524,588 Miscellaneous Expenditure : NIL

Deferred Tax Assets : 1,312 Accumulated Losses : NIL

**VI. Performance of Company**

Turnover : 2,984,798 Total Expenditure : 2,187,549

Profit Before Tax : 797,249 Profit After Tax : 492,682

Earning Per Shares (In Rs.) : 985 Dividend Rate % : NA

**V. Generic names of Three Principal Products/Services of Company:**

Item Code No. (ITC Code) : Not Applicable

Product Description : Development and Construction of Real Estate

**For and on behalf of Board of Directors**

  
Shonit Dalmia

  
N.P. Bajaj

Place: Mumbai

Dated:

**30 MAY 2011**