

N. A. ESTATES PRIVATE LIMITED

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31st MARCH, 2011

MEHTA CHOKSHI & SHAH

Chartered Accountants

229, Bokadia Mansion,

Princess Street, Mumbai 400 002.

Tel No.: 2205 7309 * 2208 8743 * 66334067

Fax: 2205 5432 * Email : camcs@vsnl.com

N. A. ESTATES PRIVATE LIMITED

Regd Office: DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063

NOTICE

NOTICE is hereby given that the fifteenth Annual General Meeting of the Members of N. A. Estates Private Limited will be held on Tuesday, 20th September, 2011 at 10.00 A.M. at the Registered Office of the Company at DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063 to transact the following business:

AGENDA

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011, the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To re-appoint M/s Mehta Chokshi & Shah, Chartered Accountants (Reg. No.106201W), the retiring auditors of the Company as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Suresh Atkur who was appointed as Additional Director by the Board of Directors of the Company with effect from 9th April, 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 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.”

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

“RESOLVED THAT Mr. Ishaq Balwa, who was appointed as Additional Director by the Board of Directors of the Company with effect from 27th July, 2010 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 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 N. A. ESTATES PRIVATE LIMITED


SALIM BALWA
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 3 & 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.3

Mr. Suresh Atkur was appointed as Additional Director at Board Meeting held on 9th April, 2011 and he holds the 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 from a member proposing him as Director pursuant to the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the resolution for your acceptance.

None of the Directors other than Mr. Suresh Atkur is in any way concerned or interested in the said resolution.

ITEM NO. 4

Mr. Ishaq Balwa was appointed as Additional Director at Board Meeting held on 27th July, 2010 and he holds the 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 from a member proposing him as Director pursuant to the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the resolution for your acceptance.

None of the Directors other than Mr. Ishaq Balwa is in any way concerned or interested in the said resolution.

By Order of the Board
For N. A. ESTATES PRIVATE LIMITED

SALIM BALWA
DIRECTOR



MUMBAI
DATE: 30.05.2011

N. A. ESTATES PRIVATE LIMITED

Regd Office: DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063

DIRECTORS' REPORT

Your Directors hereby present the Annual Report together with the Audited Accounts of the Company for the Year ended on 31st March, 2011.

FINANCIAL RESULTS

The Company is following the percentage completion method for recognising revenue.

During the year under review, the Company has not earned any income and the expenditure incurred of Rs.1,14,342/- comprising Rs.1,00,676/- towards Establishment expenses and Rs. 13, 666/- being preliminary expenses written off. This has resulted in a loss of Rs. 1,14,342/- was charged to Profit & Loss Account and the same has been carried to the Balance Sheet.

The expenses of Rs. 3,47,31,007/- incurred during the year towards the project undertaken for development at Sookhlaji Street, Tardeo, Mumbai have been classified as inventories together with the amount of Rs. 4,97,26,480/- being investment made in the said property in the earlier years.

DIVIDEND

In the absence of profits, your directors do not recommend any dividend.

STATUS OF THE COMPANY:

During the year under review, D B Realty Limited acquired the entire 1000 Equity Shares of Rs. 100/- each of the Company due to which the Company becomes the wholly- owned Subsidiary of D B Realty Limited with effect from 20th April, 2010 .

Therefore the Company has become a Public Company by virtue of applicability of section 3(1) (iv) (c) of the Companies Act, 1956,

AUDITORS REPORT

The Auditors in their report have made certain observations in point 4(e) and 4(f) are self-explanatory

DIRECTORS:

Mrs. Saranga Aggarwal and Mr. Anil Kumar Aggarwal have resigned as Directors with effect from 21st April, 2010.

Mr. Mohammed Balwa was appointed as Additional Director with effect from 1st July, 2010 and Mr. Asif Balwa has resigned as Director with effect from 15th July, 2010.

Mr. Narayan Bajaj and Mr. Ishaq Balwa were appointed as Additional Directors with effect from 27th July, 2010 and Mr. Mohammed Balwa and Mr. Rajiv Agarwal have resigned as Directors with effect from 7th August, 2010.

Mr. Salim Balwa was appointed as Alternate Director to Mr. Ishaq Balwa as per Section 313 of the Companies Act, 1956 and Mr. Suresh Atkur was appointed as Additional Director with effect from 9th April, 2011.

Mr. Narayan Bajaj has resigned as Director of the Company with effect from 30th May, 2011.

Mr. Ishaq Balwa and Mr. Suresh Atkur hold office up to the date of the annual general meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received Notices in writing from Members proposing the appointment of Mr. Ishaq Balwa and Mr. Suresh Atkur as Directors under section 257 of the Companies Act, 1956.

The Board wishes to place on record its appreciation for the guidance given by Mrs. Saranga Aggarwal, Mr. Anil Kumar Aggarwal, Mr. Mohammed Balwa, Mr. Rajiv Agarwal, Mr. Asif Balwa and Mr. Narayan Bajaj during their tenure of directorship in the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Accounts for the year ended on 31st 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 made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the Accounts for the financial year ended on 31st March, 2011 on a going concern basis.

FIXED DEPOSIT

During the year ended 31st March, 2011, the Company has not accepted any fixed deposit.

PARTICULARS OF EMPLOYEES

The Company did not employ during the year any employee whose particulars are required to be furnished pursuant to Section 217(2A) of the Companies Act, 1956 and the Rules made there under

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Our Company is not covered by the Schedule of Industries which are required to furnish the information in Form-A, pursuant to Section 217(1)(e) of the Companies Act, 1956 read (with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

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. There is no inflow and outflow of foreign exchange during the year.

AUDITORS

M/s. Mehta Chokshi & Shah, Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

You are requested to appoint the Auditors for the year 2011-2012 and fix their remuneration.

**ON BEHALF OF THE BOARD OF DIRECTORS
For N.A. ESTATES PRIVATE LIMITED**


**SALIM BALWA
DIRECTOR**


**SURESH ATKUR
DIRECTOR**

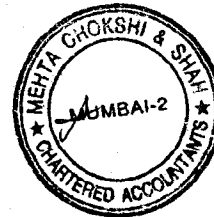
**MUMBAI,
DATE: 30.05.2011**

Mehta Chokshi & Shah
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of N A Estates Private Limited

1. We have audited the attached Balance Sheet of **N A Estates 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'), as amended, 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.

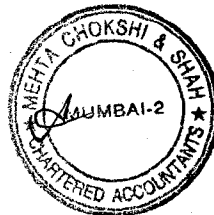


: 2 :

- (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 the sub section (1) of the section 274 of the Companies Act, 1956. In respect of the balance directors, on the basis of written representations received from the 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 the following:
- (i) Note No. B-8 of Schedule 12 of the Audited Accounts with regard to confirmation awaited from certain parties and the opinion of the Management of the Company as regard their recoverability/payment; and
- (g) *Subject to para no. 4(f)*, 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 Loss 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 MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS.
Firm Registration number: 106201W

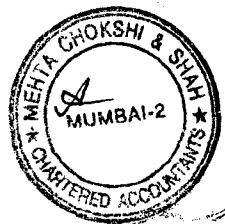
PLACE: MUMBAI
DATED: 30th May, 2011




A.R. MEHTA
PARTNER
M.NO.: 46088

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

1. Fixed Assets
The Company does not have any Fixed Assets and therefore clause 4(i)(a), 4(i)(b) and 4(i)(c) of the order are not applicable.
2. Inventories
 - a) The Company is in the business of real estate development and up to the year-end the company has given advances for purchase of occupancy rights and incurred certain expenditure towards the project. In the absence of any other inventory the question of physically verification by the management at reasonable intervals does not arise.
 - b) Clause 4(ii)(b) and 4(ii)(c) of the order are not applicable.
3. In respect of the 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 not granted any loans, secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - (b) The Company has taken interest free unsecured loans, repayable on demand, from its Holding Company and a shareholder 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. 82,888,065/- and the year-end balance of the said loans is Rs. 82,888,065/-
 - (c) In our opinion, the terms on which the loans have been taken are prima facie not prejudicial to the interest of the Company. We are informed that the amounts of loans will be repaid by the Company as and when demanded and hence, the question of default in repayment thereof 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.
 - a. To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 have so been entered.
 - b. According to the information and the explanations given to us, where such transactions, are in excess of Rs. 5 lacs in respect of each party, the transactions



CHARTERED ACCOUNTANTS

have been made at prices which are 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. The Company is not required to have an internal audit system.
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**
 - 9.1 According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts in respect of undisputed statutory dues including Provident Fund, Income tax, Value Added Tax, Custom Duty and applicable other statutory dues have been regularly deposited with the appropriate authorities.
 - 9.2 According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.
 - 9.3 According to the information and explanations given to us, there are no disputed dues of Income – tax / Value Added tax / Wealth tax / Service tax / Customs duty / Excise duty / Cess and hence, the requirements of disclosure with respect to the amounts involved and the forums where the disputes are pending are not applicable.
10. The Company's accumulated loss exceeds fifty percent of the Net worth of the company as at the year end. Further, the company has incurred cash losses in the current financial year.
11. According to the information and explanations given to us there are no borrowings from financial institutions/banks/debenture holders, hence the question of any defaults in repayment of the dues to them does not arise.
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.



CHARTERED ACCOUNTANTS

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. The Company has not availed of any term loan and therefore clause 4(xvi) of the said order is not applicable.
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 long term investment and vice versa.
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 MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS
Firm Registration number: 106201W

PLACE: MUMBAI
DATED: 30th May, 2011




A.R. MEHTA
PARTNER
M.NO.: 46088

N.A.ESTATES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

SOURCES OF FUNDS :
SHAREHOLDERS' FUNDS
SHARE CAPITAL

LOAN FUNDS
SECURED LOANS
UNSECURED LOANS

TOTAL

APPLICATION OF FUNDS :

INVESTMENTS :
SHUKLAJI STREET/TARDEO PROPERTY

CURRENT ASSETS, LOANS AND ADVANCES
INVENTORIES
CASH AND BANK BALANCES

LESS : CURRENT LIABILITIES AND PROVISIONS :
CURRENT LIABILITIES

NET CURRENT ASSETS

MISCELLANEOUS EXPENDITURE

PROFIT AND LOSS ACCOUNT
TOTAL

SCHEDULE NUMBER	AS AT 31.03.2011	AS AT 31.03.2010
	RUPEES	RUPEES
1	100,000	100,000
2	-	7,000,000
3	82,888,065	42,814,000
	82,988,065	49,914,000
4	-	49,726,480
5	84,457,487	-
6	172,414	94,819
	84,629,901	94,819
7	1,756,178	-
	1,756,178	-
8	-	92,701
	114,342	-
	82,988,065	49,914,000

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

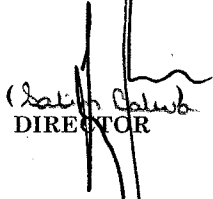
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AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS


(P.R. Mehta)
PARTNER
M.NO. 46088




(Satish Chandra)
DIRECTOR


(Sudhakar)
DIRECTOR

PLACE : MUMBAI
DATED : 30 MAY 2011

PLACE : MUMBAI
DATED : 30 MAY 2011

N.A.ESTATES PRIVATE LIMITED

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

INCOME:

TOTAL

EXPENDITURE :

PROJECT EXPENSES

(INCREASE) / DECREASE IN INVENTORIES

ESTABLISHMENT EXPENSES

PRELIMINARY EXPENSES WRITTEN OFF

TOTAL

PROFIT/ (LOSS) BEFORE TAX

LESS : PROVISION FOR TAX

PROFIT/(LOSS) AFTER TAX

BALANCE OF EARLIER YEAR.BROUGHT FORWARD

BALANCE CARRIED FORWARD TO BALANCE SHEET

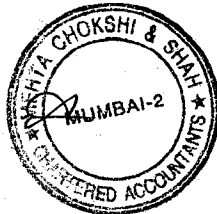
SCHEDULE NUMBER	YEAR ENDED 31ST MARCH, 2011	YEAR ENDED 31ST MARCH, 2010
	RUPEES	RUPEES
	-	-
	-	-
9	34,731,007	-
10	(34,731,007)	-
11	100,676	-
	13,666	-
	114,342	-
	(114,342)	-
	-	-
	(114,342)	-
	-	-
	(114,342)	-

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

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AS PER OUR ATTACHED REPORT OF EVEN DATE FOR MEHTA CHOKSHI & SHAH CHARTERED ACCOUNTANTS.


(H.R. Mehta)
PARTNER
M.NO. 45088



PLACE : MUMBAI
DATED 30 MAY 2011

FOR AND ON BEHALF OF BOARD OF DIRECTORS


(S. S. ...)
DIRECTOR


(S. S. ...)
DIRECTOR

PLACE : MUMBAI
DATED: 30 MAY 2011

N A ESTATES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2011

	For the Year ended 31.03.11		For the Year ended 31.03.10
	Rs.	Rs.	Rs.
(A) Cash Flow From Operating Activities:			
Net loss before taxation and extraordinary items	(114,342)		-
Adjustments for:			
Miscellaneous Expenditure	92,701		(36,820)
Operating Income before working Capital changes	(21,641)		(36,820)
Adjustment for :			
(Increase)/Decrease Inventories	(84,457,487)		-
Increase/(Decrease) Current Liabilities	1,756,178		(4,230)
Cash used in operations	(82,722,950)		(41,050)
Income Tax paid	-		-
Net Cash Generated/(used) from Operating Activities		(82,722,950)	(41,050)
(B) Cash Flow From Investing Activities:			
Investment	49,726,480		-
Net Cash Generated/(used) from Investing Activities		49,726,480	-
(C) Cash Flow From Financing Activities:			
Borrowings (Net)	33,074,065		110,000
Capial Introduced/(withdrawals)	-		-
Net Cash Generated/(used) from Financing Activities		33,074,065	110,000
Net Increase in Cash and Cash Equivalents [A+B+C]		77,595	68,950
Add: Cash and cash Equivalents (Opening)		94,819	25,869
Cash and cash equivalents (Closing)		172,414	94,819
(D) Cash and cash Equivalents includes:			
Cash on hand		2,634	805
Bank Balances		169,780	94,014
		172,414	94,819

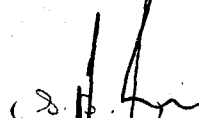
AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS


(A.R. Mehta)
PARTNER
M.No. 46088



PLACE : MUMBAI
DATED: 30 MAY 2011

FOR AND ON BEHALF OF BOARD OF
DIRECTORS


DIRECTOR


DIRECTOR

PLACE : MUMBAI
DATED: 30 MAY 2011

N.A.ESTATES PRIVATE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 1:

SHARE CAPITAL:

Authorised Capital

10,000 Equity Shares of Rs.100/- each

Total

Issued, Subscribed & Paid Up Capital

1,000 Equity Shares of Rs. 100/- each fully paid up

(Out of the above 990 Equity

Shares are held by the holding company

D B Realty Limited)

Total

SCHEDULE 2:

SECURED LOAN:

Secured Compulsory Convertible Debentures

(70,000 Debentures of Rs. 100/- each)

Total

SCHEDULE 3:

UNSECURED LOANS:

0% 70,000 Compulsory Convertible Debentures

of Rs. 100/- each fully paid up

(Held by Holding Company DB Realty Ltd.) (convertible

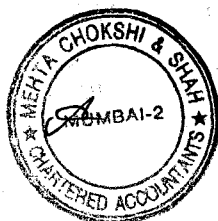
on or before 22nd September, 2013)

From Holding Company - D B Realty Limited

From Shareholders & Directors

Total

AS AT 31.03.2011	AS AT 31.03.2010
RUPEES	RUPEES
100,000	1,000,000
100,000	1,000,000
100,000	100,000
100,000	100,000
-	7,000,000
-	7,000,000
7,000,000	-
75,888,065	10,000,000
-	32,814,000
82,888,065	42,814,000



N.A.ESTATES PRIVATE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 4 :

INVESTMENTS :

Shiklaji Street/Tardeo Property

Total

SCHEDULE 5:

INVENTORIES

(As valued and certified by a Director)

Opening Inventories

Add: Investment in property converted into Project inventory
(Refer Note No . 2 of Schedule 12)

Add: Construction expenses incurred during the year

Total

SCHEDULE 6:

CASH AND BANK BALANCES :

Cash on Hand

Balance with Scheduled Bank - Current A/c.

Total

SCHEDULE 7 :

CURRENT LIABILITIES & PROVISIONS

Outstanding Expenses

Total

SCHEDULE 8 :

MISCELLANEOUS EXPENDITURE

Preliminary Expenses

ROC Fees

Stamping & Registration

BMC Expenses

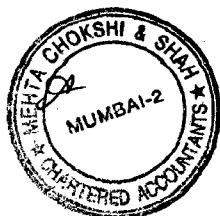
Audit Fees

Legal & Professional Charges

Bank Charges

Total

AS AT 31.03.2011	AS AT 31.03.2010
RUPEES	RUPEES
-	49,726,480
-	49,726,480
-	-
49,726,480	-
34,731,007	-
84,457,487	-
2,634	805
169,780	94,014
172,414	94,819
1,756,178	-
1,756,178	-
-	13,666
-	32,245
-	2,250
-	6,900
-	17,500
-	19,700
-	440
-	92,701



N.A.ESTATES PRIVATE LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT AS ON 31ST MARCH, 2011

SCHEDULE 9 :

PROJECT RELATED EXPENSES

Compensation paid to Tenants
Security Charges
Property Tax

Total

SCHEDULE 10 :

(INCREASE)/DECREASE IN INVENTORIES

Opening Inventories
Less : Closing Inventories

Total

SCHEDULE 11 :

ESTABLISHMENT EXPENSES

ROC Fees
Conveyance
Stamping & Registration
Printing & Stationery
BMC Expenses
Audit Fees
Professional Fees
Court Fees & Adhesice Stamp
Legal & Professional Charges
Filing Fees
Staff Welfare
Misc. Expenses
Bank Charges

Total

YEAR ENDED	
31.03.2011	31.03.2010
RUPEES	
32,875,825	-
62,364	-
1,792,818	-
34,731,007	-
-	-
34,731,007	-
(34,731,007)	-
32,245	-
88	-
2,573	-
490	-
6,900	-
24,118	-
6,618	-
900	-
19,700	-
6,000	-
110	-
274	-
660	-
100,676	-



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N A ESTATES PRIVATE LIMITED

SCHEDULE 12

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. 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 respects and the mandatory Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

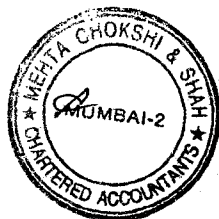
2. Accounting policies not specifically referred to otherwise are consistent with the generally accounting principles followed by the Company.

3. Use of Estimates

The preparation of 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.

4. Taxes on Income

- i. Provision for current tax is made based on the assessable income determined in accordance with the applicable provisions of the Income Tax Act, 1961.
- ii. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable/ virtual certainty that the asset will be realized in future.



5. **PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

6. **Inventories**

Project Work In Progress represents initial expenditure incurred on project undertaken by the Company for development and construction of Residential and Commercial complex. It is valued at lower of cost or net realizable value.

7. **Revenue Recognition**

Revenue from sale of incomplete properties is recognized on the basis of percentage of completion method, determined on the basis of physical proportion of the work completed, as certified by the Company's technical personnel, in relation to a contract or a group of contracts within a project, only after the work has progressed to the extent of 30% of the total work involved. Revenue recognized in the aforesaid manner is further subject to minimum threshold limit of 20% of construction cost excluding cost incurred in acquisition of land and its development rights. Costs of construction / development are charged to the profit and loss account in proportion with the revenue recognized during the year. The balance costs are carried as part of 'Project Work in Progress' under inventories. Amounts receivable / payable are reflected as Debtors / Advances from Customers, respectively, after considering income recognized in the aforesaid manner.



B. NOTES TO ACCOUNTS:

1. The Company is a subsidiary of D B Realty Limited, which has become a "Public company" w.e.f. 23rd September 2009. Therefore, 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. The Board of Directors vide its resolution dated 27.07.10 has decided to develop the property situated at Sukhlaji Street, Tardeo, Mumbai and therefore approved the transfer of its investment in the said property having a book value of Rs. 4,97,26,480/- to Inventory as project expense.
3. Keeping in view the parameters as per Guidance Note on "Recognition of Revenue by the Real Estate Developers" and AS 2 "Valuation of Inventories" for valuing Project-Work-In- Progress (WIP) of Real Estate Developers, the expenses incurred in the nature of administrative overheads which did not contribute in bringing Project WIP to its present location and condition have been charged off to the profit and loss account for the year as period cost.

4. Breakup of Auditor's Remuneration:

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
- Audit Fees	6,000	17,500
- Certification	6,000	NIL
- Service Tax	1,236	NIL
Total	13,236	17,500

5. Earnings per Share:

As per AS- 20 "Earning Per Share", the Company's EPS is as under

	31st March, 2011	31st March, 2010
Net Profit/(Loss) after tax as per Profit & Loss Account	(1,14,342)	(NIL)
Weighted average number of equity shares outstanding	1,000	1,000
Basic and Diluted Earnings per share	(114.34)	(NIL)
Face Value per Equity Share	100	100



6. Related Parties Disclosure as per AS-18:

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

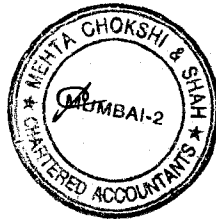
Name of the related party	Relationship
Ishaq Balwa	Key Management Personnel(Director)
Narayan Prasad Bajaj	Key Management Personnel(Director)
D B Realty Limited	Holding Company

The above related party is identified by the management and have been relied upon by the auditors. However there were no transactions with the Key Management Personnel.

(Amount in Rupees)

Nature of Transaction	With Holding Company
Loans accepted opening balance	1,00,00,000 (NIL)
Loans accepted	6,58,88,065 (1,00,00,000)
Repayment of Loan accepted	NIL (NIL)
Closing balance of loan accepted	7,58,88,065 (1,00,00,000)

Figures in the brackets denote figures pertaining to 31st March, 2010.



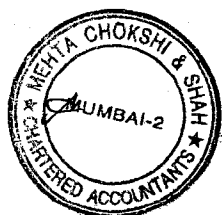
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7. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Particulars	For the Year Ended 31.3.2011	For the Year Ended 31.3.2010
	Rs.	Rs.
• Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	-	-
• Interest accrued on the amount 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 Act.	-	-

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.

8. Acting upon the request of the Statutory Auditors, the company has employed direct confirmation procedure for verification of balances of certain parties from / to whom unsecured loans have been taken / granted as well as of balances held in bank and balances of Sundry Creditors. However, no confirmations have been received from such parties till date. In the opinion of the Board of Directors of the company, 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.



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9. 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 disclosures requirements of AS-17 Segment Reporting are not applicable.

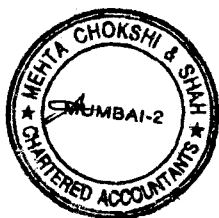
10. The amount in the Balance Sheet and Profit & Loss Account are rounded off to nearest rupee.
11. Previous year figures have been regrouped and reclassified wherever necessary to make them comparable with current year figures.
12. Management is of the view that the activities of the Company, being in the nature of construction and development of the project, the requirements of Para No. 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.

Signatures to Schedules 1 to 12

**AS PER OUR ATTACHED REPORT
OF EVEN DATE**

**FOR MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS**


PARTNER
M.NO 46088



PLACE : MUMBAI
DATED : 30 MAY 2011

**FOR AND ON BEHALF OF THE BOARD OF
DIRECTORS**


DIRECTOR


DIRECTOR

PLACE : MUMBAI
DATED : 30 MAY 2011