

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY  
PRIVATE LIMITED**

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013

**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 Ninth Annual General Meeting of the Members of Gokuldham Real Estate Development Company Private Limited will be held on Wednesday, 25<sup>th</sup> September, 2013 at 12.30 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:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2013, Statement of Profit and loss 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. Shonit Dalmia who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Jagat Killawala who retires by rotation and being eligible offers himself for reappointment.
4. 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**

5. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT the Company hereby approves the payment of remuneration of Rs. 2,50,000/- per month aggregating to Rs. 30,00,000/- to Mr. Vinod K. Goenka, Managing Director of the Company for the year ended 31<sup>st</sup> March 2013 as minimum remuneration based on the effective capital of the Company as permitted in accordance with the provisions of the Companies Act, 1956 and sub clause (iii) of clause B of Section II of Part II of Schedule XIII of the Companies Act, 1956 as the Company has inadequate profit for the financial year ended 31 March 2013."

"RESOLVED FURTHER THAT in furtherance of special resolution passed by the members of the Company at the annual general meeting held on 11<sup>th</sup> April 2011, Mr. Vinod K. Goenka, Managing Director of the Company, be paid a minimum remuneration as provided in clause B of Section II of Part II of Schedule XIII of the Companies Act, 1956 for the remaining period of his appointment upto 30-9-2013 in the event of no profits or inadequacy of profits in the financial year.

6. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT the Company hereby approves the payment of remuneration of Rs. 2,50,000/- per month aggregating to Rs. 30,00,000/- to Mr. Shonit Dalmia, Whole time Director of the Company for the year ended 31<sup>st</sup> March 2013 as minimum remuneration based on the effective capital of the Company as permitted in accordance with the provisions of the Companies Act, 1956 and sub

clause (iii) of clause B of Section II of Part II of Schedule XIII of the Companies Act, 1956 as the Company has inadequate profit for the financial year ended 31 March 2013.”

“RESOLVED FURTHER THAT in furtherance of special resolution passed by the members of the Company at the annual general meeting held on 11<sup>th</sup> April 2011, Mr. Shonit Dalmia, Whole time Director of the Company, be paid a minimum remuneration as provided in clause B of Section II of Part II of Schedule XIII of the Companies Act, 1956 for the remaining period of his appointment upto 30-9-2013 in the event of no profits or inadequacy of profits in the financial year.

7. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT the Company hereby approves the payment of remuneration of Rs. 2,50,000/- per month aggregating to Rs. 30,00,000/- to Mr. Salim Balwa, Managing Director of the Company for the year ended 31<sup>st</sup> March 2013 as minimum remuneration based on the effective capital of the Company as permitted in accordance with the provisions of the Companies Act, 1956 and sub clause (iii) of clause B of Section II of Part II of Schedule XIII of the Companies Act, 1956 as the Company has inadequate profit for the financial year ended 31 March 2013.”

“RESOLVED FURTHER THAT in furtherance of special resolution passed by the members of the Company at the Extra Ordinary General Meeting held on 25<sup>th</sup> January 2012, Mr. Salim Balwa, Managing Director of the Company, be paid a minimum remuneration as provided in clause B of Section II of Part II of Schedule XIII of the Companies Act, 1956 for the remaining period of his appointment upto 31-01-2015 in the event of no profits or inadequacy of profits in the said financial years.”

8. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 198, 269, 309, 310, 316 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of and payment of remuneration to Mr. Vinod K. Goenka as the Managing Director of the Company with the overall responsibility and function of business development, business strategy and over-all control over the affairs of the Company, for a period of 2 (Two) years commencing from 1<sup>st</sup> October, 2013 till 30<sup>th</sup> September 2015 with a remuneration of Rs. 15,00,000/- (Rupees Fifteen Lakhs) per month inclusive of all allowances excepting those in the nature of expenses incurred in connection with the business of the Company which shall be paid/reimbursed to him and the Board of Directors of the Company shall have discretion to grant such additional/ annual increment and other benefits/perquisites and alter the terms as the Board may think fit”.

“RESOLVED FURTHER THAT where in any financial years during the currency of above said tenure of Mr. Vinod K. Goenka as Managing Director, the Company has no profits or its profits are inadequate, then the Company shall pay the remuneration in accordance with the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956.”

9. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 198, 269, 309, 310, 316 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of and payment of remuneration to Mr. Shonit Dalmia, as Whole-time Director of the Company with the overall responsibility and function of Finance for a period of 2 (Two) years commencing from 1<sup>st</sup> October, 2013 till 30<sup>th</sup> September, 2015 with a remuneration of Rs. 10,00,000/- (Rupees Ten Lakhs) per month inclusive of all allowances excepting those in the nature of expenses incurred in connection with the business of the Company which shall be paid/reimbursed to him and the Board of Directors of the Company shall have discretion to grant such additional/ annual increment and other benefits/perquisites and alter the terms as the Board may think fit”.

“RESOLVED FURTHER THAT where in any financial years during the currency of above said tenure of Mr. Shonit Dalmia as Whole-time Director, the Company has no profits or its profits are inadequate, then the Company shall pay the remuneration in accordance with the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956.”

BY ORDER OF THE BOARD OF DIRECTORS



DIRECTOR

Place: Mumbai  
Dated: 11<sup>th</sup> May, 2013

NOTES:

1. The Relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business set out in this notice are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

## EXPLANATORY STATEMENT

Pursuant to section 173(2) of the Companies Act, 1956

### Item No.5

At the Extra Ordinary General Meeting of the Company held on 11<sup>th</sup> April 2011 the shareholders had approved the appointment and terms of remuneration of Mr. Vinod K. Goenka as Managing Director of the Company for a period of 3 years from 01-10-2010 to 30-9-2013.

As the Company has inadequate profits, the payment of remuneration to Mr. Vinod K. Goenka is subject to limits specified in Schedule XIII of the Companies Act, 1956 based on the effective capital of the Company and also the approval of the shareholders by way of special resolution at a general meeting of the Company as required under Schedule XIII of the Companies Act, 1956. The Board of Directors at its meeting held on 11<sup>th</sup> May, 2013 have pursuant to the recommendation of the Remuneration Committee, approve payment of remuneration based on Schedule XIII of the Companies Act, 1956 for the year ended 31<sup>st</sup> March, 2013 as a minimum remuneration of Rs. 2,50,000/- per month totaling Rs. 30,00,000/- per year inclusive of all allowances.

Mr. Vinod K. Goenka aged 54 years, holds a graduate degree in commerce from Mumbai University. He has over 25 years of experience in the field of construction and development of real estate among other business. He has acquired expertise in project management and in formulating strategy for development of residential townships and commercial complexes. He is involved in execution and implementation of various projects in the hospitality industry including construction of a 5 star resort in Goa. His involvement as Managing Director has substantially been in respect of developing the project of our Company.

Except Mr. Vinod K. Goenka, no other Directors of the Company are concerned or interested in this resolution.

### Item No.6

At the Extra Ordinary General Meeting of the Company held on 11<sup>th</sup> April 2011 the shareholders had approved the appointment and terms of remuneration of Mr. Shonit Dalmia as Whole time Director of the Company for a period of 3 years from 1-10-2010 to 30-9-2013.

As the Company has inadequate profits as noted from quarterly results commencing from 1<sup>st</sup> April 2012, the payment of remuneration to Mr. Shonit Dalmia is subject to limits specified in Schedule XIII of the Companies Act, 1956 based on the effective capital of the Company and also the approval of the shareholders by way of special resolution at a general meeting of the Company as required under Schedule XIII of the Companies Act, 1956. The Board of Directors at its meeting held on 11<sup>th</sup> May, 2013 have pursuant to the recommendation of the Remuneration Committee, approve payment of remuneration based on Schedule XIII of the Companies Act, 1956 for the year ended 31<sup>st</sup> March, 2013 as a minimum remuneration of Rs. 2,50,000/- per month totaling Rs. 30,00,000/- per year inclusive of all allowances.

Mr. Shonit Dalmia aged 29 years is M.B.A. from U.K. and having 10 years of experience in managing and implementing the business of textiles, renewable energy and real

estate. His involvement as Whole time Director has substantially been in respect of developing the project of our Company.

Except Mr. Shonit Dalmia, no other Directors of the Company are concerned or interested in this resolution.

**Item No.7**

At the Extra Ordinary General Meeting of the Company held on 25th February 2012, the shareholders had approved the appointment and terms of remuneration of Mr. Salim Balwa as Managing Director of the Company for a period of 3 years from 1-02-2012 to 31-1-2015.

As the Company has inadequate profits as noted from quarterly results commencing from 1<sup>st</sup> April 2012, the payment of remuneration to Mr. Salim Balwa is subject to limits specified in Schedule XIII of the Companies Act, 1956 based on the effective capital of the Company and also the approval of the shareholders by way of special resolution at a general meeting of the Company as required under Schedule XIII of the Companies Act, 1956. The Board of Directors at its meeting held on 11<sup>th</sup> May, 2013 have pursuant to the recommendation of the Remuneration Committee, approve payment of remuneration based on Schedule XIII of the Companies Act, 1956 for the year ended 31<sup>st</sup> March, 2013 as a minimum remuneration of Rs. 2,50,000/- per month totaling Rs. 30,00,000/- per year inclusive of all allowances.

Mr. Salim Balwa aged 41 years is under graduate. He has over 15 years of experience in the field of construction and development of real estate among other business. He is involved in execution and implementation of various projects in the hospitality industry. His involvement as Managing Director has substantially been in respect of developing the project of our Company.

Except Mr. Salim Balwa, no other Directors of the Company are concerned or interested in this resolution

The Statement as required under Clauses 1(B) of Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to the items Nos. 1,2 and 3 are as follows:

**I. General Information: ( Item no 5,6 and 7)**

- |                                                                                                                                                          |   |                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---|-------------------------------------|
| (1) Nature of Industry                                                                                                                                   | : | Construction of Residential Complex |
| (2) Date or expected date of commencement of commercial production                                                                                       | : | Existing Company                    |
| (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | : | Existing Company                    |

(4) Financial performance based on given indicators:

| SI | Particulars                                           | Audited Figure for 12 months period ended 31-03-2013 | Audited Figure for 12 months period ended 31-03-2012 | Audited Figure for 12 months period ended 31-03-2011 | Audited Figure for 12 months period ended 31-03-2010 |
|----|-------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| 1  | Net sales/Income from operations                      | 1,201,828,562                                        | 1,806,142,120                                        | 2,896,940,950                                        | 1,506,211,266                                        |
| 2  | Other Income                                          | 22,397,920                                           | 151,777,761                                          | 87,857,246                                           | 93,477,462                                           |
| 3  | Total Expenditure (including adjustment of stock)     | 1,167,129,720                                        | 1,351,045,685                                        | 2,041,527,858                                        | 1,224,875,893                                        |
| 4  | Interest                                              | 1,621,586                                            | 0                                                    | 144,826,940                                          | 0                                                    |
| 5  | Depreciation                                          | 681,038                                              | 722,170                                              | 1,194,427                                            | 12,221,941                                           |
| 6  | Profit/(loss) before Tax                              | 54,794,137                                           | 606,152,026                                          | 797,248,971                                          | 362,590,894                                          |
| 7  | Provision for Tax                                     |                                                      |                                                      |                                                      |                                                      |
|    | a) Current Tax                                        | (23,000,000)                                         | (210,342,088)                                        | (302,600,000)                                        | (135,400,000)                                        |
|    | b) Fringe Benefit Tax                                 | 0                                                    | 0                                                    | 0                                                    | 0                                                    |
|    | c) Deferred Tax                                       | 3,927,983                                            | 2,597,924                                            | 652,859                                              | 4,206,401                                            |
|    | d) MAT Credit Write Down/ (Entitlement)               | (6,157,159)                                          | 0                                                    | (2,619,662)                                          | 0                                                    |
|    | e) Income Tax provision for earlier year written back |                                                      |                                                      |                                                      |                                                      |
| 8  | Net Profit/(loss)                                     | 29,564,961                                           | 398,407,862                                          | 492,682,168                                          | 231,397,295                                          |

(5) Export performance and net foreign exchange collaborations : Nil

(6) Foreign Investment of Collaborators, if any Nil

II. (a) Information about the Appointee Mr. Vinod K. Goenka

|     |                                 |   |                                                                                                                                                                       |
|-----|---------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) | Background details              | : | Mr. Vinod K. Goenka aged 54 years holds a graduate degree in commerce having over 25 years of experience in the field of construction and development of real estate. |
| (2) | Past remuneration               | : | Rs. 15,00,000/- per month inclusive of all allowances.                                                                                                                |
| (3) | Recognition or awards           | : | -                                                                                                                                                                     |
| (4) | Job profile and his suitability | : | Expertise in project management and in formulating strategy for development of residential township and commercial complex.                                           |

|     |                                                                                                                                                                                                          |   |                                                                                                                                                                                 |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (5) | Remuneration proposed                                                                                                                                                                                    | : | Ratification of Rs. 2,50,000/- paid as minimum remuneration per month for the year ended 31-3-2013 based on effective capital of the Company due to inadequacy of profit.       |
| (6) | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin). | : | Not Applicable                                                                                                                                                                  |
| (7) | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any                                                                                    | : | Apart from receiving remuneration as stated above, he does not receive any emoluments from the Company. No managerial personnel have any relationship with Mr. Vinod K. Goenka. |

II. (b) Information about the Appointee Mr. Shonit Dalmia

|     |                                                                                                                                                                                                          |   |                                                                                                                                                                            |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) | Background details                                                                                                                                                                                       | : | Mr. Shonit Dalmia aged 29 years is M.B.A. from U.K. having 10 years of experience in managing and implementing the business of textiles, renewable energy and real estate. |
| (2) | Past remuneration                                                                                                                                                                                        | : | Rs. 10,00,000/- per month inclusive of all allowances.                                                                                                                     |
| (3) | Recognition or awards                                                                                                                                                                                    | : | -                                                                                                                                                                          |
| (4) | Job profile and his suitability                                                                                                                                                                          | : | Having 10 years of experience in managing and implementing the business of textiles renewable energy and real estate, his experience is of great held to the Company.      |
| (5) | Remuneration proposed                                                                                                                                                                                    | : | Ratification of Rs. 2,50,000/- paid as minimum remuneration per month for the year ended 31-3-2013 based on effective capital of the Company due to inadequacy of profit.  |
| (6) | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin). | : | Not Applicable                                                                                                                                                             |



|     |                                                                                                                       |   |                                                                                                                                                                              |
|-----|-----------------------------------------------------------------------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (7) | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | : | Apart from receiving remuneration as stated above, he does not receive any emoluments from the Company. No managerial personnel have any relationship with Mr. Shonit Dalmia |
|-----|-----------------------------------------------------------------------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

II. (c) Information about the Appointee Mr. Salim Balwa

|     |                                                                                                                                                                                                          |   |                                                                                                                                                                             |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) | Background details                                                                                                                                                                                       | : | Mr. Salim Balwa aged 41 years is a under graduate having over 15 years of experience in the field of construction and development of real estate and Hospitality Business.  |
| (2) | Past remuneration                                                                                                                                                                                        | : | Rs. 6,00,000/-per month inclusive of all allowances                                                                                                                         |
| (3) | Recognition or awards                                                                                                                                                                                    | : | -                                                                                                                                                                           |
| (4) | Job profile and his suitability                                                                                                                                                                          | : | 15 years of experience in real estate & hospitality business.                                                                                                               |
| (5) | Remuneration proposed                                                                                                                                                                                    | : | Ratification of Rs. 2,50,000/- paid as minimum remuneration per month for the year ended 31-3-2013 based on effective capital of the Company due to inadequacy of profit.   |
| (6) | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin). | : | Not Applicable                                                                                                                                                              |
| (7) | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any                                                                                    | : | Apart from receiving remuneration as stated above, he does not receive any emoluments from the Company. No managerial personnel have any relationship with Mr. Salim Balwa. |

III. Other Information:

|     |                                                                   |   |                                                                                                                                                                                                        |
|-----|-------------------------------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) | Reasons of loss or inadequate profits                             | : | Increase in project cost & adjustment of the same resulted in inadequate profits.                                                                                                                      |
| (2) | Steps taken or proposed to be taken for improvement               | : | Given the final stages of completion of the project, further cost escalation is not envisaged. Project is likely to declare adequate profits on completion of the project and sale of remaining flats. |
| (3) | Expected increase in productivity and profits in measurable terms | : |                                                                                                                                                                                                        |

IV. Disclosures

|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |   |                              |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------------------------------|
| (1) | The shareholders of the Company shall be informed of the remuneration package of the managerial person                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | : | As per Explanatory Statement |
| (2) | <p>The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any attached to the Annual Report:-</p> <p>(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;</p> <p>(ii) Details of fixed component and performance linked incentives along with the performance criteria;</p> <p>(iii) Service contracts, notice period, severance fees;</p> <p>(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable</p> | : | Not Applicable-              |

Item No.8:

Mr. Vinod K. Goenka was appointed as Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> October, 2010. The tenure of Mr. Vinod K. Director as the Managing Director of the Company expires on 30<sup>th</sup> September, 2013. He was re-appointed by the Board of Directors of the Company for a further period of 2 years w.e.f. 1<sup>st</sup> October, 2013 subject to the approval of the members in the general meeting. In the event of loss or inadequacy of profit, the remuneration payable to Mr. Vinod K. Goenka as the Managing Director of the Company shall be subject to Part II of Schedule XIII of the Companies Act, 1956. The Board recommends the Special Resolution set forth in item No. 8 of the Notice for approval of the members.

Except Mr. Vinod K. Goenka, no other Directors of the Company are concerned or interest in this resolution.

Item No.9:

Mr. Shonit Dalmia was appointed as Whole Director of the Company for a period of 3 years with effect from 1<sup>st</sup> October, 2010. The tenure of Mr. Shonit Dalmia as Whole Time Director of the Company expires on 30<sup>th</sup> September, 2013. He was re-appointed by the Board of Directors of the Company for a further period of 2 years w.e.f. 1<sup>st</sup> October, 2013 subject to the approval of the members in the general meeting. In the event of loss or inadequacy of profit, the remuneration payable to Mr. Shonit Dalmia as the Whole time Director of the Company shall be subject to Part II of Schedule XIII of the Companies Act, 1956 The Board recommends the Special Resolution set forth in item No. 9 of the Notice for approval of the members.

Except Mr. Shonit Dalmia, no other Directors of the Company are concerned or interest in this resolution.

BY ORDER OF THE BOARD OF DIRECTORS



DIRECTOR

Place: Mumbai  
Dated: 11<sup>th</sup> May, 2013

## DIRECTORS' REPORT

To  
The Members  
Gokuldhama 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, 2013.

### 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 Statement of Profit and Loss:

| Particulars                                                   | Amount (in Rs.)              |                              |
|---------------------------------------------------------------|------------------------------|------------------------------|
|                                                               | Year ended<br>March 31, 2013 | Year ended<br>March 31, 2012 |
| Income by way of<br>Revenue from Operations & Other<br>Income | 1,22,42,26,482               | 1,95,79,19,881               |
| Profit before Depreciation                                    | 5,54,75,175                  | 60,68,74,196                 |
| Less: Depreciation                                            | 6,81,038                     | 7,22,170                     |
| Profit Before Tax                                             | 5,47,94,137                  | 60,61,52,026                 |
| Less: Tax Expenses                                            | 2,52,29,176                  | 20,77,44,164                 |
| Profit after Tax                                              | 2,95,64,961                  | 39,84,07,862                 |
| <b>Add:</b> Balance brought forward from<br>Earlier year      | 78,02,16,639                 | 38,18,08,777                 |
| <b>Balance carried to Balance Sheet</b>                       | <b>80,97,81,600</b>          | <b>78,02,16,639</b>          |

### NATURE OF OPERATIONS

The on-going project viz. Orchid Woods at Goregaon (East) is nearing completion and the possession is expected to be handed over in the current year.

### 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.

## DIRECTORS

Mr. Jagat Killawala and Mr. Shonit Dalmia retire at the ensuing annual general meeting and being eligible offer themselves for reappointment.

The Company has paid minimum remuneration to its managerial personnel due to inadequate profit subject to the approval of the shareholders. The necessary Resolutions have been included in the accompanying Notice for approval of the members at the annual general meeting.

The terms of appointments of Mr. Vinod K. Goenka as Managing Director and of Mr. Shonit Dalmia as whole time Director will expire on 30-09-2013. They are reappointed for a further period of 2 years from 1-10-2013 to 30-9-2015. The necessary Special Resolutions have been included in the accompanying Notice for the approval of the members for their reappointments.

## DIRECTORS RESPONSIBILITY STATEMENT:

The Directors State:

- (i) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2013, 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, 2013 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 the Companies Act, 1956 during the year under review.

## PARTICULARS OF EMPLOYEES

The particulars of employees pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975 as amended are given below:

| Name of Employee   | Age | Designation/<br>Nature of<br>Duties | Remuneration<br>(Amt. in Rs.) | Qualification | Experience<br>in years | Date of<br>Commence-<br>ment | Particulars<br>of last<br>Employment |
|--------------------|-----|-------------------------------------|-------------------------------|---------------|------------------------|------------------------------|--------------------------------------|
| Mr. Ishaq<br>Balwa | 46  | Chief<br>Operating<br>Officer       | 72,00,000                     | B.com         | 21                     | 01-02-2012                   | Business                             |

**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, 1988 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. 1,13,15,388/- (Previous Year: Rs. 6,46,21,544/-) and traveling expenses was Rs. 72,530/- (Previous Year: Rs. Nil).

**COST AUDIT**

In order to comply with the Companies (Cost Accounting Records) Rules 2011, which came into force since 3<sup>rd</sup> June, 2011, the Company has appointed Joshi, Apte & Associates, Cost Accountants, for the year 2012-13.

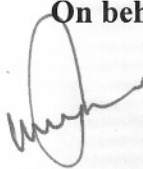
**AUDITORS:**

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 at all level, Creditors and Suppliers.

On behalf of the Board of Directors



**Vinod Goenka**  
Director



**Shonit Dalmia**  
Director

**Place: Mumbai**

**Date : 11<sup>th</sup> May, 2013**

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

**Independent Auditor's Report**  
**To the Members of Gokuldham Real Estate Development Company Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Gokuldham Real Estate Development Company Private Limited ("the Company") which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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



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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act; and
  - (v) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For M.A.Parikh & Co.  
Chartered Accountants  
(Firm's Registration No. 107556W)**



*Dhaval Selwadia*

**Partner  
Name: Dhaval Selwadia  
Membership No. 100023**

**Mumbai,  
Date: 11<sup>th</sup> May, 2013**



**ANNEXURE TO THE AUDITORS' REPORT**  
**(Referred to in paragraph 1 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) The Company's business is that of real estate development and accordingly, disposal of fixed assets does not affect the going concern assumption.

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, building materials are issued to contractors and as such inventory as of year-end is based on their confirmation / statement. Units under construction have been physically verified by the management at reasonable intervals, based on 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 as regards units under construction is reasonable and adequate in relation to the size of the Company and the nature of its business. According to the information and explanations given to us, adequate reconciliation is carried out for building materials issued to the contractors. As explained to us, no material discrepancies were noticed on such physical verification / reconciliation.
- (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 Act, according to the information and explanations given to us:

- (a) The Company has granted unsecured loan to its holding company and a fellow subsidiary company covered in the register maintained under section 301 of the Act. The maximum balance outstanding at any time during the year was Rs. 92,79,00,000/- and the year-end balance is Rs. 74,89,00,000/-.



- (b) As per the terms of granting loan to the holding company, no amount towards principal was due for repayment. Further, loan to fellow subsidiary company as well as interest on the both the loans are repayable on demand. In view of the same, 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 loans, are prima facie not prejudicial to the interest of the Company.
- (d) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
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 except for certain items for which alternate quotations were not called for 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 Act, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of a contract or arrangement referred to in section 301 of the Act, that needed to be entered into the register required to be maintained under the said section have been so entered.
- (b) The transaction is in excess of rupees five lakhs and 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 Act and the rules framed there under are not applicable.
7. A firm of Chartered Accountants has been appointed by the management to carry out the function of internal audit, which in our opinion is commensurate with the size of the Company and the nature of its business.
8. For the year under reference, the Companies (Cost Accounting Records) Rules, 2011 are applicable to the Company in relation to its construction activities. Based on our examination of books of account and other relevant records, in our opinion, prima facie, the said books and records gives information in relation to utilization of materials, labour and other items of costs as referable to its said construction activity.



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, as regards undisputed statutory dues:
- (i) Arrears of income tax outstanding for more than six months from the date it became payable – Rs. 1,06,45,917/-;
  - (ii) Non-payment of interest on delayed / non-payment of service tax. (Refer Note No. 18(c) of the audited financial statements); and
  - (iii) There were delays in depositing with the statutory authorities dues of income tax and service tax, however, except for above, there were no arrears as at March 31, 2013 for a period of more than six months from the date they became payable. In case of other statutory dues, the Company was generally regular in depositing the same with the statutory authorities. Further, there were no arrears as at March 31, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed dues of Income – tax / Value Added tax / Service 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 banks and financial institution.
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. In our opinion and according to the information and explanations given to us, the term loan obtained during the year has been utilized 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, no funds have been raised on short – term basis and hence, the question of utilizing the same does not arise.
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 Act. 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  
(Firm's Registration No. 107556W)**



*Dhaval Selwadia*

**Partner**

**Name: Dhaval Selwadia  
Membership No. 100023**

**Mumbai,  
Date: 11<sup>th</sup> May, 2013**

**GOKULDHAM REAL ESTATE DEVELOPMENT CO. PVT.LTD.**  
**BALANCE SHEET AS AT 31ST MARCH 2013**

( Amount in Rs.)

| Particulars |                                | Note No. | As at 31.03.13       | As at 31.03.12       |
|-------------|--------------------------------|----------|----------------------|----------------------|
| <b>I.</b>   | <b>EQUITY AND LIABILITIES</b>  |          |                      |                      |
| <b>1</b>    | <b>Shareholders' funds</b>     |          |                      |                      |
|             | Share Capital                  | 3        | 50,000,000           | 50,000,000           |
|             | Reserves and Surplus           | 4        | 1,209,781,600        | 1,180,216,639        |
| <b>2</b>    | <b>Non-current liabilities</b> |          |                      |                      |
|             | Long-term borrowings           | 5        | 171,951,670          | -                    |
|             | Other Long term liabilities    | 6        | 95,110,575           | 80,064,681           |
|             | Long-term provisions           | 7        | 22,370,796           | 10,545,335           |
| <b>3</b>    | <b>Current liabilities</b>     |          |                      |                      |
|             | Trade payables                 | 8        | 157,331,780          | 237,590,277          |
|             | Other current liabilities      | 9        | 2,200,881,470        | 1,518,574,515        |
|             | Short-term provisions          | 10       | 15,857,782           | 176,091,026          |
|             | <b>TOTAL</b>                   |          | <b>3,923,285,673</b> | <b>3,253,082,473</b> |
| <b>II.</b>  | <b>ASSETS</b>                  |          |                      |                      |
| <b>1</b>    | <b>Non-current assets</b>      |          |                      |                      |
|             | Fixed Assets                   | 11       |                      |                      |
|             | Tangible assets                |          | 1,648,565            | 1,779,126            |
|             | Intangible assets              |          | 423,280              | 50,270               |
|             | Non-current investments        | 12       | 1,243,400,000        | 1,055,607,261        |
|             | Deferred tax assets            | 13       | 7,838,141            | 3,910,158            |
|             | Long-term loans and advances   | 14       | 1,088,333,874        | 195,212,634          |
| <b>2</b>    | <b>Current assets</b>          |          |                      |                      |
|             | Inventories                    | 15       | 935,413,112          | 1,471,649,459        |
|             | Trade receivables              | 16       | 140,030,485          | 137,134,841          |
|             | Cash and bank balances         | 17       | 22,181,632           | 66,477,124           |
|             | Short-term loans and advances  | 18       | 242,076,174          | 194,820,938          |
|             | Other current assets           | 19       | 241,940,410          | 126,440,662          |
|             | <b>TOTAL</b>                   |          | <b>3,923,285,673</b> | <b>3,253,082,473</b> |

See accompanying notes forming part of financial statements

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In terms of our report of even date attached

For M.A PARIKH & CO.  
Chartered Accountants




**PARTNER**  
Name : Dhaval Selwadia  
Membership No. : 100023

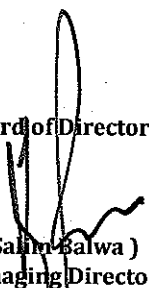
Place : Mumbai  
Date :

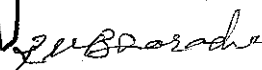


  
( Vinod Goenka )  
Managing Director

  
( Shonit Dalmia )  
Whole Time Director

For and on Behalf of Board of Directors

  
( Salim Salwa )  
Managing Director

  
( Ratilal K. Bharadva )  
Company Secretary

11 MAY 2013

**GOKULDHAM REAL ESTATE DEVELOPMENT CO PVT.LTD.**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Amount in Rs.)

| Particulars |                                                    | Note No. | For the Year Ended 31.03.13 | For the Year Ended 31.03.12 |
|-------------|----------------------------------------------------|----------|-----------------------------|-----------------------------|
| 1           | Revenue from operations                            | 20       | 1,201,828,562               | 1,806,142,120               |
| 2           | Other Income                                       | 21       | 22,397,920                  | 151,777,761                 |
| 3           | <b>Total Revenue</b>                               |          | <b>1,224,226,482</b>        | <b>1,957,919,881</b>        |
| 4           | <b>Expenses:</b>                                   |          |                             |                             |
|             | Project Expenses                                   | 22       | 604,788,189                 | 877,066,212                 |
|             | Changes in inventories of Project work-in-progress | 23       | 466,330,028                 | 373,690,234                 |
|             | Employee benefits expenses                         | 24       | 32,077,407                  | 32,781,079                  |
|             | Finance costs                                      | 25       | 1,621,586                   | -                           |
|             | Depreciation and amortization expense              | 26       | 681,038                     | 722,170                     |
|             | Other expenses                                     | 27       | 63,934,096                  | 67,508,160                  |
|             | <b>Total expenses</b>                              |          | <b>1,169,432,345</b>        | <b>1,351,767,855</b>        |
| 5           | <b>Profit before Tax</b>                           |          | <b>54,794,137</b>           | <b>606,152,026</b>          |
| 6           | <b>Tax expenses:</b>                               |          |                             |                             |
|             | Current tax                                        |          | (23,000,000)                | (210,342,088)               |
|             | Deferred tax                                       |          | 3,927,983                   | 2,597,924                   |
|             | Prior Years' Tax Adjustments                       |          | (6,157,159)                 | -                           |
|             |                                                    |          | <b>(25,229,176)</b>         | <b>(207,744,164)</b>        |
| 7           | <b>Profit for the year</b>                         | 28       | <b>29,564,961</b>           | <b>398,407,862</b>          |
|             | Earnings per equity share:<br>Basic and Diluted    | 40       | 59.13                       | 796.82                      |

See accompanying notes forming part of financial statements

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In terms of our report of even date attached

For M.A PARIKH & CO.  
Chartered Accountants

*Dhaval Selwadia*

PARTNER  
Name : Dhaval Selwadia  
Membership No. : 100023

Place : Mumbai  
Date :



*Vinod Goenka*  
( Vinod Goenka )  
Managing Director

*Shonit Dalmia*  
( Shonit Dalmia )  
Whole Time Director

For and on Behalf of Board of Directors

*Salim Balwa*  
( Salim Balwa )  
Managing Director

*Ratilal K. Bharadva*  
( Ratilal K. Bharadva )  
Company Secretary

11 MAY 2013

**GOKULDHAM REAL ESTATE DEVELOPMENT CO PVT.LTD.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

| Particulars                                                        | (Amount in Rs.)             |                             |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                    | For the Year Ended 31.03.13 | For the Year Ended 31.03.12 |
| <b>(A) Cash Flow From Operating Activities:</b>                    |                             |                             |
| Profit before tax                                                  | 54,794,137                  | 606,152,026                 |
| <b>Adjustments for:</b>                                            |                             |                             |
| Depreciation and amortization expense                              | 681,038                     | 722,170                     |
| Unrealized Foreign Exchange Loss                                   | 834,186                     | 1,153,423                   |
| Interest and Finance Charges                                       | 104,408,847                 | 58,817,236                  |
| Provision for Gratuity / Leave Encashment                          | 11,530,303                  | 7,377,110                   |
| Profit on sale of investment (immovable property)                  | (3,315,667)                 | -                           |
| Profit on sale of fixed assets                                     | (7,436)                     | -                           |
| Interest income                                                    | (98,072,472)                | 16,058,799                  |
| <b>Operating Profit before Working Capital Changes</b>             | <b>70,852,937</b>           | <b>(151,037,569)</b>        |
| <b>Working Capital Changes:</b>                                    |                             |                             |
| Trade Receivables and Advances                                     | (13,143,209)                | (126,408,390)               |
| Inventories                                                        | 478,567,468                 | 317,627,390                 |
| Current Liabilities                                                | (49,524,458)                | (385,382,200)               |
| <b>Cash Generated from Operations</b>                              | <b>486,752,737</b>          | <b>329,021,196</b>          |
| Taxes paid                                                         | (149,985,744)               | (73,129,921)                |
| <b>Net Cash from Operating Activities</b>                          | <b>336,766,993</b>          | <b>255,891,275</b>          |
| <b>(B) Cash Flow From Investing Activities:</b>                    |                             |                             |
| Loans                                                              | (734,287,980)               | 1,268,000,000               |
| Interest income on loans received (Net of taxes paid thereagainst) | 30,434,356                  | 19,682,382                  |
| Taxes Paid in relation to Interest Income of previous year         | (40,453,310)                | (4,439,972)                 |
| Purchase of Investments                                            | (387,200,000)               | (1,050,000,000)             |
| Sale of Immovable Property                                         | 8,820,000                   | -                           |
| Sale of Fixed Assets                                               | 129,580                     | -                           |
| Purchase of Fixed Assets                                           | (942,703)                   | (74,875)                    |
| <b>Net Cash from Investing Activities</b>                          | <b>(1,123,500,057)</b>      | <b>233,167,535</b>          |
| <b>(C) Cash Flow From Financing Activities:</b>                    |                             |                             |
| Borrowings                                                         | 1,350,000,000               | -                           |
| Repayment of Borrowings                                            | (513,123,784)               | (557,942,098)               |
| Interest and Finance Charges                                       | (94,438,644)                | (58,817,236)                |
| <b>Net Cash from Financing Activities</b>                          | <b>742,437,572</b>          | <b>(616,759,334)</b>        |
| <b>Net Increase in Cash and Cash Equivalents</b>                   | <b>(44,295,492)</b>         | <b>(127,700,524)</b>        |
| Add: Cash and Cash Equivalents (Opening)                           | 66,477,124                  | 194,177,648                 |
| <b>Cash and Cash Equivalents (Closing)</b>                         | <b>22,181,632</b>           | <b>66,477,124</b>           |
| <b>(D) Cash and Cash Equivalents includes:</b>                     |                             |                             |
| Cash on hand                                                       | 25,120                      | 82,844                      |
| Bank Balances                                                      | 22,156,512                  | 66,394,280                  |
|                                                                    | <b>22,181,632</b>           | <b>66,477,124</b>           |

For M. A. PARIKH & CO.  
Chartered Accountants

*Dhaval Selwadia*

PARTNER  
Name : Dhaval Selwadia  
Membership No. : 100023

Place : Mumbai  
Date : 11 MAY 2013



For and on behalf of Board of Directors

*Vinod Goenka*  
( Vinod Goenka )  
Managing Director

*Shonit Dalmia*  
( Shonit Dalmia )  
Whole Time Director

*Salim Balwa*  
( Salim Balwa )  
Managing Director

*Ratilal K. Bharadva*  
( Ratilal K. Bharadva )  
Company Secretary

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1 CORPORATE INFORMATION**

The Company, a subsidiary of D B Realty Limited, is engaged in the business of development and construction of real estate. At present, it has undertaken development and construction of residential project on the land situated at Village Dindoshi, Goregaon (East), Mumbai 400 063, known as DB Woods (the Project). The work of the Project is in progress as of the year end.

The Company is a "public company" under the Companies Act, 1956 (the Act), but continues to use the word "private" as permitted under law.

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Accounting**

The Company maintains its accounts on accrual basis following historical cost convention in accordance with generally accepted accounting principles ("**GAAP**") in compliance with the provisions of the Act and the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government.

**2.2 Preparation and Presentation of Financial Statements**

The preparation of financial statements in conformity with the GAAP requires that the management of the Company makes estimates and assumptions that affect reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on the date of financial statements. The difference, if any, between actual results and the estimate is recognized in the period in which the results are known.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule VI to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS-3) "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule VI to the Act are presented by way of notes forming part of the accounts alongwith other notes required to be disclosed under the notified accounting standards.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria's set out in the Schedule VI to the Act. Based on the nature of business and other relevant factors, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

**2.3 Fixed Assets and Depreciation / Amortization**

**Tangible Assets:**

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes cost incurred to bring the assets to their present location and condition. 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 Act.

**Intangible Assets:**

Intangibles represent computer software and is stated at its cost of acquisition less accumulated amortization. It is amortized by allocating the cost of the asset as an expense over its useful life as estimated by the Management.

**2.4 Investments**

(a) Immovable Property purchased and held as non current investment is valued at cost less accumulated depreciation. Depreciation is provided for on written down value method at the rates and in the manner as specified in Schedule XIV to the Act.

(b) Other non current investment is carried at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of investment.





## **2.5 Inventories**

Project work-in-progress is valued at lower of cost or net realizable value. Direct expenses and construction overheads are taken as the cost of the Project. The project costs comprise of:

(a) *Cost of land and cost of development rights* – Includes cost of acquisition of land, development rights in land, rehabilitation costs, registration charges, stamp duty, brokerage and other incidental expenses.

(b) *Borrowing costs* – In accordance with the Accounting Standard – 16, "Borrowing Costs" which are incurred in relation to the Project are considered as part of the cost of the project.

(c) *Construction and development cost* – Includes cost that relates directly to the Project and costs that can be attributed to the Project activity in general.

Units forming part of the Project given on long term lease are grouped as Other Current Assets and are valued as above. (Refer Note No. 30)

Building Materials are valued at cost.

## **2.6 Revenue Recognition**

### **Sale of Flats:**

Revenue based on percentage completion method is recognized on execution of either deed of agreement or letter of allotment only if 10% of the sale consideration is realized and there is no uncertainty towards realization of the balance amount. In this method, the Company recognizes revenue in proportion to the actual cost incurred as against the total estimated cost of the Project. The cost of land and/or development rights is not included in computing such percentage completion. Revenue is net of indirect taxes.

The estimates relating to percentage of completion, cost of completion, area available for sale, etc., being of a technical nature are reviewed and revised periodically by the Management and are considered as change in estimates and accordingly, the effect of such change in estimates is recognized prospectively for the period in which such changes are determined.

### **Other Operating Income:**

Other operating income is accounted on accrual basis except for interest on delayed payments from allottees, which is accounted for when there is no uncertainty as to its ultimate collection.

### **Other Income:**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

## **2.7 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.

## **2.8 Foreign currency transactions and translations**

Foreign currency transactions are initially recorded at the rate of exchange prevailing on the date of the transaction. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date and the resulting gains/ losses on such translation are recognized in the Statement of Profit and Loss.

## **2.9 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.



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Post employment benefits:**

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

**Define Benefit Plan:**

Gratuity is in the nature of defined benefit plan.

Provision for gratuity is calculated on the basis of actuarial valuation carried out as at the Balance Sheet date and is charged to the Statement of Profit and Loss. The actuarial valuation is performed by using the project unit credit method. The actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

**Other Employee Benefit:**

Leave encashment is recognized as an expense in the Statement of Profit and Loss as and when it accrues. The Company determines the liability by using the project unit credit method with actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

**2.10 Operating lease**

Lease rentals under operating lease agreements are charged off / credited to the Statement of Profit & Loss in accordance with the terms of the lease agreement.

**2.11 Taxes on Income**

Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the income accounted in the financial statements and the taxable income for the year and is quantified by using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a virtual / reasonable certainty (as applicable) with sufficient future taxable income will be available against which such deferred tax assets can be realized.

**2.12 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using its substantial degree of estimation, if:

- (a) The Company has a present obligation as a result of a past event;
- (b) A probable outflow of resources is expected to settle the obligation; and
- (c) The amount of obligation can be reliably estimated.

Contingent liability is disclosed in case of:

- (a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to be settle the obligation; or
- (b) A present obligation arising from past events, when no reliable estimate is possible; or
- (c) A possible obligation arising from past events, where the probability of outflow of resources is remote.

Contingent assets are neither recognized, nor disclosed.

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

**2.13 Commitments:**

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(a) The estimated amount of contracts remaining to be executed on capital accounts and not provided for;

(b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

**2.14 Earnings per Share**

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding for the period is adjusted for the effects of all dilutive potential equity shares.

**2.15 Cash Flow Statement**

Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on "Cash Flow Statements" and present the cash flows by operating, investing and financing activities of the Company.

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



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**3 Share Capital**

(Amount in Rs.)

| Particulars                                                    | As at 31 March 2013 |                    | As at 31 March 2012 |                    |
|----------------------------------------------------------------|---------------------|--------------------|---------------------|--------------------|
|                                                                | Number              |                    | Number              |                    |
| <b>Authorised</b>                                              |                     |                    |                     |                    |
| Equity Shares of Rs.100/- each                                 | 500,000             | 50,000,000         | 500,000             | 50,000,000         |
| 0.1% Redeemable Cumulative Preference Shares of Rs. 100/- each | 4,000,000           | 400,000,000        | 4,000,000           | 400,000,000        |
|                                                                | <b>4,500,000</b>    | <b>450,000,000</b> | <b>4,500,000</b>    | <b>450,000,000</b> |
| <b>Issued</b>                                                  |                     |                    |                     |                    |
| Equity Shares of Rs.100/- each fully paid-up                   | 500,000             | 50,000,000         | 500,000             | 50,000,000         |
| <b>Total</b>                                                   | <b>500,000</b>      | <b>50,000,000</b>  | <b>500,000</b>      | <b>50,000,000</b>  |
| <b>Subscribed &amp; Paid up</b>                                |                     |                    |                     |                    |
| Equity Shares of Rs.100/- each fully paid-up                   | 500,000             | 50,000,000         | 500,000             | 50,000,000         |
| <b>Total</b>                                                   | <b>500,000</b>      | <b>50,000,000</b>  | <b>500,000</b>      | <b>50,000,000</b>  |

3.1 There is no movement in the number of equity shares during the year ended 31st March, 2013 as well as during the year ended 31st March, 2012

**3.2 Rights, preferences and restrictions attached to equity shares**

Each shareholder is eligible for one vote per share held. The dividend as and when proposed by the Board of Directors shall be subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

3.3 3,74,990 Equity Shares (Previous Year 3,74,990) are held by D B Realty Limited, the holding company.

**3.4 Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Company.**

| Name of Shareholder       | As at 31 March 2013 |                | As at 31 March 2012 |                |
|---------------------------|---------------------|----------------|---------------------|----------------|
|                           | No. of Shares held  | % of Holding   | No. of Shares held  | % of Holding   |
| D B Realty Ltd.           | 374,990             | 74.998%        | 374,990             | 74.998%        |
| Konark Realtech Pvt. Ltd. | 125,000             | 25.000%        | 125,000             | 25.000%        |
| <b>Total</b>              | <b>499,990</b>      | <b>99.998%</b> | <b>499,990</b>      | <b>99.998%</b> |

**4 Reserves & Surplus**

| Particulars                                   | As at 31 March 2013  | As at 31 March 2012  |
|-----------------------------------------------|----------------------|----------------------|
| (a) Capital Redemption Reserve                |                      |                      |
| As per last year (Refer Note below)           | 400,000,000          | 400,000,000          |
| (b) Surplus as per Statement of Profit & Loss |                      |                      |
| Balance as at the beginning of the year       | 780,216,639          | 381,808,777          |
| Add: Profit for the year                      | 29,564,961           | 398,407,862          |
| Balance as at the end of the year             | 809,781,600          | 780,216,639          |
| <b>Total</b>                                  | <b>1,209,781,600</b> | <b>1,180,216,639</b> |

The Company had issued redeemable preference shares, which were redeemed out of profits in the year ended 31st March 2011. In order to comply with the requirements of Section 80 of the Act, the Company had transferred the said amount to the account of Capital Redemption Reserve.

**5 Long Term Borrowings**

| Particulars                                                          | As at 31 March 2013 | As at 31 March 2012 |
|----------------------------------------------------------------------|---------------------|---------------------|
| <b>Secured</b>                                                       |                     |                     |
| <b>Term Loans</b>                                                    |                     |                     |
| Kotak Mahindra Bank (Refer Note No. 5.1)                             |                     | -                   |
| Housing Development Finance Corporation Limited (Refer Note No. 5.2) | 171,951,670         | -                   |
| <b>Total</b>                                                         | <b>171,951,670</b>  | <b>-</b>            |



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
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(Amount in Rs.)

- 5.1 The Company had borrowed term loan from Kotak Mahindra Bank, the outstanding balance as of 1st April 2012 was Rs. 144,233,129/-, which was due for repayment during the year, as per the terms and hence, was classified as part of current maturities of long term borrowings in the preceding financial year. The said term loan stands repaid during the year. The details of terms and conditions are as under:-

Nature of Security

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.

Guarantees

D B Realty Limited, the holding company and Conwood Construction and Developers Private Limited, an associate company, have given corporate guarantee to the Bank securing the repayment of the loan.

Terms of Repayment

Repayable over a period of 24 months from the date of disbursement. Upto 12 months 40% of sums received from allottees against sale of flats. Thereafter, higher of the equated monthly installment of the principal amount outstanding as at the end of 12 month or 40% of sums received from allottees against sale of flats for each month.

- 5.2 The Company has obtained term loan of Rs. 1,350,000,000/- from Housing Development Finance Corporation Limited. The details of terms and conditions are as under:-

Security / Guarantee

- (a) Mortgage of certain flats of the Project (specified flats) together with proportionate undivided share, right, title and interest in the common area and in the underlying land on which the Project is constructed.
- (b) Exclusive charge on the Scheduled Receivables emanating from the Project.
- (c) Mortgage of the land at Village Bapnala, Andheri (East), Mumbai, owned by Eversmile Construction Co. Pvt. Ltd, the development rights whereof being vested with ECC DB Joint Venture entered into by and between Eversmile Construction Co. Pvt. Ltd DB Realty Limited and Konark Developers.
- (d) Personal guarantee of the Managing Director

Terms of Repayment

The loan is repayable within 24 months from the date of first disbursement (14.09.2012) by ensuring that a fixed % of sums received from allottees against sale of flats shall be used towards the principal repayment, which shall be reviewed periodically. Further, the Company has to ensure that the outstanding amount at the end of the stipulated period does not exceed the stipulated amount.

The principal amount outstanding as of the year-end is Rs. 98,11,09,345/- out of which Rs. 80,91,57,675/- is classified as current maturities of long term debt, keeping in view the expected sale proceeds in the ensuing financial year and the % thereof to be used towards repayment.

**6 Other Long Term Liabilities**

| Particulars                                            | As at 31 March 2013 | As at 31 March 2012 |
|--------------------------------------------------------|---------------------|---------------------|
| Trade Payables (Refer Note below and Note No. 33)      | 94,178,325          | 80,064,681          |
| Security Deposits for Leased Units (Refer Note No. 30) | 932,250             | -                   |
| <b>Total</b>                                           | <b>95,110,575</b>   | <b>80,064,681</b>   |

Represents amount retained as per the terms of the contract(s) and are due for payment after a period of 12 months from the year-end.

**7 Long Term Provisions**

| Particulars                            | As at 31 March 2013 | As at 31 March 2012 |
|----------------------------------------|---------------------|---------------------|
| <u>Provision for employee benefits</u> |                     |                     |
| Gratuity (unfunded)                    | 7,538,888           | 3,823,312           |
| Leave Encashment (unfunded)            | 14,831,908          | 6,722,023           |
| <b>Total</b>                           | <b>22,370,796</b>   | <b>10,545,335</b>   |



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
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(Amount in Rs.)

**8 Trade Payables**

| Particulars                          | As at 31 March<br>2013 | As at 31 March<br>2012 |
|--------------------------------------|------------------------|------------------------|
| Sundry Creditors (Refer Note No. 33) | 157,331,780            | 237,590,277            |
| <b>Total</b>                         | <b>157,331,780</b>     | <b>237,590,277</b>     |

**9 Other Current Liabilities**

| Particulars                                                            | As at 31 March<br>2013 | As at 31 March<br>2012 |
|------------------------------------------------------------------------|------------------------|------------------------|
| (a) Current maturities of long term borrowings (Refer Note No.5)       | 809,157,675            | 144,233,129            |
| (b) Interest accrued and due on borrowings                             | 12,594,097             | 2,623,894              |
| (c) Advances received from Customers                                   | 1,247,824,547          | 1,273,479,040          |
| (d) Amount Refundable on Cancellation of Flats                         | 32,350,151             | 22,678,116             |
| (e) Statutory dues including Provident Fund and Tax Deducted at Source | 26,875,544             | 57,337,254             |
| (f) Employees' Benefits Payable                                        | 6,887,757              | 5,147,753              |
| (g) Other Payables (Refer Note below)                                  | 65,191,699             | 13,075,329             |
| <b>Total</b>                                                           | <b>2,200,881,470</b>   | <b>1,518,574,515</b>   |

Includes Rs. 5,00,00,000/- (Previous Year : Rs. Nil) received as deposit towards allotment of flats.

**10 Short Term Provisions**

| Particulars                                                            | As at 31 March<br>2013 | As at 31 March<br>2012 |
|------------------------------------------------------------------------|------------------------|------------------------|
| <b>(a) Provision for employee benefits</b>                             |                        |                        |
| Gratuity (unfunded)                                                    | 736,531                | 38,133                 |
| Leave Encashment (unfunded)                                            | 1,928,499              | 881,124                |
| <b>(b) Provision for Income Tax (Net of Payment made thereagainst)</b> | 13,192,752             | 175,171,769            |
| <b>Total</b>                                                           | <b>15,857,782</b>      | <b>176,091,026</b>     |

**12 Non- Current Investments**

| Particulars                                                                                                                                                                                                 | As at 31 March<br>2013 | As at 31 March<br>2012 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (a) Investment in Property (at cost less accumulated depreciation)                                                                                                                                          |                        |                        |
| Cost of Immovable Property (Flat)                                                                                                                                                                           | -                      | 6,558,200              |
| Less: Accumulated Depreciation                                                                                                                                                                              | -                      | (950,939)              |
|                                                                                                                                                                                                             | -                      | 5,607,261              |
| (b) Trade Investment - (Unquoted - valued at cost)                                                                                                                                                          |                        |                        |
| In 12,43,500 (Previous Year-10,50,000) Redeemable Optionally Convertible Cumulative Preference Shares of Rs.10 each fully paid-up of DB MIG Realtors & Builders Private Limited (ROCCPS) (Refer Note below) | 1,243,400,000          | 1,050,000,000          |
|                                                                                                                                                                                                             | 1,243,400,000          | 1,050,000,000          |
| <b>Total</b>                                                                                                                                                                                                | <b>1,243,400,000</b>   | <b>1,055,607,261</b>   |

The tenure of ROCCPS is six years from the date of allotment carrying coupon rate of 0.01%. Upon receiving the requisite approval for the project of the investee company, the shareholders shall be given option for conversion of ROCCPS into equity shares as per the value of equity shares. The shareholders also have the option of redemption at par or premium as may be decided by the Board of Directors of the investee company (the Board). Further, the tenure and coupon rate is also subject to change as per the decision of the Board.



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
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**11 Fixed Assets**

|                              |                                   | <b>Gross Block</b> |                  |                                    |                                   | <b>Accumulated Depreciation /Amortization</b> |                  |                                    |                                    | <b>Net Block</b>                   |  |
|------------------------------|-----------------------------------|--------------------|------------------|------------------------------------|-----------------------------------|-----------------------------------------------|------------------|------------------------------------|------------------------------------|------------------------------------|--|
| <b>Fixed Assets</b>          | <b>Balance as at 1 April 2012</b> | <b>Additions</b>   | <b>Deletions</b> | <b>Balance as at 31 March 2013</b> | <b>Balance as at 1 April 2012</b> | <b>Depreciation charge for the year</b>       | <b>Deletions</b> | <b>Balance as at 31 March 2013</b> | <b>Balance as at 31 March 2013</b> | <b>Balance as at 31 March 2012</b> |  |
| <b>a Tangible Assets</b>     |                                   |                    |                  |                                    |                                   |                                               |                  |                                    |                                    |                                    |  |
| Furniture and Fixtures       | 1,300,890                         | 33,200             | -                | 1,334,090                          | 843,833                           | 87,895                                        | -                | 931,728                            | 402,362                            | 457,057                            |  |
| Office equipment             | 2,276,089                         | 147,010            | 106,098          | 2,317,001                          | 1,165,034                         | 152,326                                       | 56,518           | 1,260,842                          | 1,056,159                          | 1,111,055                          |  |
| Vehicle                      | 109,690                           | -                  | 109,690          | -                                  | 34,568                            | 2,558                                         | 37,126           | -                                  | -                                  | 75,122                             |  |
| Computer                     | 888,150                           | 165,675            | -                | 1,053,825                          | 752,258                           | 111,523                                       | -                | 863,781                            | 190,044                            | 135,892                            |  |
| Sample Flat and Sales Office | 34,777,637                        | -                  | -                | 34,777,637                         | 34,777,637                        | -                                             | -                | 34,777,637                         | -                                  | -                                  |  |
| <b>Total</b>                 | <b>39,352,456</b>                 | <b>345,885</b>     | <b>215,788</b>   | <b>39,482,553</b>                  | <b>37,573,330</b>                 | <b>354,302</b>                                | <b>93,644</b>    | <b>37,833,988</b>                  | <b>1,648,565</b>                   | <b>1,779,126</b>                   |  |
| <b>Previous Year</b>         | <b>39,277,581</b>                 | <b>74,875</b>      | <b>-</b>         | <b>39,352,456</b>                  | <b>37,179,792</b>                 | <b>393,538</b>                                | <b>-</b>         | <b>37,573,330</b>                  | <b>1,779,126</b>                   | <b>-</b>                           |  |
| <b>b Intangible Assets</b>   |                                   |                    |                  |                                    |                                   |                                               |                  |                                    |                                    |                                    |  |
| Computer software            | 246,222                           | 596,818            | -                | 843,040                            | 195,952                           | 223,808                                       | -                | 419,760                            | 423,280                            | 50,270                             |  |
| <b>Previous Year</b>         | <b>246,222</b>                    | <b>-</b>           | <b>-</b>         | <b>246,222</b>                     | <b>162,439</b>                    | <b>33,513</b>                                 | <b>-</b>         | <b>195,952</b>                     | <b>50,270</b>                      | <b>-</b>                           |  |



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amount in Rs.)

**13 Deferred Tax Assets**

| Particulars                                         | As at 31 March 2013 | As at 31 March 2012 |
|-----------------------------------------------------|---------------------|---------------------|
| <b>Deferred Tax Asset:</b>                          |                     |                     |
| Difference between book and tax depreciation        | -                   | 13,800              |
| Disallowances under section 40(A)(7)/43B of the Act | 7,804,386           | 3,896,358           |
| <b>Less: Deferred Tax (Liability)</b>               | <b>7,804,386</b>    | <b>3,910,158</b>    |
| Difference between book and tax depreciation        | (33,755)            | -                   |
| <b>Total</b>                                        | <b>7,838,141</b>    | <b>3,910,158</b>    |

**14 Long-Term loans and advances**

| Particulars                                                                                                                              | As at 31 March 2013  | As at 31 March 2012 |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|
| (Unsecured and Considered good)                                                                                                          |                      |                     |
| Loan to Holding Company                                                                                                                  | 699,200,000          | -                   |
| Advance to a Related Party towards subscription of Redeemable Optionally Convertible Cumulative Preference Shares (Refer to Note No. 38) | 387,200,000          | 193,400,000         |
| Security Deposits                                                                                                                        | 1,933,874            | 1,812,634           |
| <b>Total</b>                                                                                                                             | <b>1,088,333,874</b> | <b>195,212,634</b>  |

**15 Inventories**

| Particulars                  | As at 31 March 2013 | As at 31 March 2012  |
|------------------------------|---------------------|----------------------|
| (a) Project Work-in-Progress | 809,707,476         | 1,328,819,134        |
| (b) Materials at site        | 125,705,636         | 142,830,325          |
| <b>Total</b>                 | <b>935,413,112</b>  | <b>1,471,649,459</b> |

**16 Trade Receivables**

| Particulars                                                                            | As at 31 March 2013 | As at 31 March 2012 |
|----------------------------------------------------------------------------------------|---------------------|---------------------|
| (Unsecured and Considered good)                                                        |                     |                     |
| - Outstanding for a period more than six months from the date they are due for payment | 36,249,870          | 29,941,924          |
| - Others                                                                               | 103,780,614         | 107,192,917         |
| <b>Total</b>                                                                           | <b>140,030,485</b>  | <b>137,134,841</b>  |

Represents installments due and payable on completion of agreed milestone(s) of work / in terms of contract.

**17 Cash and bank balances**

| Particulars                           | As at 31 March 2013 | As at 31 March 2012 |
|---------------------------------------|---------------------|---------------------|
| Cash and Cash Equivalents             |                     |                     |
| (a) Cash on hand                      | 25,120              | 82,844              |
| (b) Bank Balances in Current Accounts | 22,156,512          | 66,394,280          |
| <b>Total</b>                          | <b>22,181,632</b>   | <b>66,477,124</b>   |





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(Amount in Rs.)

**18 Short-term loans and advances**

| Particulars                                                   | As at 31 March 2013 | As at 31 March 2012 |
|---------------------------------------------------------------|---------------------|---------------------|
| (Unsecured and Considered good)                               |                     |                     |
| Loans:                                                        |                     |                     |
| (a) Related parties (Refer to Note No. 38)                    |                     |                     |
| (b) Others                                                    | 132,087,980         | 77,000,000          |
| Advances Recoverable in Cash or in Kind                       | -                   | 20,000,000          |
| (a) Related parties (Refer to Note (a) below and Note No. 38) |                     |                     |
| (b) Others (Refer to Note (b) and (c) below)                  | 27,665,768          | 15,128,527          |
| Prepaid Expenses                                              | 81,074,860          | 82,618,042          |
| Security Deposits Receivable                                  | 10,360              | 74,369              |
| Receivable from Related Parties                               | 414,750             | -                   |
|                                                               | 822,457             | -                   |
| <b>Total</b>                                                  | <b>242,076,174</b>  | <b>194,820,938</b>  |

(a) Includes amounts due from Directors of Rs. 1,86,92,700/- (Refer Note No. 31)

(b) Includes Rs. 69,86,650/- (Previous Year : 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.

(c) The Company had provided for interest on delayed / non-payment of service tax of Rs. 1,27,68,254/- during the year ended 31st March, 2012, but has decided not to provide for such interest in the current year, as in the opinion of the Management the same shall be recovered from the allottees. Necessary adjustment entries, including for non-recovery, if any, shall be passed on reaching finality in the matter.

**19 Other Current Assets**

| Particulars                                           | As at 31 March 2013 | As at 31 March 2012 |
|-------------------------------------------------------|---------------------|---------------------|
| Cost attributable to Leased Units (Refer Note No. 30) | 57,668,879          | -                   |
| Interest accrued and due on Loans                     | 184,271,531         | 126,440,662         |
| <b>Total</b>                                          | <b>241,940,410</b>  | <b>126,440,662</b>  |

**20 Revenue From Operations**

| Particulars                                                | For the year ended 31.03.2013 | For the year ended 31.03.2012 |
|------------------------------------------------------------|-------------------------------|-------------------------------|
| Sale of Flats (Refer Note No. 2.6)                         | 1,191,170,424                 | 1,799,930,277                 |
| <b>Other Operating Income</b>                              |                               |                               |
| Amounts Forfeited on cancellation of Flats                 | 908,562                       | 3,756,938                     |
| Charges on transfer of Flats                               | 5,398,252                     | -                             |
| Sale of Scrap                                              | -                             | 271,252                       |
| Interest on Delayed Payments from Allottees / Margin Money | 4,351,324                     | 2,183,653                     |
|                                                            | 10,658,138                    | 6,211,843                     |
| <b>Total</b>                                               | <b>1,201,828,562</b>          | <b>1,806,142,120</b>          |

**21 Other Income**

| Particulars                                               | For the year ended 31.03.2013 | For the year ended 31.03.2012 |
|-----------------------------------------------------------|-------------------------------|-------------------------------|
| Interest on Loans                                         | 98,072,472                    | 151,037,569                   |
| Less: Interest attributable to earning Interest Income    | 79,003,226                    | -                             |
|                                                           | 19,069,246                    | 151,037,569                   |
| Profit on Sale of Non-Current Investment                  | 3,315,667                     | -                             |
| Liabilities Written Back to the extent no longer required | 5,571                         | 740,192                       |
| Profit on Sale of Fixed Assets                            | 7,436                         | -                             |
| <b>Total</b>                                              | <b>22,397,920</b>             | <b>151,777,761</b>            |



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amount in Rs.)

**22 Project Expenses**

| Particulars                                                       | For the Year<br>ended 31.03.13 | For the Year<br>ended 31.03.12 |
|-------------------------------------------------------------------|--------------------------------|--------------------------------|
| Direct Cost of Construction                                       | 536,219,925                    | 769,362,268                    |
| <b>Construction Overheads:</b>                                    |                                |                                |
| - Salaries, Allowances and Bonus                                  | 34,218,121                     | 38,840,024                     |
| - Contribution to Provident Fund and Other Allied Funds           | 359,025                        | 209,336                        |
| - Staff Welfare and Other Amenities                               | 6,899,464                      | 4,420,657                      |
| - Gratuity                                                        | 1,382,070                      | 1,046,931                      |
| - Other Overheads                                                 | 6,812,799                      | 4,369,760                      |
|                                                                   | 49,671,478                     | 48,886,708                     |
| Financial Costs (Refer Note No. 25)                               | 23,784,035                     | 58,817,236                     |
|                                                                   | 609,675,438                    | 877,066,212                    |
| Less: Cost attributable to Leased Units (Refer Note Nos. 19 & 30) | 4,887,249                      | -                              |
| <b>Total</b>                                                      | <b>604,788,189</b>             | <b>877,066,212</b>             |

**23 Changes in Inventories of Project Work-in-Progress**

| Particulars                                                       | For the Year<br>ended 31.03.13 | For the Year<br>ended 31.03.12 |
|-------------------------------------------------------------------|--------------------------------|--------------------------------|
| Balance as of commencement of the year:                           |                                |                                |
| - Project work in progress                                        | 1,328,819,134                  | 1,702,509,368                  |
| Less: Cost attributable to Leased Units (Refer Note Nos. 19 & 30) | 52,781,630                     | -                              |
| Project work in progress as of commencement of the year           | 1,276,037,504                  | 1,702,509,368                  |
| Less:                                                             |                                |                                |
| Balance as of end of the year:                                    |                                |                                |
| - Project work in progress                                        | 809,707,476                    | 1,328,819,134                  |
| <b>Total</b>                                                      | <b>466,330,028</b>             | <b>373,690,234</b>             |

**24 Employees Benefits Expenses**

| Particulars                                             | For the Year<br>ended 31.03.13 | For the Year<br>ended 31.03.12 |
|---------------------------------------------------------|--------------------------------|--------------------------------|
| - Salaries, Wages and Bonus                             | 24,947,645                     | 28,631,147                     |
| - Contribution to Provident Fund and Other Allied Funds | 296,249                        | 167,169                        |
| - Gratuity                                              | 1,140,416                      | 836,046                        |
| - Staff Welfare and Other Amenities                     | 5,693,096                      | 3,146,717                      |
| <b>Total</b>                                            | <b>32,077,407</b>              | <b>32,781,079</b>              |

**25 Finance Costs**

| Particulars                                      | For the Year<br>ended 31.03.13 | For the Year<br>ended 31.03.12 |
|--------------------------------------------------|--------------------------------|--------------------------------|
| (1) Interest on Long term borrowings:            | 88,878,847                     | 58,817,236                     |
| (2) Other Financial Charges                      | 15,530,000                     | -                              |
|                                                  | 104,408,847                    | 58,817,236                     |
| Less: Transferred to Project Expenses            | 23,784,035                     | 58,817,236                     |
| Less: Attributable to earning of Interest Income | 79,003,226                     | -                              |
|                                                  | 102,787,261                    | 58,817,236                     |
| <b>Total</b>                                     | <b>1,621,586</b>               | <b>-</b>                       |



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
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(Amount in Rs.)

**26 Depreciation and amortization expenses**

| Particulars                                           | For the year ended 31.03.2013 | For the year ended 31.03.2012 |
|-------------------------------------------------------|-------------------------------|-------------------------------|
| On Tangible Assets                                    | 354,302                       | 393,538                       |
| On Immovable Property held as Non-current Investments | 102,928                       | 295,119                       |
| Amortization of Intangible Assets                     | 223,808                       | 33,513                        |
| <b>Total</b>                                          | <b>681,038</b>                | <b>722,170</b>                |

**27 Other Expenses**

| Particulars                                   | For the Year ended 31.03.13 | For the Year ended 31.03.12 |
|-----------------------------------------------|-----------------------------|-----------------------------|
| Rent, Rates & Taxes                           | 8,567,719                   | 4,893,190                   |
| Legal and Professional Charges                | 7,065,468                   | 5,908,075                   |
| Advertisement and Sales Promotion             | 31,924,722                  | 32,520,788                  |
| Commission & Brokerage                        | 10,655,936                  | 12,661,316                  |
| Communication Expenses                        | 364,874                     | 283,187                     |
| Conveyance and Travelling                     | 2,154,646                   | 7,097,281                   |
| Payment to Auditors (Refer Note for break-up) | 917,793                     | 1,388,685                   |
| Foreign Exchange Fluctuation Loss (net)       | 413,248                     | 1,711,080                   |
| Miscellaneous Expenses                        | 1,869,690                   | 1,044,558                   |
| <b>Total</b>                                  | <b>63,934,096</b>           | <b>67,508,160</b>           |

| <b>Payment to Auditors</b> |                |                  |
|----------------------------|----------------|------------------|
| - Audit Fees               | 700,000        | 786,520          |
| - Taxation Matters         | -              | 215,085          |
| - Tax Audit                | 56,180         | -                |
| - Other Services           | 151,500        | 387,080          |
| - Out of Pocket Expenses   | 10,113         | -                |
| <b>Total</b>               | <b>917,793</b> | <b>1,388,685</b> |



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
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- 28 The Management of the Company has revised the estimated project cost from Rs. 7,91,32,50,000/- to Rs. 8,39,04,00,000/- which has the impact of reversal of the profits recognized as upto 31st March, 2012 of Rs. 44,31,48,257/-. Similar revision in estimated project cost was made in the preceding financial year which had the impact of reversal of the profits recognized as upto 31st March, 2011. The project costs is as certified by the Company and the same has been relied upon by the Statutory Auditors.
- 29 The Company has granted security to Housing Development Finance Corporation Limited for securing the financial assistance of Rs. 300,00,00,000/- granted to Real Gem Buildtech Private Limited, a fellow subsidiary company. The security has been granted by way of Mortgage of specified flats together with proportionate undivided share, right, title and interest in the common area and in the underlying land on which the Project is constructed. The outstanding principal amount of the loan in the books of Real Gem Buildtech Private Limited as of 31st March 2013 is Rs. 173,44,76,998/-.
- 30 During the year, the Company has executed lease deeds for certain Units forming part of the Project for a period of 25 years, the construction work is in progress as of year end. The attributable costs in relation thereto have been classified as Other Current Assets, as the Company intends to transfer its rights in the leased Units.
- 31 In view of inadequate profits for the year, remuneration to managerial personnel has exceeded the prescribed limits under the Act. Accordingly, the Company has decided to pay them remuneration as per Schedule XIII to the Act of Rs. 90,00,000/-, which is subject to the approval of the remuneration committee / shareholders. Further, an amount of Rs. 1,86,92,700/- is recoverable from them as of year - end out of the excess remuneration so paid.

**32 Capital Commitment**

(Amount in Rs.)

| Particulars                                                                                               | As at       |          |
|-----------------------------------------------------------------------------------------------------------|-------------|----------|
|                                                                                                           | 31.03.13    | 31.03.12 |
| Investment in Redeemable Optionally Convertible Cumulative Preference Shares of Konark Realtech Pvt. Ltd. | 432,800,000 | -        |
| Cost to be incurred for completion of Leased Units                                                        | 9,526,105   | -        |

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

(Amount in Rs.)

| Particulars                                                                                 | For the Year ended |            |
|---------------------------------------------------------------------------------------------|--------------------|------------|
|                                                                                             | 31.03.2013         | 31.03.2012 |
| 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 and the same has been relied upon by the Statutory Auditors.

**34 Expenditure in foreign currency**

(Amount in Rs.)

| Particulars  | For the Year ended |            |
|--------------|--------------------|------------|
|              | 31.03.2013         | 31.03.2012 |
| - Travelling | 72,530             | -          |

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

(Amount in Rs.)

| Particulars             | For the Year ended |            |
|-------------------------|--------------------|------------|
|                         | 31.03.2013         | 31.03.2012 |
| Doors, Windows & Grills | 11,315,388         | 64,621,544 |



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

- 36 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:

| Particulars                                                | (Amount in Rs.)               |                               |
|------------------------------------------------------------|-------------------------------|-------------------------------|
|                                                            | For the Year ended 31.03.2013 | For the Year ended 31.03.2012 |
| Employer's Contribution to Provident Fund and Allied Funds | 655,274                       | 376,505                       |

**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.**

| Particulars                                              | (Amount in Rs.)               |                               |
|----------------------------------------------------------|-------------------------------|-------------------------------|
|                                                          | Gratuity (Un-Funded)          |                               |
|                                                          | For the Year ended 31.03.2013 | For the Year ended 31.03.2012 |
| Defined Benefit obligation at the beginning of the year  | 3,861,445                     | 2,043,752                     |
| Current Service Cost                                     | 3,775,322                     | 2,139,011                     |
| Interest Cost                                            | 328,223                       | 163,500                       |
| Actuarial (gain)/loss                                    | 310,429                       | (484,818)                     |
| <b>Defined Benefit obligation at the end of the year</b> | <b>8,275,419</b>              | <b>3,861,445</b>              |

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

| Particulars                                                                         | (Amount in Rs.)               |                               |
|-------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
|                                                                                     | Gratuity (Un-Funded)          |                               |
|                                                                                     | For the Year ended 31.03.2013 | For the Year ended 31.03.2012 |
| Current Service Cost                                                                | 3,775,322                     | 2,139,011                     |
| Interest Cost                                                                       | 328,223                       | 163,500                       |
| Actuarial (gain)/loss                                                               | 310,429                       | (484,818)                     |
|                                                                                     | <b>4,413,974</b>              | <b>1,817,693</b>              |
| Less: Gratuity transferred to Company on transfer of employees on continuity basis. | (2,040,931)                   | -                             |
| Add: Gratuity of employees transferred from the Company upto the date of transfer   | 128,328                       | -                             |
| <b>Net Cost</b>                                                                     | <b>2,501,371</b>              | <b>1,817,693</b>              |

**III. Actuarial assumptions**

| Particulars                  | (Amount in Rs.)               |                               |
|------------------------------|-------------------------------|-------------------------------|
|                              | Gratuity (Un-Funded)          |                               |
|                              | For the Year ended 31.03.2013 | For the Year ended 31.03.2012 |
| Discount Rate                | 8.00%                         | 8.50%                         |
| Rate of Escalation in Salary | 15.00%                        | 15.00%                        |

**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 of provision recognised in the Statement of Profit & Loss for the year is Rs. 93,20,956/- (Previous Year Rs. 58,92,609/-).

**37 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.



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**38 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

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

**a) Holding Company**

D B Realty Limited

**b) Fellow Subsidiary Companies**

Neelkamal Realtors Suburban Private Limited  
Neelkamal Realtors Towers Private Limited  
Nine Paradise Erectors Pvt. Ltd.  
Real Gem Buildtech Pvt. Ltd.  
DB MIG Realtors & Builders Pvt. Ltd.

**c) Jointly Controlled Entities of Holding Company/Fellow Subsidiaries (Joint Control Entities)**

Dynamix Realty  
Suraksha DB Realty  
DBS Realty

**d) Key Management Personnel (KMP)**

Vinod Goenka  
Ishaq Balwa (upto 31.01.2012)  
Shonit Dalmia  
Salim Balwa (w.e.f 1.02.2012)

**e) Relative of Ishaq Balwa (Relative of KMP)**

Rafiq Balwa

**f) Enterprises over which KMP/ Relatives of KMP exercise Significant Influence (Associated Enterprises)**

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

**g) Investing Party in respect of which the Company is an Associate (Associated Enterprise)**

Konark Realtech Private Limited

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

(Amount in Rs.)

| Description                                                                                 | Holding Company                                 | Fellow Subsidiaries                             | Associated Enterprises                          | Joint Control Entities | Relative of KMP | KMP |
|---------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|------------------------|-----------------|-----|
| <b>Loans Given</b>                                                                          |                                                 |                                                 |                                                 |                        |                 |     |
| Opening Balance [Refer Note (c)]                                                            | 1,12,69,696<br>(17,00,45,615)                   | 8,71,30,688<br>(80,05,91,781)                   | 10,44,94,377<br>(15,67,09,316)                  | -                      | -               | -   |
| Granted during the year                                                                     | 95,30,00,000<br>(75,00,000)                     | 5,23,87,980<br>(-)                              | 27,00,000<br>(-)                                | (-)                    | (-)             | (-) |
| Interest Income                                                                             | 6,04,22,790<br>(1,25,21,885)                    | 52,38,798<br>(9,61,54,341)                      | 1,17,23,375<br>(2,30,94,512)                    | (-)                    | (-)             | (-) |
| Repaid during the year, (including interest and TDS thereon)                                | 27,11,11,975                                    | 5,23,880                                        | 11,72,338                                       | (-)                    | (-)             | (-) |
| Closing Balance [Refer Note (c)]                                                            | (17,87,97,804)<br>75,35,80,511<br>(1,12,69,696) | (80,96,15,434)<br>14,42,33,586<br>(8,71,30,688) | (7,53,09,451)<br>11,77,45,414<br>(10,44,94,377) | (-)                    | (-)             | (-) |
| <b>Expenses Incurred and Closing Balances Thereagainst</b>                                  |                                                 |                                                 |                                                 |                        |                 |     |
| <b>(a) Charges for use of premises (including interest on service tax) by the Company:-</b> |                                                 |                                                 |                                                 |                        |                 |     |
| Transactions during the year                                                                | -                                               | -                                               | 1,24,81,884                                     | -                      | -               | -   |
| Closing Balance                                                                             | (-)                                             | (-)                                             | (52,82,466)<br>7,17,750                         | (-)                    | (-)             | (-) |
| <b>(b) Business Promotion Expenses</b>                                                      |                                                 |                                                 |                                                 |                        |                 |     |
| Transactions during the year                                                                | -                                               | -                                               | -                                               | -                      | -               | -   |
| Closing Balance                                                                             | (-)                                             | (-)                                             | (81,308)                                        | (-)                    | (-)             | (-) |
| <b>(c) Compensation for obtaining sub-development rights of the land</b>                    |                                                 |                                                 |                                                 |                        |                 |     |
| Closing Balance payable thereagainst                                                        | (-)                                             | (-)                                             | 1,17,00,000                                     | -                      | -               | -   |
| <b>(d) Contractor charges</b>                                                               |                                                 |                                                 |                                                 |                        |                 |     |
| Transactions during the year                                                                | -                                               | -                                               | 13,19,89,787                                    | -                      | -               | -   |
| Closing Balance                                                                             | (-)                                             | (-)                                             | (20,62,52,867)<br>3,49,80,408                   | (-)                    | (-)             | (-) |
| <b>Mobilization Advance</b>                                                                 | -                                               | -                                               | (5,90,27,748)                                   | (-)                    | (-)             | (-) |
| Opening Balance                                                                             | -                                               | -                                               | 1,16,28,527                                     | -                      | -               | -   |
| Adjusted                                                                                    | (-)                                             | (-)                                             | (2,03,13,297)                                   | (-)                    | (-)             | (-) |
| Closing Balance                                                                             | (-)                                             | (-)                                             | 61,55,459<br>(86,84,770)                        | (-)                    | (-)             | (-) |
|                                                                                             | (-)                                             | (-)                                             | 54,73,068<br>(1,16,28,527)                      | (-)                    | (-)             | (-) |



| Description                                                                                     | Holding Company | Fellow Subsidiaries | Associated Enterprises | Joint Control Entities | Relative of KMP | KMP           |
|-------------------------------------------------------------------------------------------------|-----------------|---------------------|------------------------|------------------------|-----------------|---------------|
| <b>Sale of Flat</b>                                                                             |                 |                     |                        |                        |                 |               |
| Revenue Recognised                                                                              | -               | -                   | 5,15,910               | -                      | -               | -             |
| Advance received Outstanding at year-end                                                        | (-)             | (-)                 | (18,52,779)            | (-)                    | (23,77,51,494)  | (-)           |
| Amount Receivable at the year end                                                               | (-)             | (-)                 | (18,52,779)            | (-)                    | (-)             | (-)           |
|                                                                                                 | (-)             | (-)                 | (-)                    | (-)                    | (32,850)        | (-)           |
| <b>Sale of Fixed Asset</b>                                                                      |                 |                     |                        |                        |                 |               |
| Sale                                                                                            | -               | 55,778              | -                      | -                      | -               | -             |
| Amount Receivable                                                                               | (-)             | (-)                 | (-)                    | (-)                    | (-)             | (-)           |
|                                                                                                 | (-)             | (-)                 | (-)                    | (-)                    | (-)             | (-)           |
| <b>Managerial remuneration</b>                                                                  |                 |                     |                        |                        |                 |               |
| Transactions during the year                                                                    | -               | -                   | -                      | -                      | -               | 90,00,000     |
| Closing Balance [Receivable]                                                                    | (-)             | (-)                 | (-)                    | (-)                    | (-)             | (4,62,00,000) |
|                                                                                                 | (-)             | (-)                 | (-)                    | (-)                    | (-)             | 1,86,92,700   |
|                                                                                                 | (-)             | (-)                 | (-)                    | (-)                    | (-)             | (27,40,040)   |
| <b>Hire Charges</b>                                                                             |                 |                     |                        |                        |                 |               |
| Transactions during the year                                                                    | -               | -                   | 18,81,471              | -                      | -               | -             |
| Closing Balance                                                                                 | (-)             | (-)                 | (92,08,255)            | (-)                    | (-)             | (-)           |
|                                                                                                 | (-)             | (-)                 | 18,43,842              | (-)                    | (-)             | (-)           |
| <b>Advance payment for investment in ROCCPS</b>                                                 |                 |                     |                        |                        |                 |               |
| Advance Paid                                                                                    | -               | 19,34,00,000        | 38,72,00,000           | -                      | -               | -             |
| Shares Allotted                                                                                 | (-)             | (1,24,34,00,000)    | (-)                    | (-)                    | (-)             | (-)           |
|                                                                                                 | (-)             | 19,34,00,000        | -                      | -                      | -               | -             |
| Closing Balance                                                                                 | (-)             | (1,05,00,00,000)    | (-)                    | (-)                    | (-)             | (-)           |
|                                                                                                 | (-)             | (19,34,00,000)      | 38,72,00,000           | (-)                    | (-)             | (-)           |
| <b>Investment in ROCCPS</b>                                                                     |                 |                     |                        |                        |                 |               |
| Opening Balance                                                                                 | -               | 1,05,00,00,000      | -                      | -                      | -               | -             |
| Shares Allotted                                                                                 | -               | (-)                 | -                      | -                      | -               | -             |
|                                                                                                 | -               | 19,34,00,000        | -                      | -                      | -               | -             |
| Closing Balance                                                                                 | (-)             | (1,05,00,00,000)    | (-)                    | (-)                    | (-)             | (-)           |
|                                                                                                 | (-)             | 1,24,34,00,000      | -                      | -                      | -               | -             |
|                                                                                                 | (-)             | (1,05,00,00,000)    | (-)                    | (-)                    | (-)             | (-)           |
| <b>Amount receivable against advances from sale of flats collected on behalf of the Company</b> |                 |                     |                        |                        |                 |               |
| Receivable                                                                                      | -               | -                   | -                      | -                      | -               | -             |
| Received                                                                                        | (-)             | (1,64,00,000)       | (-)                    | (-)                    | (-)             | (-)           |
|                                                                                                 | (-)             | (1,64,00,000)       | (-)                    | (-)                    | (-)             | (-)           |
| <b>Advance for TDR</b>                                                                          |                 |                     |                        |                        |                 |               |
| Opening                                                                                         | -               | -                   | 35,00,000              | -                      | -               | -             |
| Closing Balance                                                                                 | (-)             | (-)                 | (35,00,000)            | (-)                    | (-)             | (-)           |
|                                                                                                 | (-)             | (-)                 | 35,00,000              | (-)                    | (-)             | (-)           |
|                                                                                                 | (-)             | (-)                 | (35,00,000)            | (-)                    | (-)             | (-)           |
| <b>Reimbursement of Expenses/ Payment of Statutory Obligations / Transfer of Employees</b>      |                 |                     |                        |                        |                 |               |
| On behalf of the Company                                                                        | 4,13,307        | 1,39,53,351         | 23,67,629              | 1,73,794               | -               | -             |
| By the Company                                                                                  | (72,950)        | (-)                 | (98,31,666)            | (4,18,298)             | (-)             | (-)           |
|                                                                                                 | (-)             | (-)                 | 15,161                 | -                      | (-)             | (-)           |
| Employee Loans transferred on Transfer of Employees to the Company                              | 6,38,000        | (-)                 | (7,350)                | (-)                    | (-)             | (-)           |
|                                                                                                 | (-)             | (-)                 | 45,000                 | 9,000                  | (-)             | (-)           |
| Employee Loan Granted by the Company on Behalf of Other Party                                   | (-)             | 9,000               | (-)                    | (-)                    | (-)             | (-)           |
| Gratuity transferred on Transfer of Employees to / by the Company                               | 14,25,216       | 42,113              | 3,18,276               | 1,26,998               | (-)             | (-)           |
| Closing Balance [Receivable]                                                                    | (-)             | (-)                 | (-)                    | (-)                    | (-)             | (-)           |
|                                                                                                 | 3,73,909        | 42,113              | 2,88,437               | 1,17,998               | (-)             | (-)           |
| Closing Balance [Payable]                                                                       | (-)             | (-)                 | (-)                    | (-)                    | (-)             | (-)           |
|                                                                                                 | (-)             | 1,39,53,351         | (-)                    | (-)                    | (-)             | (-)           |

**Material Transactions during the year-**

| Description of Transaction/ Name of the Party   | Amount       | Outstanding Balance as on 31.03.13 |
|-------------------------------------------------|--------------|------------------------------------|
| <b>Loans Granted</b>                            |              |                                    |
| DB MIG Realtors & Builders Pvt. Ltd.            | 5,23,87,980  | 5,23,87,980                        |
| Pony Infrastructure & Contract. Ltd.            | 27,00,000    | 4,97,00,000                        |
|                                                 | 5,50,87,980  | 10,20,87,980                       |
| <b>Contractor Charges</b>                       |              |                                    |
| Majestic Infracon Pvt. Ltd.                     | 13,19,89,787 | 3,49,80,408                        |
|                                                 | 13,19,89,787 | 3,49,80,408                        |
| <b>Advance Payment for Investment in ROCCPS</b> |              |                                    |
| Konark Realtech Private Limited                 | 38,72,00,000 | 38,72,00,000                       |
|                                                 | 38,72,00,000 | 38,72,00,000                       |

**Notes:**

- Previous year figures are denoted in brackets.
- The aforesaid related parties are as identified by the Company and relied upon by the Statutory Auditors.
- Amount receivable from fellow subsidiary represents interest receivable.
- Refer to Note No. 29 in relation to security given by the Company for loan taken by Real Gem Buildtech Pvt. Ltd.



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**39 Operating Lease:**

**39.1 Disclosure in relation to Units given on Lease:**

| Particulars                                                          | (Amount in Rs.)                     |                                  |
|----------------------------------------------------------------------|-------------------------------------|----------------------------------|
|                                                                      | For the Year<br>ended<br>31.03.2013 | For the Year<br>ended 31.03.2012 |
| <b>Lease Income recognized in the Statement of Profit &amp; Loss</b> |                                     |                                  |
| <b>Future Lease Income</b>                                           |                                     |                                  |
| (a) Upto five years from the commencement of lease rental.           | 14,374,000                          | -                                |
| (b) After five years.                                                | 84,380,395                          | -                                |
| <b>Total of future lease income</b>                                  | <b>98,754,395</b>                   | <b>-</b>                         |

**Note:** In terms of the agreements, the lease rentals shall become due and payable commencing from the calendar month following the month of receipt of Occupation Certificate. The lease deeds are for 25 years and the lease rental is subject to increase by 5% every 5 years. Accordingly, the future lease rentals have been disclosed based on the Management's estimate of the amounts that it would receive.

**39.2 Disclosure in relation to Premises taken on Lease:**

| Particulars                                                            | (Amount in Rs.)                     |                                  |
|------------------------------------------------------------------------|-------------------------------------|----------------------------------|
|                                                                        | For the Year<br>ended<br>31.03.2013 | For the Year<br>ended 31.03.2012 |
| <b>Lease payments recognized in the Statement of Profit &amp; Loss</b> |                                     |                                  |
| <b>Future Lease Payments</b>                                           |                                     |                                  |
| (a) Not later than one year.                                           | 7,808,784                           | 559,620                          |
| (b) Later than one year but not later than five years.                 | 23,426,352                          | 43,560                           |
| (c) Later than five years.                                             | -                                   | -                                |
| <b>Total of future lease payments</b>                                  | <b>31,235,136</b>                   | <b>603,180</b>                   |

**40 Earnings Per Share:**

| Particulars                                            | (Amount in Rupees)    |                                  |
|--------------------------------------------------------|-----------------------|----------------------------------|
|                                                        | For the Year<br>ended | For the Year<br>ended 31.03.2012 |
| Profit after Tax as per the Statement of Profit & Loss | 29,564,961            | 398,407,862                      |
| Weighted Number of Shares outstanding during the year  | 500,000               | 500,000                          |
| Basic & Diluted Earnings per Share                     | 59.13                 | 796.82                           |
| Face value per Equity Share                            | 100                   | 100                              |

**41 Previous Year Figures:**

Previous year's figures have been regrouped / reclassified to confirm to current year's presentation.

Signatures to Notes 1 to 41  
In terms of our report of even date attached

For M.A PARIKH & CO.  
Chartered Accountants



**PARTNER**  
Name : Dhaval Selwadia  
Membership No. : 100023

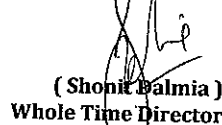
Place : Mumbai  
Date :

**11 MAY 2013**



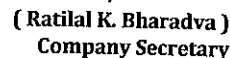


( Vinod Goenka )  
Managing Director

  
( Shonit Balmia )  
Whole Time Director

For and on behalf of Board of Directors

  
( Salim Balwa )  
Managing Director

  
( Ratilal K. Bharadva )  
Company Secretary