

**NEELKAMAL REALTORS SUBURBAN
PRIVATE LIMITED**

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31st MARCH, 2013

M. A. PARIKH & CO.

Chartered Accountants
Yusuf Building, 2nd 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 Eight Annual General Meeting of the members of Neelkamal Realtors Suburban Private Limited will be held on Wednesday, 25th September, 2013 at 10.00 a.m at the Registered Office of the Company at DB House, Gen. A K Vaidya Marg, Goregaon (East), Mumbai – 400 063 to transact the following business:

AGENDA**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013, statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Saraf, who retires by rotation and being eligible offers himself for reappointment
3. To appoint a Director in place of Mr. Samir Choksi, who retires by rotation and being eligible offers himself for reappointment
4. To re- appoint Auditors and to fix their remuneration.

“RESOLVED THAT M/s. M.A.Parikh & Co, Chartered Accountants, Mumbai (Reg. No. 107556W) the retiring Auditors of the Company, who are not disqualified to act as Auditors of the Company u/s 224(1B) of the Companies Act, 1956, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the said auditors plus reimbursement of out of pocket expenses, if any, to be incurred by them in connection with the said audit exclusive of other fees payable for other services, if any, to be rendered by them.”

**By Order of the Board of Directors
for Neelkamal Realtors Suburban Pvt. Ltd.**



Director

**Place: Mumbai
DATE: 11.05.2013**

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- 2) **THE INSTRUMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**



DIRECTORS' REPORT

To
The Members
Neelkamal Realtors Suburban Private Limited

Your Directors have pleasure in presenting the Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

STATUS OF THE COMPANY PROJECT

Your Company is implementing a project of residential cum commercial complex at Dahisar in the outskirts of Mumbai. The project has been progressing satisfactorily and has also received good response in the market.

FINANCIAL RESULTS

(Amount in Rupees)

	For the financial year ending 31 st March, 2013	For the financial year ending 31 st March, 2012
Income	73,11,33,352	70,94,52,569
Less: Expenditure	89,78,88,442	73,08,46,029
Profit/ Loss Before tax	(16,67,55,090)	(2,13,93,460)
Less :Tax provision/Deferred tax	5,39,64,193	41,54,571
Profit/ Loss after tax	(11,27,90,897)	(1,72,38,889)
Balance brought forward from the previous year	43,80,89,332	45,53,28,221
Balance carried to Balance Sheet	32,52,98,435	43,80,89,332

DIVIDEND

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

STATUS OF THE COMPANY

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

DIRECTORS

The Board of Directors of the Company is duly constituted and there is no change there is no change in the Board of Directors during the year under review.

Mr. Ashok Saraf and Mr. Samir Choksi retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re- appointment.

AUDIT COMMITTEE

The members of the Audit Committee is duly constituted and there is no change in the Audit Committee during the year under review.

The Committee met periodically during the year and held discussions on internal control systems and internal audit report

DIRECTORS RESPONSIBILITY STATEMENT:

The Directors state:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2013, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (ii) that they had selected such accounting policies and applied them consistently and they had made judgments and estimates that were 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 31st March, 2013 and of the loss of the company for that period;
- (iii) that they 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 they had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS:

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

PARTICULARS OF EMPLOYEES:

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

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

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

Further during the year under review, the Company has neither earned nor used any foreign exchange.

AUDITORS:

A. Statutory Auditors:

The Statutory Auditors of the Company M/s. M.A. Parikh & Co., Chartered Accountants, and Mumbai retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. You are requested to appoint Auditors for the year 2013-14 and fix their remuneration.

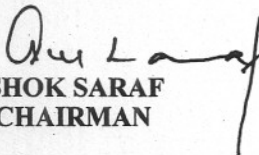
B. Cost Auditors:

Your Company has re-appointed M/s Joshi Apte & Associates, Cost Accountants, for the Financial Year 2012-13 in order to comply with rules of The Companies (Cost Accounting Records) Rules, 2011

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the support extended by the Bankers, the Government Authorities, its employees, suppliers and creditors.

**ON BEHALF OF THE BOARD OF DIRECTORS
For NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED**


**ASHOK SARAF
CHAIRMAN**

**PLACE: MUMBAI
DATE: 11.05.2013**

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

**Independent Auditor's Report
To the Members of Neelkamal Realtors Suburban Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Neelkamal Realtors Suburban 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 loss 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 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 not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) The Company has taken unsecured loan from its holding company covered in the register maintained under section 301 of the Act. The maximum balance



outstanding at any time during the year was Rs. 28,30,31,314/- and the year end balance is Rs.10,34,58,770/- .

- (c) According to the information and explanations given to us, the rate of interest and the other terms and conditions of the said loan, are prima facie not prejudicial to the interest of the Company.
- (d) Since the loan and interest thereon is repayable on demand, the question of commenting on regularity of payment thereof does not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and inventory and for the sale of flats. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said areas.
5. 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 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 the 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 Value Added Tax outstanding for more than six months from the date it became payable – Rs. 55,25,375/-;
- (ii) Non-payment of interest on delayed / non-payment of service tax. (Refer Note appended to Note No. 19 of the audited financial statements); and
- (iii) There were delays in depositing with the statutory authority dues of 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 it 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 (Refer Note No.32).
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a 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 disbursements made towards the term loan sanctioned in a prior year have been utilized for the purpose for which the term loan was obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short – term basis have not been utilized for long term investment..



18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the 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)



A handwritten signature in black ink, appearing to read "Dhaval Selwadia".

Partner
Name: Dhaval Selwadia
Membership No. 100023

Mumbai,
Date: 11 MAY 2013

NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2013

(Amount in Rupees)

Particulars		Note No	As at 31.03.13	As at 31.03.12
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	3	111,600,000	111,600,000
	(b) Reserves and Surplus	4	325,298,435	438,089,332
2	Non-current liabilities			
	(a) Long-term borrowings	5	977,906,408	1,188,441,388
	(b) Other Long term liabilities	6	83,136,292	60,952,106
	(c) Long-term provisions	7	7,574,411	6,707,224
4	Current liabilities			
	(a) Short term borrowings	8	103,458,770	281,553,770
	(b) Trade payables	9	289,024,138	254,848,556
	(c) Other current liabilities	10	1,260,196,641	684,718,761
	(d) Short-term provisions	11	712,969,380	806,847,292
	TOTAL		3,871,164,475	3,833,763,429
II.	ASSETS			
1	Non-current assets			
	(a) <u>Fixed Assets</u>			
	(i) Tangible assets	12	737,007	973,936
	(ii) Intangible assets		31,360	50,358
	(b) Deferred tax assets	13	63,682,772	9,446,161
	(c) Long-term loans and advances	14	173,793,002	147,300,104
	(d) Other non current assets	15	532,338,039	367,680,276
2	Current assets			
	(a) Inventories	16	1,242,741,760	1,203,909,510
	(b) Trade receivables	17	39,174,541	28,382,289
	(c) Cash and bank balances	18	58,740,270	16,049,685
	(d) Short-term loans and advances	19	211,579,930	189,906,359
	(e) Other current assets	20	1,548,345,793	1,869,966,751
	TOTAL		3,871,164,475	3,833,763,429

See accompanying notes forming part of the financial

1 to 46

In terms of our report of even date attached

For M.A PARIKH & CO.
Chartered Accountants

Dhaval B. Selwadia

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

Place : Mumbai

Date : 11 MAY 2013



For and on Behalf of Board of Directors

Ashok Saraf
(Ashok Saraf)
Managing Director

Vinod Goenka
(Vinod Goenka)
Director

Samir Choksi
(Samir Choksi)
Director

Shilpa Saboo
(Shilpa Saboo)
Company Secretary

BKM
JMTC Associates

NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rupees.)

Particulars		Note No.	For the Year Ended 31.03.13	For the Year Ended 31.03.12
1	Revenue from operations	21	717,051,447	696,583,086
2	Other Income	22	14,081,905	12,869,483
3	Total Revenue		731,133,352	709,452,569
4	Expenses:			
	Project Expenses	23	845,813,835	579,387,256
	Changes in inventories of Project work-in-progress	24	(11,376,946)	90,758,501
	Employee benefits expenses	25	15,221,811	10,008,912
	Finance costs	26	-	-
	Depreciation and amortisation	12	248,568	366,739
	Other expenses	27	47,981,174	50,324,621
	Total expenses		897,888,442	730,846,029
5	(Loss) before tax		(166,755,090)	(21,393,460)
6	Tax expense:			
	(1) Deferred tax		54,236,611	6,915,876
	(2) Prior year tax adjustments		(272,418)	(2,761,305)
7	(Loss) for the year		(112,790,897)	(17,238,889)
8	Earnings per equity share: Basic and Diluted		(187.60)	(42.82)

See accompanying notes forming part of the financial statements

1 to 46

In terms of our report of even date attached

For M.A PARIKH & CO.
Chartered Accountants

For and on Behalf of Board of Directors

Dhaval B. Selwadia

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



Place : Mumbai

Date : 11 MAY 2013

Ashok Saraf
(Ashok Saraf)
Managing Director

Samir Choksi
(Samir Choksi)
Director

Vinod Goenka
(Vinod Goenka)
Director

Shilpa Saboo
(Shilpa Saboo)
Company Secretary

NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in Rupees)

Particulars		For the Year Ended 31.03.13		For the Year Ended 31.03.12	
(A)	Cash Flow From Operating Activities:				
	(Loss)/ Profit before tax as per Statement of Profit and Loss		(166,755,090)		(21,393,460)
	Adjustments for:				
	Interest Income	(14,081,366)		(12,717,456)	
	Depreciation and amortization expense	248,568		366,739	
	Interest Expenses	257,044,588		237,393,398	
	Sundry credit balances w/back	(147)		(125,722)	
	Profit on sale of fixed assets	(392)		-	
	Provision for Land Cost	(94,133,038)		(370,926,590)	
	Provision for Leave Encashment	337,661		(273,554)	
	Provision for Gratuity	784,653	150,200,527	(344,522)	(146,627,707)
	Operating Income before Working Capital Changes		(16,554,563)		(168,021,167)
	Working Capital Changes:				
	Inventories	(38,832,250)		90,758,501	
	Trade receivables	146,713,867		(273,527,276)	
	Advances	(22,219,647)		(18,744,173)	
	Current Liabilities	492,927,672	578,589,642	323,847,581	122,334,633
	Cash Flow from Operating Activities		562,035,079		(45,686,534)
	Income Tax paid		(1,664,166)		(31,661,380)
	Net Cash Flow generated/ (used) from/ in Operating Activities		560,370,913		(77,347,914)
(B)	Cash Flow From Investing Activities:				
	Interest Received	14,081,366		12,635,693	
	Loans (Granted)/ Refunded back	(25,000,000)		-	
	Purchase of Fixed Assets	7,751		(19,189)	
	Net Cash (used)/ generated in/ from Investing Activities		(10,910,883)		12,616,504
(C)	Cash Flow From Financing Activities:				
	Borrowings (Net)	(249,724,857)		307,643,924	
	Financial Charges	(257,044,588)		(237,393,398)	
	Net Cash (used)/ generated in/ from Financing Activities		(506,769,445)		70,250,527
	Net Increase in Cash and Cash Equivalents		42,690,585		5,519,117
	Add: Cash and Cash Equivalents (Opening)		16,049,685		10,530,568
	Cash and Cash Equivalents (Closing)		58,740,270		16,049,685
(D)	Cash and Cash Equivalents includes:				
	Cash on hand		39,720		1,449
	Bank Balances		57,700,550		15,048,236
			1,000,000		1,000,000
			58,740,270		16,049,685

In terms of our report of even date attached

For M.A PARIKH & CO.
Chartered Accountants

Dhaval B. Selwadia

PARTNER
Name - Dhaval B. Selwadia
Membership No. : 100023



For and on Behalf of Board of Directors

Ashok Saraf
(Ashok Saraf)
Managing Director

Vinod Goenka
(Vinod Goenka)
Director

Samir Choksi
(Samir Choksi)
Director

Shripa Saboo
(Shripa Saboo)
Company Secretary

Place : Mumbai

Date : 1 MAY 2013

NEELKAMAL REALTORS SUBURBAN PVT.LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 NATURE OF OPERATIONS

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 cum Commercial project on the land situated at Dahisar (East) known as DB Ozone (the Project). The land is acquired by the Company on its own account/under joint venture agreement(s). 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 followed in India ("**Indian 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 Indian 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 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.



NEELKAMAL REALTORS SUBURBAN PVT.LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(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.

Building Materials are valued at cost.

2.5 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.

2.6 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.

2.7 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.

2.8 Employee Benefits

Short term employee benefits:

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

Post employment benefits:

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

Defined 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.



NEELKAMAL REALTORS SUBURBAN PVT.LTD.
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2.9 Operating Lease

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

2.10 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.

2.11 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.

2.12 Commitments:

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

- (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.

2.13 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 weightage average number of shares outstanding for the period is adjusted for the effects of all dilutive potential equity shares.

2.14 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.

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



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

3 Share Capital

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.10/- each	750,000	7,500,000	750,000	7,500,000
10.50% Redeemable Cumulative Preference Shares of Rs. 100/- each	1,050,000	105,000,000	1,050,000	105,000,000
	1,800,000	112,500,000	1,800,000	112,500,000
Issued				
Equity Shares of Rs.10/- each	660,000	6,600,000	660,000	6,600,000
10.50% Redeemable Cumulative Preference Shares of Rs. 100/- each	1,050,000	105,000,000	1,050,000	105,000,000
	1,710,000	111,600,000	1,710,000	111,600,000
Subscribed & Paid up				
Equity Share				
Equity Shares of Rs.10/- each fully paid up	660,000	6,600,000	660,000	6,600,000
Preference Share				
10.50% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid up	1,050,000	105,000,000	1,050,000	105,000,000
Total	1,710,000	111,600,000	1,710,000	111,600,000

3.1 There is no movement in share capital during the year as well as in the preceding financial year.

3.2 Rights, Preferences and restrictions attached to shares:

a. Each Equity 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.

b. The Preference Shares are redeemable at any time on or after expiry of 3 years from the date of allotment i.e. 07.11.2005 for 1,000,000 shares and 08.12.2005 for 50,000 shares, but not later than 20 years from the date of allotment. Further, the Board of Directors shall, at its absolute discretion, decide the time of redemption after the expiry of 3 years, whether to be redeemed fully or partially, in one or more lots but in not more than three yearly installments.

3.3 4,35,600 Equity Shares (Previous Year 4,35,600) and 1,050,000 (Previous year 1,050,000) 10.50% Cumulative Preference Shares are held by D B Realty Limited, the Holding Company



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

3.4 Details of shares held by shareholders holding more than 5% of the aggregate 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
Equity Shares				
D B Realty Ltd.	435,600	66.000%	435,600	66.000%
Shiva Buildcon Pvt.Ltd.	74,800	11.333%	74,800	11.333%
Shiva Multitrade Pvt.Ltd.	74,800	11.333%	74,800	11.333%
Shiva Realtors Suburban Pvt.Ltd.	74,800	11.333%	74,800	11.333%
	660,000	100.000%	660,000	100.000%
Preference Shares (RCPS)				
D B Realty Limited	1,050,000	100.000%	1,050,000	100.000%
Total	1,050,000	100.000%	1,050,000	100.000%

4 Reserves & Surplus

Particulars	As at 31 March 2013	As at 31 March 2012
Surplus as per Statement of Profit & Loss		
Balance at the beginning of the year	438,089,332	455,328,221
Add : (Loss) for the year	(112,790,897)	(17,238,889)
Balance at the end of the year	325,298,435	438,089,332
Total	325,298,435	438,089,332

5 Long Term Borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
Term Loan		
HDFC Limited.	977,906,408	1,188,441,388
Total	977,906,408	1,188,441,388

5.1 Nature of Security

- (i) Mortgage of land situated at Dahisar (East) which has been undertaken for development and construction.
- (ii) Exclusive charge on the receivables emanating from sale of premises of the project.

5.2 Guarantees

Personal guarantee of Director/ Ex Directors of Company.

5.3 Terms of Repayment

The term of the loan is 48 months from the date of first disbursement and from the 1st month after first disbursement, agreed % of sums received from allottees are repayable. Further, the Company has to ensure that maximum principle outstanding for the date of first disbursement does not exceed the amount as per the stipulated schedule. Since as per the terms, the amount repayable from the next financial year is based on amounts receivable from allottees, the current maturity is estimated at Rs. 42,32,40,721/- (Previous Year Rs. 28,43,30,598/-).



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

6 Other Long Term Liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
Trade Payables (Refer Note below and Note No.36)	83,136,292	60,952,106
Total	83,136,292	60,952,106

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
Provision for employee benefits		
Gratuity (unfunded)	3,421,071	2,856,124
Leave Encashment (unfunded)	4,153,340	3,851,100
Total	7,574,411	6,707,224

8 Short Term Borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
Unsecured Loan from holding company (Refer Note below)	103,458,770	281,558,770
Total	103,458,770	281,558,770

Repayable on demand and with interest.

9 Trade payables

Particulars	As at 31 March 2013	As at 31 March 2012
Sundry Creditors (Refer Note No.36)	289,024,138	254,848,556
Total	289,024,138	254,848,556



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

10 Other Current Liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
Current maturities of long term borrowings (Refer Note No.5)	423,240,721	284,330,598
Interest accrued on borrowings :		
(a) due	18,117,085	-
(b) not due	57,074,337	33,930,900
Advances received from Customers	639,299,842	299,148,873
Amount Refundable against cancellation of flats	37,239,971	22,145,421
Statutory dues including Provident Fund and Tax Deducted at Source	33,585,133	19,715,822
Employees' Benefit Payable	3,507,742	2,619,592
Compensation Payable (Refer Note No . 28.1(a) and 28.1(b))	42,500,000	18,500,000
Other payables	5,631,810	4,327,555
Total	1,260,196,641	684,718,761

11 Short Term Provisions

Particulars	As at 31 March 2013	As at 31 March 2012
Provision for employee benefits		
Gratuity (unfunded)	276,734	57,028
Leave Encashment (unfunded)	543,036	507,615
Estimated cost of Land (Refer Note No. 28 & 29)	712,149,610	806,282,649
Total	712,969,380	806,847,292



NEELKAMAL REATORS SUBURBAN PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

12 Fixed Assets

		Gross Block			Accumulated Depreciation/ Amortization			Net Block			
Fixed Assets	Balance as at 1 April 2012	Additions	Deletion	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012	
a	Tangible Assets										
	Furniture and Fixtures	691,770	-	-	691,770	404,886	51,926	-	456,812	234,958	286,884
	Office equipments	594,852	6,939	-	601,791	228,841	51,650	-	280,491	321,300	366,011
	Computers	1,378,021	-	54,000	1,324,021	1,056,980	125,994	39,702	1,143,272	180,749	321,041
	Total	2,664,643	6,939	54,000	2,617,582	1,690,707	229,570	39,702	1,880,575	787,007	973,936
	Previous Year	2,645,454	19,189	-	2,664,643	1,857,589	333,168	-	1,690,707	973,936	-
b	Intangible Assets										
	Computer software	216,140	-	-	216,140	165,782	18,998	-	184,780	31,360	50,358
	Total	216,140	-	-	216,140	165,782	18,998	-	184,780	31,360	50,358
	Previous Year	216,140	-	-	216,140	182,211	33,571	-	165,782	50,358	-

Depreciation and amortization expenses:

Particulars	For the year ended	
	31.03.2013	31.03.2012
Depreciation	229,570	333,168
Amortization	18,998	33,571
	248,568	366,739



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

13 Deferred Tax Asset

Particulars	As at 31 March 2013	As at 31 March 2012
Deferred Tax Asset:		
Disallowance of section 40(A)(7) / 43B of the Act.	2,935,790	2,556,283
Difference between book & tax depreciation	8,394	-
Unabsorbed Losses	60,738,588	6,905,537
	63,682,772	9,461,820
Deferred Tax Liability		
Difference between book & tax depreciation	-	15,650
Total	63,682,772	9,446,161

14 Long-Term loans and advances

Particulars	As at 31 March 2013	As at 31 March 2012
(Unsecured, Considered Good)		
Loan	140,000,000	115,000,000
Interest Free Performance Refundable Deposit (Refer Note No. 28.1 (b))	29,000,000	29,000,000
Security Deposits	2,126,796	2,126,796
Tax Payments (Net of provisions made there against)	2,666,206	1,271,308
Total	173,793,002	147,398,104

15 Other Non Current Assets

Particulars	As at 31 March 2013	As at 31 March 2012
Unbilled Revenue (Refer Note No. 33)	532,338,039	367,680,276
Total	532,338,039	367,680,276

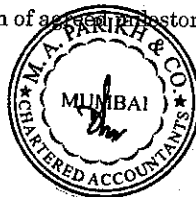
16 Inventories

Particulars	As at 31 March 2013	As at 31 March 2012
Project work-in-progress	1,215,286,456	1,203,909,510
Materials at Site	27,455,304	-
Total	1,242,741,760	1,203,909,510

17 Trade Receivables

Particulars	As at 31 March 2013	As at 31 March 2012
(Unsecured, considered good)		
- Outstanding for a period more than six months from the date they are due for payment	3,193,860	-
- Others	35,980,681	28,382,289
Total	39,174,541	28,382,289

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



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

18 Cash and bank balances

Particulars	As at 31 March 2013	As at 31 March 2012
Cash and Cash equivalents		
Cash on hand	39,720	1,449
Bank Balances in Current Accounts	57,700,550	15,048,236
Fixed Deposit with maturity more than 3 months but less than 12 months	1,000,000	1,000,000
Total	58,740,270	16,049,685

19 Short-term loans and advances

Particulars	As at 31 March 2013	As at 31 March 2012
Staff Loans & Advances	333,976	191,406
Advances Recoverable in Cash or in Kind	211,033,747	189,608,832
Prepaid Expenses	212,207	102,971
Tax Payments (Net of provision made there against)	-	3,150
Total	211,579,930	189,906,359

The Company had provided for interest on delayed / non-payment of service tax of Rs. 12,99,706/- (Previous Year 27,40,120/-) during the year ended 31st March, 2013, 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.

20 Other Current Assets

Particulars	As at 31 March 2013	As at 31 March 2012
Unbilled Revenue (Refer Note No. 33)	1,544,991,149	1,867,155,032
Interest accrued and due on:		
Fixed Deposits with Banks	105,276	4,456
Other Loans	3,249,368	2,807,263
Total	1,548,345,793	1,869,966,751



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

21 Revenue From Operations

Particulars	For the Year ended 31.03.13	For the Year ended 31.03.12
Sale of Flats	692,903,891	690,527,156
Flat Transfer Charges	19,871,161	2,992,186
Amount Forfeited Against cancellation of bookings	700,000	322,750
Interest on delayed payments from customers	3,576,395	2,740,994
Total	717,051,447	696,583,086

22 Other Income

Particulars	For the Year ended 31.03.13	For the Year ended 31.03.12
Interest Income	14,081,366	12,717,456
Sundry credit balances written back	147	125,722
Profit on sale of Fixed Assets	392	-
Gain on Exchange Rate Difference	-	26,305
Total	14,081,905	12,869,483

23 Project Expenses:

Particulars	For the Year ended 31.03.13	For the Year ended 31.03.12
Compensation for acquiring land/ development Rights	94,933,587	13,395,844
Direct Cost of Construction	600,144,265	686,587,718
<u>Construction Overheads:</u>		
- Salaries, Allowances and Bonus	13,957,820	12,911,168
- Contribution to Provident Fund and Other Allied Funds	264,404	267,040
- Staff Welfare and Other Amenities	1,479,556	779,181
- Other Overheads	10,578,157	12,375,341
	721,357,789	726,316,292
Financial Charges (Refer Note No. 26)	257,044,588	237,393,398
	978,402,377	963,709,690
Less:		
Cost of construction towards acquisition of land	132,588,542	280,189,934
Provision for estimated land cost reversed (Refer Note No. 28.4)	-	104,132,500
Total	845,813,835	579,387,256

24 Changes in Project Work in Progress

Particulars	For the Year ended 31.03.13	For the Year ended 31.03.12
Balance as of commencement of the year:		
- Project work in progress	1,203,909,510	1,294,668,011
<i>Less:</i>		
Balance as of end of the year:		
- Project work in progress	1,215,286,456	1,203,909,510
Total	(11,376,946)	90,758,501



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rupees)

25 Employee benefits expenses

Particulars	For the Year ended 31.03.13	For the Year ended 31.03.12
- Salaries, Wages and Bonus	13,285,855	9,436,313
- Contribution to Provident Fund and Other Allied Funds	300,876	228,678
- Gratuity	247,844	-
- Staff Welfare and Other Amenities	1,387,236	343,921
Total	15,221,811	10,008,912

26 Finance Costs

Particulars	For the Year ended 31.03.13	For the Year ended 31.03.12
Interest on:		
Long term borrowings	231,329,658	203,462,498
Short term borrowings	25,714,930	33,930,900
	257,044,588	237,393,398
Less: Transferred to Project Expenses	257,044,588	237,393,398
Total	-	-

27 Other Expenses

Particulars	For the Year ended 31.03.13	For the Year ended 31.03.12
Compensation (Refer Note No: 28.1 (a))	24,000,000	24,000,000
Rent, Rates & Taxes	6,424,027	4,904,277
Legal and Professional fees	6,320,148	2,845,668
Advertisement and Sales Promotion	910,000	686,763
Commission & Brokerage	7,600,441	15,325,759
Communication Expenses	344,970	356,091
Conveyance and Travelling	86,768	192,988
<i>Remuneration to Auditors'</i>		
- Audit Fees	300,000	337,080
- Certification	157,304	165,450
- Taxation	108,427	172,068
- Out of Pocket Expenses	4,565	30,641
Miscellaneous Expenses	1,724,524	1,307,830
Total	47,981,174	50,324,621



NEELKAMAL REALTORS SUBURBAN PVT.LTD.

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28 Land

28.1 During the year ended 31st March, 2009, the Company had changed the conceptualization of its project from "Mall" to "Residential cum Commercial". In relation to Mall project, the Company had executed Joint Venture Agreements with parties for constructing part of the project on their land as per the agreed terms therein. The Company expects to execute the requisite Deed of Modification, having no material impact on the rights and obligations of the Company, qua the executed Joint Venture Agreements. Pending reaching finality in the matter, land cost has been provided for on the following basis:

Particulars	Amount Provided	<i>(Amount in Rupees)</i>	
		Amount Paid/Cost of Construction allocated as up to 31.03.2013	Outstanding amount of provision as of 31.03.2013
Estimated construction cost referable to the saleable area to be provided by the Company free of cost to the respective party	476,132,353	345,661,052	130,471,301

Notes:

(a) Further, as per the terms of a Joint Venture Agreement, the Company has to pay compensation of Rs. 20,00,000/- per month if there is delay in completing and giving possession of the agreed Saleable Area. Accordingly, as upto 31.03.2013 the Company has booked Rs.8,40,00,000/- (Previous year: Rs. 6,00,00,000) as compensation, against which unpaid amount is Rs. 4,25,00,000/- (Previous year : Rs. 1,85,00,000/-). As regards the amount payable effective April 2013 upto the date of settlement, the same shall be provided for on time proportion basis.

(b) Interest free performance refundable deposit paid by the Company on execution of above Joint Venture Agreements is 29,000,000 (Previous Year: Rs. 29,000,000)

28.2 The Company has entered into an arrangement with the Mumbai Metropolitan Region Development Authority (MMRDA), wherein it has agreed to construct residential complex of self-contained tenements and provide land, in view of the Rental Housing Scheme framed by MMRDA. In consideration thereof, MMRDA has provided additional Floor Space Index on the land on which the Company is developing and constructing its Project. Accordingly, the cost of construction thereof, represents land cost in the hands of the Company. Provision in respect thereof has been made as under:

Particulars	Amount Provided	<i>(Amount in Rupees)</i>	
		Amount Paid/Cost of Construction allocated as up to 31.03.2013	Outstanding amount of provision as of 31.03.2013
Estimated construction cost referable to the residential complex	985,187,215	464,375,906	520,811,309

28.3 The Company, keeping in view the maximum potential of the land on which the Project is constructed, is required to purchase Transferrable Development Rights and accordingly, has provided for estimated cost in respect thereof of Rs. 6,08,67,000/-.

28.4 During the preceding financial year, the management of the Company had re-assessed the potentiality of the land on which the project is constructed and formed an opinion that no further land would be required to be purchased. Accordingly, provision of Rs. 10,41,32,500/- made for estimated cost of land was reversed and reduced from project expenses.

28.5 Necessary adjustments, if any, shall be made for the estimated cost of land so provided for in the year, upon reaching finality in each of the matter.

29 The Provision made for estimated cost of land is classified as short term, as the corresponding effect thereof is included in Project Work in Progress.

30 The Company is legally advised that in respect of land forming part of the Project, possession for which has been obtained by execution of Joint Venture Agreement(s), the consideration in respect of which is to be discharged by way of handing over the agreed square feet of built-up area, is not liable for stamp duty.

31 Contingent Liabilities not provided for:

Particulars	<i>(Amount in Rupees)</i>	
	As on 31.03.2013	As on 31.03.2012
Claims made against the Company not acknowledged as debt		
Arrears of Dividend in respect of Redeemable Cumulative Preference Shares	81,510,205	70,485,205



NEELKAMAL REALTORS SUBURBAN PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

- 32 The Management of the Company has revised the estimated project cost from Rs. 852,16,20,800/- to Rs. 899,34,25,215/- which has the impact of reversal of the profits recognised as upto 31st March, 2012 of Rs. 26,65,72,480/-. The project costs is as certified by the Company and the same has been relied upon by the Statutory Auditors. On account of such reversal, the net result for the year shows loss. Further, on account of revision in project cost in the preceding financial year, net result had also resulted into loss for the said year.
- 33 The stage of completion of Project is determined based on the proportion of the actual cost of construction as against the total estimated construction cost of project. Accordingly, excess of revenue recognised over actual bills raised has been classified as unbilled revenue. Further, based on expected realisation therefrom, the same has been bifurcated into non-current / current assets.
- 34 The Company has in-principle decided to let out the commercial part of the Project. However, pending completion of its construction as well as taking final decision in the matter, no adjustment entry has been passed to classify the cost of construction referable to commercial area from 'Inventories' to 'Fixed Assets'.
- 35 The Company, keeping in view the requirements of Section 80 of the Companies Act, 1956, has decided to appropriate amount to capital redemption reserve account in the year of redemption of preference shares.
- 36 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Particulars	<i>(Amount in Rupees)</i>	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed	-	-
Interest accrued on the amount due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (other than Interest) beyond the appointed date during the year.	-	-
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-
Interest due and payable to suppliers under MSMED Act for payments already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act.	-	-

Note: The above information is compiled by the Company and the same has been relied upon by the Statutory Auditors.

- 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.
- 38 **Operating Lease:**

Particulars	<i>(Amount in Rupees)</i>	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Lease payments recognized in the Statement of Profit and Loss	6,424,027	4,834,274
Future Lease Payments		
(a) Not later than one year.	5,856,588	559,620
(b) Later than one year but not later than five years.	17,569,764	43,100
(c) Later than five years	-	-
Total of future lease payments	23,426,352	603,180

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

- 39 **Expenditure in foreign currency**

Particulars	<i>(Amount in Rupees)</i>	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Travelling		216,687

- 40 **CIF Value of Imports:**

Particulars	<i>(Amount in Rupees)</i>	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Doors, Windows & Grills		213,426



NEELKAMAL REALTORS SUBURBAN PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

41 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 Defined Contribution Plan recognized as expense for the year are as under:

Particulars	<i>(Amount in Rupees)</i>	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Employer's Contribution to Provident Fund and Allied Funds	565,281	495,718

Defined Benefit Plan:

The present value of obligation is determined based on actuarial valuation by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to 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.

	<i>(Amount in Rupees)</i>	
	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	2,913,152	3,257,674
Current Service Cost	1,060,364	905,476
Interest Cost	237,656	260,614
Benefits paid	(234,395)	-
Actuarial (gain)/loss	(278,972)	(1,510,612)
Defined Benefit obligation at the end of the year	3,697,805	2,913,522

II. Expense recognized during the year.

	<i>(Amount in Rupees)</i>	
	Gratuity (Un-Funded)	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Current Service Cost	1,060,364	905,476
Interest Cost	237,656	260,614
Actuarial (gain)/loss	(278,972)	(1,510,612)
Net Cost	1,019,048	(344,522)

III. Actuarial assumptions.

	<i>(Amount in Rupees)</i>	
	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:

- 1 The obligation towards Gratuity is unfunded and therefore, the following disclosures are not given:
 - a. Reconciliation of Opening and Closings Balance of fair value of plan assets.
 - b. Details of Investments
- 2 The obligation of Leave Encashment is provided for on actuarial valuation by an independent valuer and the same is unfunded. The amount recognized in the Statement of Profit & Loss for the year is Rs.7,53,811/- (Previous Year Rs.2,60,288/-)

42 Earnings Per Share:

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

	<i>(Amount in Rupees)</i>	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Net Profit/ (Loss) after tax as per the Statement of Profit & Loss	(112,790,897)	(17,238,839)
Adjustment for Preference Dividend on Cumulative Preference Shares	(11,025,000)	(11,025,000)
Net (Loss) after Adjustment	(123,815,897)	(28,263,889)
Weighted average number of shares outstanding during the year	660,000	660,000
Basis and Diluted Earning Per Share	(187.60)	(42.82)
Face Value Per Equity Share	10	10



NEELKAMAL REALTORS SUBURBAN PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

43 Related Party Disclosures:

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

A. List of Related Parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party and Relationship
a.	Holding Company: D B Realty Limited
b.	Fellow Subsidiary Company: Gokuldham Real Estate Development Company Private Limited
c.	Enterprises over which KMP(s) of the Company exercise significant influence (Associated Enterprises): K.G.Enterprises Nihar Construction Company Private Limited Neelkamal Realtors & Builders Private Limited Conwood Construction & Developers Pvt.Ltd. Mira Salt Works Company Pony Infrastructure and Contractors Limited
d.	Enterprises under joint control of the Holding Company (Jointly Controlled Entities): Dynamix Realty
e.	Relatives of KMP: Mrs. Aseela Goenka

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

(Amount in Rupees)

Description of Transactions	Holding Company	Fellow Subsidiary	Associated Enterprises	Jointly Controlled Entities	Relative of Director
Loans Taken					
Opening Balance	315,489,670 (161,531,314)	- (-)	- (-)	- (-)	- (-)
Taken during the year	83,400,000 (137,500,000)	- (-)	- (-)	- (-)	- (-)
Interest Expense	25,714,930 (33,930,899)	- (-)	- (-)	- (-)	- (-)
Repaid during the year(Including TDS on Interest)	264,071,493 (17,472,543)	- (-)	- (-)	- (-)	- (-)
Closing Balance	160,533,107 (315,489,670)	- (-)	- (-)	- (-)	- (-)
Charges for Use of Premises by the Company					
Transaction during the year	- (-)	- (-)	7,850,274 (5,092,870)	- (-)	- (150,000)
Closing Balance	- (-)	- (-)	2,021,110 (93,920)	- (-)	- (-)
Expenditure incurred by the Company on behalf of others					
Transaction during the year	- (10,440)	- (-)	- (1,800)	- (-)	- (-)
Closing Balance	- (-)	- (-)	- (-)	- (-)	- (-)



Reimbursement of Statutory Obligation paid on behalf of the Company					
Incurring during the year	-	(-)	(9,835,953)	(125,028)	(-)
Adjusted during the year	-	(-)	(9,835,953)	(125,028)	(-)
Staff Loan Granted on behalf of the Company by Others					
Granted	-	9,000	-	-	-
Repaid	(-)	(-)	(-)	(-)	(-)
Closing Balance	(-)	(-)	(-)	(-)	(-)
Employee Loan transferred on transfer of Employee to Others					
Granted	-	-	-	5,250	-
Closing Balance	(-)	(-)	(-)	5,250	(-)
Gratuity Liability of employees Taken over by the Firm / Transferred to other concerns on continuity basis:-					
Gratuity Taken over/Payment made	129,251	-	92,988	111,843	-
Gratuity Transferred / Payment received	(-)	(-)	(-)	(-)	(-)
Closing Balance payable / (Receivable) (net)	129,251	-	92,988	77,732	-
	(-)	(-)	(-)	(-)	(-)

Notes:

- (i) The aforesaid related parties are as identified by the Company and relied upon by the Auditors.
(ii) Figures in bracket refer to previous year figures

- 44 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/-.
- 45 There was a cash theft of Rs. 13,161/- on 27.03.2013 against which a First Information Report has been lodged with the Police Department. The Company has written off such loss and is included under the head miscellaneous expenses.
- 46 Previous Year Figures:
Previous year figures have been re-classified and re-grouped wherever necessary so as to confirm with current year's classification and presentation.

Signatures to Notes 1 to 46

In terms of our report of even date attached

For M.A PARIKH & CO.
Chartered Accountants

Dhaval B. Selwadia

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



For and on Behalf of Board of Directors

Ashok Saraf
(Ashok Saraf)
Managing Director

Vinod Goenka
(Vinod Goenka)
Director

Samir Choksi

(Samir Choksi)
Director

Shilpa Saboo

(Shilpa Saboo)
Company Secretary

Place : Mumbai

Date : 11 MAY 2013