

**NEELKAMAL REALTORS SUBURBAN  
PRIVATE LIMITED**

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012

**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

# REALTY

## NOTICE

**NOTICE** is hereby given that the Seventh Annual General Meeting of the members of Neelkamal Realtors Suburban Private Limited will be held on Saturday, 11<sup>th</sup> August, 2012 at 02.00 p.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, 2012, the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vinod K. Goenka, who retires by rotation and being eligible offers himself for reappointment
3. To appoint a Director in place of Mr. Mohammed Balwa, 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.**

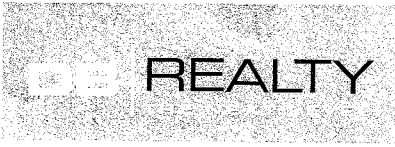
  
**Ashok Saraf  
(Chairman)**

**Place: Mumbai  
DATE: 19.05.2012**

### 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.

### **NEELKAMAL REALTORS SUBURBAN PVT. LTD.**



**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 31<sup>st</sup> March, 2012.

**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 <sup>st</sup> March, 2012	For the financial year ending 31 <sup>st</sup> March, 2011
Income	70,94,52,569	1,65,97,73,976
Less: Expenditure	73,08,46,029	1,58,33,04,293
Profit/ Loss Before tax	(2,13,93,460)	7,64,69,683
Less :Tax provision/Deferred tax	41,54,571	3,47,33,167
Profit/ Loss after tax	(1,72,38,889)	4,17,36,516
Balance brought forward from the previous year	45,53,28,221	41,35,91,705
Balance carried to Balance Sheet	43,80,89,332	45,53,28,221

**DIVIDEND**

Your Director do not recommend any dividend for the year, in order to conserve the funds for the completion of the Project.

**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.

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## **DIRECTORS**

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

Mr. Vinod K. Goenka and Mr. Mohammed Balwa retire at the ensuing Annual General Meeting and being eligible offer themselves for re- appointment.

## **DIRECTORS RESPONSIBILITY STATEMENT:**

The Directors state:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2012, 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, 2012 and of the Profit 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.

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During the year under review, the Company did not have any foreign exchange earnings. The Foreign Exchange expenditure incurred on travelling during the year was Rs. 2,16,687/- (Previous year – Rs. Nil) and CIF value of Imports was Rs. 2,13,426/- (Previous year- Rs. Nil).

**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 2012-13 and fix their remuneration.

**B. Cost Auditors:**

The Companies (Cost Accounting Records) Rules, 2011, came into force since 3<sup>rd</sup> June, 2011. In order to comply with the said Rules, the Company has appointed JOSHI, APTE & ASSOCIATES, COST ACCOUNTANTS, for the Financial Year 2011-12.

**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:19.05.2012**

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

**AUDITORS' REPORT**

**To the Members of Neelkamal Realtors Suburban Pvt. Ltd.**

1. We have audited the attached Balance Sheet of **Neelkamal Realtors Suburban Pvt. Ltd.** ('the Company') as at March 31, 2012 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 here-in-above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2012;
- (ii) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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



Partner  
Name: Chintan Ghelani  
Membership No.132791

Mumbai, Dated:- 19<sup>th</sup> May 2012

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

1. Fixed Assets

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

2. Inventories

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

3. The Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the requirements of clause 4(iii) of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and inventory and for the sale of flats. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said areas.

5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:





- (a) The particulars of a contract or an arrangement referred to in section 301 of the Companies Act, 1956, that needed to be entered into the register required to be maintained under the said section have been so entered.
- (b) The transaction is in excess of rupees five lakhs and the said transaction has been made at a price which is prima facie reasonable having regard to the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. A firm of Chartered Accountants has been appointed by the management to carry out the function of internal audit, which in our opinion, commensurates 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 utilisation 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, the Company except for delays in depositing the Value Added Tax and Service Tax for the financial year concerned, is regular in depositing the other undisputed statutory dues including Provident Fund, Employees' State Insurance and Other applicable Statutory Dues with the appropriate authorities. According to the information and explanations given to us and according to the books and records as produced before us, no undisputed amounts payable in respect of the said applicable statutory dues were in arrears as at March 31, 2012 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 current as well as immediately preceding financial year. [Refer Note No 33 of the audited financial statements]
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. During the year, the term loan obtained from a financial institution has been applied for the purpose for which the same was obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short – term basis have not been utilized for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the requirements of Clause 4(xviii) of the Order are not applicable.
19. The Company has not issued any debentures. Therefore, the requirements of Clause 4(xix) of the Order are not applicable.
20. The Company has not raised any monies by way of Public Issue. Therefore, the requirements of Clause 4(xx) of the Order are not applicable.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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



*C. Ghelani*

Partner  
Name: Chintan Ghelani  
Membership No.132791

Mumbai, Dated:- 19<sup>th</sup> May 2012

NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2012

(Amount in Rupees)

Particulars		Note No	As at 31.03.12	As at 31.03.11
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
	(a) Share Capital	3	111,600,000	111,600,000
	(b) Reserves and Surplus	4	438,089,332	455,328,221
<b>2 Non-current liabilities</b>				
	(a) Long-term borrowings	5	1,188,441,388	1,222,771,857
	(b) Other Long term liabilities	6	60,952,106	34,079,609
	(c) Long-term provisions	7	6,707,224	35,515,560
<b>4 Current liabilities</b>				
	(a) Short term borrowings	8	315,489,670	161,531,314
	(b) Trade payables	9	254,987,391	220,989,206
	(c) Other current liabilities	10	650,649,026	199,781,812
	(d) Short-term provisions	11	806,847,292	1,177,209,238
<b>TOTAL</b>			<b>3,833,763,429</b>	<b>3,618,806,817</b>
<b>II. ASSETS</b>				
<b>1 Non-current assets</b>				
	(a) <u>Fixed Assets</u>			
	(i) Tangible assets	12	973,936	1,287,915
	(ii) Intangible assets		50,358	83,929
	(b) Deferred tax assets	13	9,446,161	2,530,285
	(c) Long-term loans and advances	14	147,398,104	146,126,796
	(d) Other non current assets	15	367,680,276	1,337,374,274
<b>2 Current assets</b>				
	(a) Inventories	16	1,203,909,510	1,294,668,011
	(b) Trade receivables	17	28,382,289	103,672,708
	(c) Cash and bank balances	18	16,049,685	10,530,568
	(d) Short-term loans and advances	19	189,906,359	171,159,036
	(e) Other current assets	20	1,869,966,751	551,373,295
<b>TOTAL</b>			<b>3,833,763,429</b>	<b>3,618,806,817</b>

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

*e.ghelani*



PARTNER  
Name : Chintan Ghelani  
Membership No. : 132791

Place : Mumbai  
Date : 19<sup>th</sup> May 2012

For and Behalf of Board of Directors

*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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees)

Particulars		Note No.	For the Year Ended 31.03.12	For the Year Ended 31.03.11
1	Revenue from operations	21	690,527,156	1,645,565,986
2	Other Income	22	18,925,413	14,207,990
3	<b>Total Revenue</b>		<b>709,452,569</b>	<b>1,659,773,976</b>
4	Expenses:			
	Project Expenses	23	579,387,256	1,209,200,647
	Changes in inventories of Project work-in-progress	24	90,758,501	308,173,964
	Employee benefits expenses	25	10,008,912	11,584,638
	Finance costs	26	-	26,468,471
	Depreciation and amortisation	12	366,739	461,137
	Other expenses	27	50,324,621	27,415,436
	<b>Total expenses</b>		<b>730,846,029</b>	<b>1,583,304,293</b>
5	<b>Profit before tax</b>		<b>(21,393,460)</b>	<b>76,469,683</b>
6	Tax expense:			
	(1) Current tax		-	(28,703,000)
	(2) Deferred tax		6,915,876	717,312
	(3) Prior year tax adjustments		(2,761,305)	(6,747,479)
7	<b>Profit (Loss) for the year</b>		<b>(17,238,889)</b>	<b>41,736,516</b>
8	Earnings per equity share:			
	Basic and Diluted		(42.82)	46.53

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

*C. Ghelani*

PARTNER  
Name : Chintan Ghelani  
Membership No. : 132791



Place : Mumbai  
Date : 19<sup>th</sup> May 2012

For and Behalf of Board of Directors

*Ashok Saraf*  
(Ashok Saraf)  
Managing Director

*Vinod Goenka*  
(Vinod Goenka)  
Director

*Samir Choksi*  
(Samir Choksi)

*Shilpa Saboo*  
(Shilpa Saboo)  
Company Secretary

NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2012

(Amount in Rupees)

	For the Year Ended 31.03.12	For the Year Ended 31.03.11
(A) <b>Cash Flow From Operating Activities:</b> (Loss)/ Profit before tax as per Statement of Profit and Loss	(21,393,460)	76,469,683
<b>Adjustments for:</b>		
Interest Income	(15,458,450)	(13,207,990)
Depreciation and amortization expense	366,739	461,137
Interest Expenses	237,393,398	188,896,214
Sundry credit balances w/back	(125,722)	-
Provision for Land Cost	(370,926,590)	65,457,935
Provision for Leave Encashment	(273,554)	1,308,024
Provision for Gratuity	(344,522)	1,072,693
<b>Operating Income before Working Capital Changes</b>	<b>(170,762,161)</b>	<b>243,988,013</b>
<b>Working Capital Changes:</b>		
Inventories	90,758,501	308,173,964
Trade receivables	(273,527,276)	(754,534,958)
Advances	(18,744,173)	(20,184,257)
Current Liabilities	323,847,581	174,761,895
<b>Cash Flow from Operating Activities</b>	<b>(48,427,528)</b>	<b>19,674,340</b>
Income Tax paid	(31,661,380)	(147,749,880)
<b>Net Cash Flow generated/ (used) from/ in Operating Activities</b>	<b>(80,088,908)</b>	<b>(128,075,540)</b>
(B) <b>Cash Flow From Investing Activities:</b>		
Interest Received	15,376,687	13,207,990
Loans (Granted)/ Refunded back		(25,739,108)
Purchase of Fixed Assets	(19,189)	(430,779)
<b>Net Cash (used)/ generated in/ from Investing Activities</b>	<b>15,357,498</b>	<b>(12,961,897)</b>
(C) <b>Cash Flow From Financing Activities:</b>		
Borrowings (Net)	307,643,924	333,980,957
Interest Paid	(237,393,398)	(188,896,214)
<b>Net Cash (used)/ generated in/ from Financing Activities</b>	<b>70,250,527</b>	<b>145,084,743</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>5,519,117</b>	<b>4,047,300</b>
Add: Cash and Cash Equivalents (Opening)	10,530,568	6,483,262
<b>Cash and Cash Equivalents (Closing)</b>	<b>16,049,685</b>	<b>10,530,568</b>
(D) <b>Cash and Cash Equivalents includes:</b>		
Cash on hand	1,449	81,631
Bank Balances	16,048,236	10,448,921
	<b>16,049,685</b>	<b>10,530,568</b>

In terms of our report of even date attached

For M.A PARIKH & CO.  
Chartered Accountants

*C. Ghelani*

PARTNER  
Name : Chintan Ghelani  
Membership No. : 132791



Place : Mumbai  
Date : 19<sup>th</sup> May 2012

For and 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

NEELKAMAL REALTORS SUBURBAN PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 NATURE OF OPERATIONS

The Company, a subsidiary of D B Realty Limited, has undertaken development of Residential cum Commercial Project on the land situated at Dahisar (East) acquired on its own account / under joint venture agreement(s).

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 **Basis of preparation of Financial Statements**

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

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 companies Act, 1956.

2.2 **Use of Estimates**

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

2.3 **Fixed Assets and Depreciation**

**Tangible Assets:**

Fixed Assets are capitalized at cost of acquisition, net of 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 Companies Act, 1956.

**Intangible Assets:**

Intangibles represent computer software and is stated at its cost of acquisition, net of 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 represents cost incurred in relation to development and construction of the Project. Direct expenses and construction overheads are taken as the cost of the Project. It is valued at lower of cost or net realizable value.

2.5 **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.

2.6 **Revenue Recognition**

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



NEELKAMAL REALTORS SUBURBAN PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

**2.7 Other Income**

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

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

**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 Profit & Loss Account in the period in which the contribution is due.

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

**2.9 Operating Lease**

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

**2.10 Taxes on Income**

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

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

**2.11 Provision and Contingent Liabilities**

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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

**2.12 Foreign currency transactions and translations**

Foreign currency transaction is 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.



NEELKAMAL REALTORS SUBURBAN PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

**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 dilute 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**

The 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 PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

3 Share Capital

(Amount in Rupees)

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number	Amount	Number	Amount
<b>Authorised</b>				
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
	<b>1,800,000</b>	<b>112,500,000</b>	<b>1,800,000</b>	<b>112,500,000</b>
<b>Issued</b>				
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
	<b>1,710,000</b>	<b>111,600,000</b>	<b>1,710,000</b>	<b>111,600,000</b>
<b>Subscribed &amp; Paid up</b>				
<b>Equity Share</b>				
Equity Shares of Rs.10/- each fully paid up	660,000	6,600,000	660,000	6,600,000
<b>Preference Share</b>				
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
<b>Total</b>	<b>1,710,000</b>	<b>111,600,000</b>	<b>1,710,000</b>	<b>111,600,000</b>

3.1 There is no movement in the number of equity shares as well as in the number of 10.50% redeemable cumulative preference shares during the year ended 31st March 2012 as well as during the year ended 31st March 2011.

3.2 Rights, Preferences and restrictions attached to shares:

- The Company has one class of equity shares having a par value of Rs. 10 per share.
- 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) are 1,050,000 (Previous year 1,050,000) (10.50%) Cumulative Preference Shares 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 shares in the Company.

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
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 Pvt.Ltd.	74,800	11.333%	74,800	11.333%
	<b>660,000</b>	<b>100.00%</b>	<b>660,000</b>	<b>100.00%</b>
<b>Preference Shares (RCPS)</b>				
D B Realty Limited	1,050,000	100.000%	1,050,000	100.000%
<b>Total</b>	<b>1,050,000</b>	<b>100.00%</b>	<b>1,050,000</b>	<b>100.00%</b>



NEELKAMAL REALTORS SUBURBAN PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

4 Reserves & Surplus

(Amount in Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Surplus as per Statement of Profit &amp; Loss</b>		
Balance at the beginning of the year	455,328,221	413,591,705
Add : (Loss) / Profit for the year	(17,238,889)	41,736,516
Balance at the end of the year	<b>438,089,332</b>	<b>455,328,221</b>

5 Long Term Borrowings

Particulars	As at 31 March 2012	As at 31 March 2011
Term Loan HDFC Limited.	1,188,441,388	1,222,771,857
<b>Total</b>	<b>1,188,441,388</b>	<b>1,222,771,857</b>

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 flats 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 15% of sums received from allottees repayable. Further, the company has to ensure that maximum principle outstanding from the date of first disbursement does not exceed as per the stipulated schedule. Since as per the term the amount repayable from the next financial year is based on amounts receivable from allottees, the current maturity of the said is estimated at Rs. 28,43,30,598/-. Keeping in view the estimated amount of project receipts in the ensuing financial year.

6 Other Long Term Liabilities

Particulars	As at 31 March 2012	As at 31 March 2011
Trade Payables (Refer Note below and Note No.38)	60,952,106	34,079,609
<b>Total</b>	<b>60,952,106</b>	<b>34,079,609</b>

Note: 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 2012	As at 31 March 2011
Provision for employee benefits		
Gratuity (unfunded) (Refer Note below)	2,856,124	3,257,674
Leave Encashment (unfunded) (Refer Note below)	3,851,100	4,632,269
Provision for Tax (Net of Payment made thereagainst)		27,625,617
<b>Total</b>	<b>6,707,224</b>	<b>35,515,560</b>

Note: In absence of information with respect to short term and long term provision for gratuity and leave encashment as at 31st March, 2011, the entire amount of provision of both these employee benefits have been classified as "Long Term".



## NEELKAMAL REALTORS .SUBURBAN PVT.LTD.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 8 Short Term Borrowing

(Amount in Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
Unsecured Loan from holding company (Refer Note below and Note No.45)	315,489,670	161,531,314
<b>Total</b>	<b>315,489,670</b>	<b>161,531,314</b>

Note: Loan are with interest and repayable on demand

## 9 Trade payables

Particulars	As at 31 March 2012	As at 31 March 2011
Sundry Creditors (Refer Note No.38 )	254,987,391	220,989,206
<b>Total</b>	<b>254,987,391</b>	<b>220,989,206</b>

## 10 Other Current Liabilities

Particulars	As at 31 March 2012	As at 31 March 2011
Current maturities of long term borrowings (Refer Note No.5)	284,330,598	96,314,561
Advance received from Customers	299,148,873	83,563,564
Amount Refundable against cancellation of flats	22,145,421	4,569,003
Statutory dues including Provident Fund and Tax Deducted at Source	19,715,822	11,966,507
Employees' Benefit Payable	2,619,592	2,544,195
Compensation Payable (Refer Note No . 29.1(a), 29.1(b) )	18,500,000	-
Other payables	4,188,720	823,983
<b>Total</b>	<b>650,649,026</b>	<b>199,781,812</b>

## 11 Short Term Provisions

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Provision for employee benefits</b>		
Gratuity (unfunded)	57,028	-
Leave Encashment (unfunded)	507,615	-
<b>Estimated cost of Land (Refer Note No. 29,30)</b>	<b>806,282,649</b>	<b>1,177,209,238</b>
<b>Total</b>	<b>806,847,292</b>	<b>1,177,209,238</b>



NEELKAMAL REATORS SUBURBAN PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

12 Fixed Assets

					(Amount in Rupees)				
Fixed Assets	Gross Block			Accumulated Depreciation/ Amortization			Net Block		
	Balance as at 1 April 2011	Additions	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	Balance as at 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011	
<b>a</b> Tangible Assets									
Furniture and Fixtures	691,770	-	691,770	341,484	63,402	404,886	286,884	350,286	
Office equipment	582,352	12,500	594,852	169,703	59,138	228,841	366,011	412,649	
Computer	1,371,332	6,689	1,378,021	846,352	210,628	1,056,980	321,041	524,980	
Total	2,645,454	19,189	2,664,643	1,357,539	333,168	1,690,707	973,936	1,287,915	
Previous Year	2,220,720	424,734	2,645,454	952,223	405,316	1,357,539	1,287,915	-	
<b>b</b> Intangible Assets									
Computer software	216,140	-	216,140	132,211	33,571	165,782	50,358	83,929	
Total	216,140	-	216,140	132,211	33,571	165,782	50,358	83,929	
Previous Year	210,095	6,045	216,140	76,390	55,821	132,211	83,929		

Depreciation and amortization expenses:

Particulars	For the year ended	
	31.03.2012	31.03.2011
Depreciation	333,168	405,316
Amortization	33,571	55,821
	366,739	461,137



## NEELKAMAL REALTORS SUBURBAN PVT.LTD.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 13 Deferred Tax Asset

(Amount in Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Deferred Tax Asset:</b>		
Disallowance of section 40(A)(7) / 43B of the Act.	2,556,283	2,559,892
Deduction of Preliminary Expenditure		8,682
Unabsorbed Losses	6,905,537	-
	9,461,820	2,568,574
<b>Deferred Tax Liability:</b>		
Difference between book & tax depreciation	15,659	38,289
<b>Total</b>	<b>9,446,161</b>	<b>2,530,285</b>

## 14 Long-Term loans and advances

Particulars	As at 31 March 2012	As at 31 March 2011
(Unsecured, Considered Good)		
Interest Free Performance Refundable Deposit	29,000,000	29,000,000
Security Deposit	2,126,796	2,126,796
Loan	115,000,000	115,000,000
Tax Payments (Net of provision made there against)	1,271,308	-
<b>Total</b>	<b>147,398,104</b>	<b>146,126,796</b>

## 15 Other Non Current Assets

Particulars	As at 31 March 2012	As at 31 March 2011
Unbilled Revenue	367,680,276	1,337,374,274
<b>Total</b>	<b>367,680,276</b>	<b>1,337,374,274</b>

## 16 Inventories

Particulars	As at 31 March 2012	As at 31 March 2011
Project work-in-progress	1,203,909,510	1,294,668,011
<b>Total</b>	<b>1,203,909,510</b>	<b>1,294,668,011</b>

## 17 Trade Receivables

Particulars	As at 31 March 2012	As at 31 March 2011
(Unsecured, considered good)		
- Outstanding for a period more than six months from the date they are due for payment		2,561,156
- Others	28,382,289	101,111,552
<b>Total</b>	<b>28,382,289</b>	<b>103,672,708</b>

Note: Represents installments due and payable on completion of agreed milestone(s) of work.



## NEELKAMAL REALTORS SUBURBAN PVT.LTD.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 18 Cash and bank balances

(Amount in Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
Cash and Cash equivalents		
Cash on hand	1,449	81,639
Bank Balances in Current Accounts	15,048,236.44	10,448,929
Long Term		
Other bank balances		
Fixed Deposit with maturity more than 3 months but less than 12 months	1,000,000	-
<b>Total</b>	<b>16,049,685</b>	<b>10,530,568</b>

## 19 Short-term loans and advances

Particulars	As at 31 March 2012	As at 31 March 2011
Staff Loans & Advances	191,406	73,257
Advance Recoverable in Cash or in Kind	189,608,832	170,988,955
Prepaid Expenses	102,971	96,342
Tax Payments (Net of provision made there against)	3,150	482
<b>Total</b>	<b>189,906,359</b>	<b>171,159,036</b>

## 20 Other Current Assets

Particulars	As at 31 March 2012	As at 31 March 2011
Unbilled Revenue	1,867,155,032	548,643,339
Interest accrued and due on:		
Fixed Deposits with Banks	4,456	-
Other Loans	2,807,263	2,729,956
<b>Total</b>	<b>1,869,966,751</b>	<b>551,373,295</b>

## 21 Revenue From Operation

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
Sale of Flats	690,527,156	1,645,565,986
<b>Total</b>	<b>690,527,156</b>	<b>1,645,565,986</b>

## 22 Other Income

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
Interest Income	15,458,450	13,207,990
Amount Forfeited Against cancellation of bookings	322,750	1,000,000
Flat Transfer Charges	2,992,186	-
Sundry credit balances written back	125,722	-
Gain on Exchange Rate Difference	26,305	-
<b>Total</b>	<b>18,925,413</b>	<b>14,207,990</b>



## NEELKAMAL REALTORS SUBURBAN PVT.LTD.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 23 Project Expenses:

(Amount in Rupees)

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
Compensation for acquiring-land/ development Rights	13,395,844	297,616,121
Direct Cost of Construction	686,587,718	916,600,589
<u>Construction Overheads:</u>		
- Salaries, Allowances and Bonus	12,911,168	22,516,967
- Contribution to Provident Fund and Other Allied Funds	267,040	382,623
- Staff Welfare and Other Amenities	779,181	3,693,444
- Other Overheads	12,375,341	11,652,875
	726,316,292	1,252,462,619
Financial Charges (Refer Note No. 26)	237,393,398	188,896,214
	963,709,690	1,441,358,833
Less:		
Cost of construction towards acquisition of land	280,189,934	232,158,186
Provision for estimated land cost reversed (Refer Note No. 29.3)	104,132,500	-
<b>Total</b>	<b>579,387,256</b>	<b>1,209,200,647</b>

## 24 Changes in Project Work in Progress

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
Balance as of commencement of the year:		
- Project work in progress	1,294,668,011	1,602,841,975
Less:		
Balance as of end of the year:		
- Project work in progress	1,203,909,510	1,294,668,011
<b>Total</b>	<b>90,758,501</b>	<b>308,173,964</b>

## 25 Employee benefits expenses

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
- Salaries, Wages and Bonus	9,436,313	10,111,054
- Contribution to Provident Fund and Other Allied Funds	228,678	195,552
- Gratuity	-	42,505
- Staff Welfare and Other Amenities	343,921	1,235,527
<b>Total</b>	<b>10,008,912</b>	<b>11,584,638</b>

## 26 Finance Costs

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
Interest on:		
Long term borrowings	203,462,498	41,690,273
Short term borrowings	33,930,900	151,469,412
	237,393,398	193,159,685
Other Financial Charges	-	22,205,000
	237,393,398	215,364,685
Less: Transferred to Project Expenses	237,393,398	188,896,214
<b>Total</b>	<b>-</b>	<b>26,468,471</b>



## NEELKAMAL REALTORS SUBURBAN PVT.LTD.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## 27 Other Expenses

(Amount in Rupees)

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
Compensation (Refer Note No: 29.1 (a), 29.1 (b) )	24,000,000	12,000,000
Rent, Rates & Taxes	4,904,277	4,123,561
Legal and Professional fees	2,845,668	1,664,814
Advertisement and Sales Promotion	686,769	869,627
Commission & Brokerage	15,325,759	6,668,839
Communication Expenses	356,091	347,497
Conveyance and Travelling	192,988	169,877
<i>Remuneration to Auditors'</i>		
- Audit Fees	337,080	386,282
- Certification	165,450	165,450
- Taxation	172,068	
- Out of Pocket Expenses	30,641	2,250
Miscellaneous Expenses	1,307,830	1,017,239
<b>Total</b>	<b>50,324,621</b>	<b>27,416,436</b>





NEELKAMAL REALTORS SUBURBAN PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

28 The Company is a subsidiary of D B Realty Limited, which has become a "public company" w.e.f. 23rd September 2009. Therefore, w.e.f. the said date, the Company has become a private company which is a subsidiary of a public company and accordingly, by virtue of provision of section 3(1)(iv)(c) of the Companies Act, 1956, the Company is a public company. The Company continues to use the word "Private Limited" as permitted by law.

29 Land

29.1 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, in these accounts, land cost has been provided for on the following basis:

Particulars	Amount Provided	Amount Paid/Cost of Construction allocated as up to 31.03.2012	(Amount in Rupees)
			Outstanding amount of provision as of 31.03.2012
Estimated construction cost referable to the saleable area to be provided by the Company free of cost to the respective party	456,502,982	316,846,051	139,656,930

Notes:

- (a) Further, as per the terms of a Joint Venture Agreement, the Company is to pay compensation of Rs. 20,00,000/- per month if there is delay in completing and giving possession of the agreed Saleable Area. On happening of such event, the Company has paid such compensation of Rs. 60,000,000/- as up to 31st March, 2012, being the liability which the Company estimates it would have to pay towards its said obligation in terms of Joint Venture Agreement.
- (b) The aggregate amount of such compensation as upto 31.03.2012 is Rs.6,00,00,000/- (Previous year: Rs. 3,60,00,000) against which unpaid amount is Rs. 1,85,00,000/-. As regards the amount payable effective April 2012 upto the date of settlement, the same shall be provided for on time proportion basis.
- (c) Interest free performance refundable deposit paid by the Company on execution of above Joint Venture Agreement is 29,000,000 (Previous Year: Rs. 29,000,000)

29.2 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. Pending incurrence of such cost, in these accounts, provision thereof has been made on the following basis:

Particulars	Amount Provided	Amount Paid/Cost of Construction allocated as up to 31.03.2012	(Amount in Rupees)
			Outstanding amount of provision as of 31.03.2012
Estimated construction cost referable to the residential complex	909,883,000	304,124,282	605,758,718

29.3 The Company, keeping in view the maximum potential of the land on which the Project is being constructed, had provided for estimated cost of purchase of TDR/Land in the year ended 31st March 2010. During the year the management has reassessed the potentiality of the land on which the project has been constructed and is of view that the company would not require to purchase any additional land and consequent to which the estimated provision made therefor has been reversed and reduced from project expenses for the year. The details are as under:

Sr. No	Particulars	Amount Provided	Amount Adjusted	(Amount in Rupees)
				Outstanding amount of provision as of 31.03.2012
(a)	Estimated Monetary Price to be paid by the Company for Land	104,132,500	(104,132,500)	-
(b)	Estimated cost of Transferrable Development Right(s)	60,867,000	-	60,867,000
		164,999,500	(104,132,500)	60,867,000

29.4 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.

30 The Provision made for estimated cost of land is classified as short term. As the corresponding effect there of is included in Project Work in Progress.

31 The Company is legally advised that in respect of the land forming part of the Project, possession 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.



NEELKAMAL REALTORS SUBURBAN PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

32 Contingent Liabilities not provided for:

Particulars	(Amount in Rupees)	
	As on 31.03.2012	As on 31.03.2011
Claims made against the Company not acknowledged as debt		-
- Relating to Service Tax on lease rentals in respect of an Office Premise		1,175,887
Arrears of Dividend in respect of Redeemable Cumulative Preference Shares	70,485,205	59,460,205

33 During the year ended 31st March, 2011, the Management of the Company had revised the estimated project cost from Rs. 8,17,16,20,600/- to Rs. 6,66,98,37,000/- . As against the said revision, for the current year, the estimated project cost has been revised to Rs.852,16,20,600/- . On account of such revisions net profit of the respective years includes the impact of reversal of the profits recognised as upto 31st March, 2010/ 31st March, 2011. On account of such reversal, the net result for the year shows loss.

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

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

35 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'.

36 During the year, the holding company has charged interest of Rs. 33,930,900/- (Previous year Rs.151,468,882/- ) on loans granted to the Company.

37 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.

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

Particulars	(Amount in Rupees)	
	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
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 on the basis of the information made available by vendors and the same has been relied upon by the Statutory Auditors.

39 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.

40 Operating Lease:

Particulars	(Amount in Rupees)	
	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
Lease payments recognized in the Statement of Profit and Loss	4,834,274	4,123,561
<b>Future Lease Payments</b>		
(a) Not later than one year.	559,620	3,301,237
(b) Later than one year but not later than five years.	43,560	520,931
(c) Later than five years	-	-
<b>Total of future lease payments</b>	<b>603,180</b>	<b>3,822,168</b>

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

41 Expenditure in foreign currency

Particulars	(Amount in Rupees)	
	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Travelling	216,687	-



NEELKAMAL REALTORS SUBURBAN PVT.LTD.

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42 CIF Value of Imports:

Particulars	(Amount in Rupees)	
	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Doors, Windows & Grills	213,426	

43 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	(Amount in Rupees)	
	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
Employer's Contribution to Provident Fund and Allied Funds	495,718	578,175

**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.

	(Amount in Rupees)	
	Gratuity (Un-Funded)	
	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
Defined Benefit obligation at the beginning of the year	3,257,674	2,184,981
Current Service Cost	905,476	886,180
Interest Cost	260,614	245,693
Past Service Cost -Vested Benefit	-	21,498
Actuarial (gain)/loss	(1,510,612)	(80,678)
<b>Defined Benefit obligation at the end of the year</b>	<b>2,913,152</b>	<b>3,257,674</b>

II. Expense recognized during the year.

	(Amount in Rupees)	
	Gratuity (Un-Funded)	
	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
Current Service Cost	905,476	886,180
Interest Cost	260,614	245,693
Past Service Cost -Vested Benefit	-	21,498
Actuarial (gain)/loss	(1,510,612)	(80,678)
<b>Net Cost</b>	<b>(344,522)</b>	<b>1,072,693</b>

III. Actuarial assumptions.

	Gratuity (Un-Funded)	
	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
Discount Rate	8.50%	8.00%
Rate of Escalation in Salary	15.00%	10.00%

**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.2,60,288/- (Previous Year Rs.23,64,714/-)
- 44 **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.

	(Amount in Rupees)	
	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
Net Profit/ (Loss) after tax as per the Statement of Profit & Loss	(17,238,889)	41,736,516
Adjustment for Preference Dividend on Cumulative Preference Shares	(11,025,000)	(11,025,000)
Net Profit/ (Loss) after Adjustment	(28,263,889)	30,711,516
Weighted average number of shares outstanding during the year	660,000	660,000
Basis and Diluted Earning Per Share	(42.82)	46.53
Face Value Per Equity Share	10	10



NEELKAMAL REALTORS SUBURBAN PVT.LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

45 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.	<b>Holding Company:</b> D B Realty Limited
b.	<b>Fellow Subsidiaries:</b> Neelkamal Realtors Tower Private Limited Gokuldharm Real Estate Development Company Private Limited Real Gem Buildtech Pvt Ltd
c.	<b>Enterprises on which director(s) of the Company exercise significant influence (Associated Enterprises):</b> K.G.Enterprises Nihar Construction Company Private Limited Suraksha DB Realty Conwood Construction & Developers Pvt.Ltd. Mira Salt Works Company
d.	<b>Enterprises under joint control of the Holding Company (Jointly Controlled Entities):</b> Dynamix Realty
e.	<b>Relatives of Directors</b> Mr. Salim Balwa (Upto 9th February 2011) Mrs.Aseela Goenka

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

(Amount in Rupees)

Description of Transactions	Holding Company	Fellow Subsidiaries	Associated Enterprises	Jointly Controlled Entities	Relative of Director
<b>Loans Taken</b>					
Opening Balance	161,531,314 (945,131,585)	- (-)	- (-)	- (-)	- (-)
Taken during the year	137,500,000 (446,000,000)	- (-)	- (-)	- (-)	- (-)
Interest Expenses	33,930,899 (151,468,882)	- (-)	- (-)	- (-)	- (-)
Repaid during the year	17,472,543 (1,381,069,153)	- (-)	- (-)	- (-)	- (-)
Closing Balance	315,489,670 (161,531,314)	- (-)	- (-)	- (-)	- (-)
<b>Reimbursement of Expenditure incurred on behalf of the Company</b>					
Transaction during the year	- (20,104)	- (-)	- (36,633)	- (-)	- (-)
Closing Balance	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Expenditure incurred by the Company on behalf of others</b>					
Transaction during the year	10,440 (-)	- (24,485)	1,800 (540)	- (-)	- (-)
Closing Balance	- (-)	- (-)	- (540)	- (-)	- (-)



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

<b>Sale of Flat</b>					
Opening Balance	-	-	-	-	663,986
Transaction during the year ( To the extent of Revenue Recognised)	(-)	(-)	(-)	(-)	(377,437)
Adjusted against Transfer	-	-	-	-	663,986
Closing Balance	(-)	(-)	(-)	(-)	(-)
<b>Advances Received/Repaid back against Sale of Flat</b>					
Opening Balance	-	-	-	-	-
Amount Received/Adjusted	(-)	(-)	(-)	(-)	(1,000,000)
Closing Balance	(-)	(-)	(-)	(-)	(1,000,000)
<b>Charges for Use of Premises by the Company</b>					
Transaction during the year	(-)	(-)	5,092,870 (4,274,039)	-	150,000 (300,000)
Closing Balance	(-)	(-)	93,920 (154,885)	-	(-)
<b>Reimbursement of Statutory Obligation paid on behalf of the Company</b>					
Opening Balance	(-)	(-)	(-)	(-)	(-)
Incurred during the year	(-)	(-)	9,835,953 (-)	125,028 (-)	(-)
Adjusted during the year	(-)	(-)	9,835,953 (-)	125,028 (-)	(-)
Closing Balance	(-)	(-)	(-)	(-)	(-)

**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

**46 Previous Year Figures:**

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

Signatures to Notes 1 to 46

In terms of our report of even date attached

For M.A PARIKH & CO.  
Chartered Accountants

*C. Ghelani*

PARTNER  
Name : Chintan Ghelani  
Membership No. : 132791



Place : Mumbai  
Date : 19<sup>th</sup> May 2012

For and 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