

NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31st MARCH, 2011

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 Annual General Meeting of the members of Neelkamal Realtors Suburban Private Limited will be held on Tuesday, 20th September, 2011 at 4.00 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, 2011, the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Saraf, who retires by rotation and being eligible offers himself for reappointment
3. To re-appoint M/s. M.A.Parikh & Co, Chartered Accountants (Reg. No.107556W) the retiring auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Mohammed Balwa who was appointed as Additional Director by the Board of Directors of the Company with effect from 23rd October, 2010 pursuant to the Provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

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

“RESOLVED THAT Mr. Janak Desai who was appointed as Additional Director by the Board of Directors of the Company with effect from 11th August, 2011 pursuant to the Provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

BY ORDER OF THE BOARD OF DIRECTORS
For **NEELKAMAL REALTORS SUBURBAN PVT. LTD.**

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JMT

PLACE: MUMBAI
DATE: 11.08.2011

Ashok Saraf
ASHOK SARAF
(CHAIRMAN)

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2) THE INSTRUMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 3) THE RELATIVE EXPLANATORY STATEMENT IN RESPECT OF ITEM NO 4 & 5 IS ANNEXED HERETO.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE DATED 11.08.2011 OF THE ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM 4

Mr. Mohammed Balwa was appointed as Additional Director at the Board Meeting held on 23rd October, 2010 and he holds his office up to the date of the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received a notice from a member proposing him as Director pursuant to the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the resolution for your acceptance.

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

ITEM 5

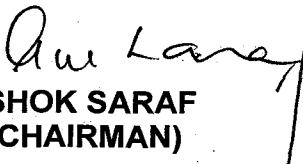
Mr. Janak Desai was appointed as Additional Director at Board Meeting held on 11th August, 2011 and he holds his office up to the date of the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received a notice from a member proposing him as Director pursuant to the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the resolution for your acceptance.

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

**BY ORDER OF THE BOARD OF DIRECTORS
For NEELKAMAL REALTORS SUBURBAN PVT. LTD.**

**PLACE: MUMBAI
DATE: 11.08.2011**


**ASHOK SARAF
(CHAIRMAN)**

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, 2011:

STATUUS OF THE COMPANY'S PROJECT:

Your Company is implementing a project for construction of a 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:

In accordance with the Percentage Completion Method in recognition of Revenue of the Project followed by the Company, the Company has during the year recognized revenue from the sale of flats in proportion to the construction cost excluding cost incurred in relation to acquisition of land and its development rights incurred upto 31st March, 2011 as percentage of the estimated cost. Project expenses in the same ratio have been charged to the Profit and Loss Account. The Operating results of the Company are as under:

	For the financial year ended 31st March,2011 (Amount in Rs.)	For the financial year ended 31st March,2010 (Amount in Rs.)
Income	1,65,97,73,976	2,59,34,35,725
Less :Expenditure	1,58,33,04,293	1,88,29,69,134
Profit / (Loss) Before TaX	7,64,69,683	71,04,66,591
Less: Provision for Taxation	3,47,33,167	23,49,17,027
Profit / (Loss) after Tax	4,17,36,516	47,55,49,564
Balance brought forward from the previous year	41,35,91,705	(6,19,57,859)
Balance Carried over to Balance Sheet	45,53,28,221	41,35,91,705

DIVIDEND:

In order to conserve recourses for the completion of the Project, the Directors do not recommend any dividend for the year.

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STATUS OF THE COMPANY

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

DIRECTORS

Mr. Asif Balwa ceased to be Director with effect from 23rd October, 2010 and the Board placed on record its appreciation for the services rendered by him during his tenure of Directorship.

Mr. Mohammed Balwa was appointed as Additional Director with effect from 23rd October, 2010 and he holds office up to the date of the annual general meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received Notice in writing from a member proposing his appointment as Director subject to retirement by rotation.

Mr. Vinod Goenka ceased to be Managing Director with effect from 1st October, 2010 and continues as a Director on the Board.

Your Company is a material subsidiary Company of D B Realty Limited, the holding Company and hence Mr. Karunchand Srivastava, an independent Director on the Board of the holding Company was appointed as an independent Director in the Company with effect from 29th January, 2011 in accordance with Clause 49 of the Listing Agreement Mr. Karunchandra Srivastava has resigned as Director of D B Realty Limited with effect from 17th May, 2011 and hence Mr. Janak Desai, being an Independent Director of Holding Company was co-opted as Independent Director in the Company under Clause 49 of Listing Agreement with effect from 11th August, 2011. He was appointed as Additional Director and he holds office up to the date of the annual general meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received Notice in writing from a member proposing his appointment as Director subject to retirement by rotation.

Mr. Ashok Saraf retires at the ensuing Annual General Meeting and being eligible offers himself for re- appointment

AUDIT COMMITTEE

Consequent to the resignations Mr. Asif Balwa and Mr. Karunchandra Srivastavaa, the Audit Committee was reconstituted by inducting Mr. Vinod Goenka and Mr. Janak Desai as members of the Audit Committee.

The present members of the committee after reconstitution are:

1. Mr. Vinod Goenka,
- 2 Mr. Janak Desai
3. Mr. Ashok M. Saraf

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

AUDITOR'S REPORT

The Auditors without qualifying the opinion have drawn the attention to Note No C-6 of schedule 19 and Note No C-8 of schedule 19 of the Audited Accounts. In the opinion of the Board, these notes are self- explanatory,

DIRECTORS RESPONSIBILITY STATEMENT:

The Directors state:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2011, 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, 2011 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.

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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.

During the year under review, the Company did not have any foreign exchange earnings or outgo.

AUDITORS:

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

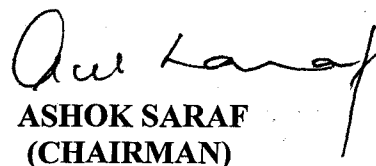
ACKNOWLEDGEMENT:

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

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

JMT

**Place : Mumbai
Date : 11.08.2011**


**ASHOK SARAF
(CHAIRMAN)**

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS
AUDITORS' REPORT

To the Members of Neelkamal Realtors Subarban Pvt. Ltd.

1. We have audited the attached Balance Sheet of **Neelkamal Realtors Subarban Pvt. Ltd.** ('the Company') as at March 31, 2011 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 here-in-above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



- (f) Without qualifying our opinion, we draw your attention to the following:
- (i) Note No C-6 of Schedule 19 of the Audited Accounts for inclusion of accrued revenue from sale of flats in the amount of sundry debtors;
 - (ii) Note No C-8 of Schedule 19 of the Audited Accounts for the impact on the profit for the year on account of change in the estimate of project costs as compared to last year; and
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2011;
 - (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
 - (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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



C. Ghelani

Partner
Name: Chintan Ghelani

Membership No. 132791

Mumbai, Dated: 30 MAY 2011

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

1. Fixed Assets

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

2. Inventories

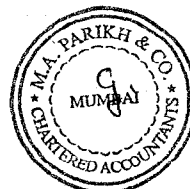
- (a) The Company is in the business of real estate development and as up to the year-end the project undertaken for development and construction is in progress. The inventory consists of units under construction and building materials. Normally, building materials purchased are issued to the contractors 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. In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loans from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding at any time during the year is Rs. 139,48,12,981/- and the year-end balance of the said loans was Rs. 16,15,31,314/-.
- (c) The said loans are with interest and repayable on demand. According to the information and explanations given to us, the rate of interest and the other terms and conditions of the said loans are prima facie not prejudicial to the interest of the Company.



- (d) Since the said loans and interest thereon are repayable on demand, the question of repayment being regular does not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and inventory and for the sale of flats. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said areas.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that needed to be entered into the register required to be maintained under the said section have been so entered.
- (b) There is one such transaction 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 internal audit. In our opinion, the function is commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the activities carried on by the Company.
9. Statutory Dues
- (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, the Company except for delay in depositing the Value Added Tax and payment of advance tax for the financial year concerned, is regular in depositing the other undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax 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, 2011 for a period of more than six months from the date they became payable except for non-payment of advance tax due as upto 15th September, 2010 amounting Rs. 1,50,63,233/-.



- (b) The Company has disputed the levy of service tax on sale of residential flats and the dispute is pending before the Hon' High Court of Bombay. Attention is drawn to Note No C-3 in Schedule 19 of the Audited Accounts in this regard. Except for the same, according to the information and explanations given to us, there are no other disputed dues of Income – tax / Value Added tax / Custom duty / Excise duty / Cess.
10. The Company does not have any accumulated losses. The Company has not incurred cash losses in the financial year concerned and in the immediately preceding financial year.
 11. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to a bank and financial institution.
 12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the requirements of Clause 4(xii) of the Order are not applicable.
 13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the requirements of Clause 4(xiii) of the Order are not applicable.
 14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the requirements of Clause 4(xiv) of the Order are not applicable.
 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the requirements of Clause 4(xv) of the Order are not applicable.
 16. 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



Name: Chintan Ghelani Partner

Membership No. 132791

Mumbai, Dated:- 30 MAY 2011

NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH' 2011

	Schedules	Rs.	As at 31.03.11	As at 31.03.10
			Rs.	Rs.
SOURCES OF FUNDS:				
Shareholders' Funds				
Share Capital	1	111,600,000		111,600,000
Reserves & Surplus	2	455,328,221	566,928,221	413,591,705
				525,191,705
Loan Funds				
Secured Loans	3	1,319,086,417		201,505,189
Unsecured Loans	4	161,531,314	1,480,617,731	945,131,535
				1,146,636,774
TOTAL RUPEES			2,047,545,952	1,671,828,479
APPLICATION OF FUNDS:				
Fixed Assets				
Gross Block	5	2,861,594		2,430,815
Less: Accumulated Depreciation		1,489,750	1,371,844	1,028,613
Net Block				1,402,202
Deferred Tax Asset (Net)	6		2,530,285	1,812,973
Current Assets, Loans & Advances				
Inventories	7	1,294,668,011		1,602,841,975
Sundry Debtors	8	1,989,690,321		1,235,155,363
Cash and Bank Balances	9	10,530,568		6,483,262
Loans and Advances	10	320,015,306		265,091,941
		3,614,904,206		3,109,572,541
Less: Current Liabilities & Provisions				
Current Liabilities	11	358,536,067		183,774,172
Provisions	12	1,212,724,316		1,257,185,065
		1,571,260,383		1,440,959,237
Net Current Assets			2,043,643,823	1,668,613,304
TOTAL RUPEES			2,047,545,952	1,671,828,479

Notes to Accounts

19

In terms of our report of even date attached

For M.A.PARIKH & CO
Chartered Accountants

FOR AND BEHALF OF BOARD OF
DIRECTORS

PARTNER
Name: *Chintan Yhelani*
Membership No: 132791



Ashok Saraf
(Mr. Ashok Saraf)
CHAIRMAN

Mohammed Bajwa
(Mr. Mohammed Bajwa)
DIRECTOR

Samir Choksi
(Mr. Samir Choksi)
DIRECTOR

Place : Mumbai
Dated :

30 MAY 2011

Place : Mumbai

Dated : **30 MAY 2011**

NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

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

Schedules	For the Year Ended 31-03-2011 Rs.	For the Year Ended 31-03-2010 Rs.
INCOME:		
Revenue from Sale of Flats	1,645,565,986	2,586,852,723
Interest Income	13 13,207,990	6,549,011
Other Income	14 1,000,000	33,991
TOTAL RUPEES	1,659,773,976	2,593,435,725
EXPENDITURE :		
Project Expenses	15 1,209,200,647	1,871,050,431
(Increase) / Decrease in Inventories	16 308,173,964	(55,720,720)
Establishment Expenses	17 39,000,074	42,295,164
Financial Charges	18 26,468,471	-
Depreciation	4 461,137	25,344,259
TOTAL RUPEES	1,583,304,293	1,882,969,134
Profit Before Tax	76,469,683	710,466,591
Provision for Taxation:		
- Current Tax	(28,703,000)	(236,730,000)
- Deferred Tax	717,312	1,812,973
- Prior Year Tax Adjustments	(6,747,479)	-
	(34,733,167)	(234,917,027)
Profit After Tax	41,736,516	475,549,564
Balance Brought Forward	413,591,705	(61,957,859)
Balance Carried to Balance Sheet	455,328,221	413,591,705
Basic and Diluted Earnings per Equity Share	47	704
Face Value per Equity Shares	10	10

Notes to Accounts

19

In terms of our report of even date attached

For M.A.PARIKH & CO
Chartered Accountants

C. Ghelani
PARTNER
Name: Chintan Ghelani
Membership No: 132791



Place : Mumbai
Dated :

30 MAY 2011

FOR AND BEHALF OF BOARD OF
DIRECTORS

Ashok Saraf
(Mr. Ashok Saraf)
CHAIRMAN

Mohammed Balwa
(Mr. Mohammed Balwa)
DIRECTOR

Samir Choksi
(Mr. Samir Choksi)
DIRECTOR

Place : Mumbai
Dated :

30 MAY 2011

NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2011

	For the Year Ended 31.03.11		For the Year Ended 31.03.10	
	Rs.	Rs.	Rs.	Rs.
(A) Cash Flow From Operating Activities:				
Profit/(Loss) before taxation and extraordinary items		76,469,683		710,466,591
Adjustments for:				
Interest Income	(13,207,990)		(6,549,011)	
Profit on sale of fixed assets	-		(15,753)	
Depreciation	461,137		25,344,259	
Interest Expenses	188,896,214		272,000,787	
Provision for Land Cost	65,457,935		302,655,930	
Provision for Leave Encashment	1,308,024		1,486,848	
Provision for Gratuity	1,072,693	243,988,013	990,202	595,913,262
Operating Income before Working Capital Changes		320,457,696		1,306,379,853
Working Capital Changes:				
Inventories	308,173,964		753,374,654	
Debtors	(754,534,958)		(1,235,155,363)	
ances	(29,184,257)		48,173,117	
Current Liabilities	174,761,895	(300,783,356)	146,053,603	(287,553,989)
Cash Flow from Operating Activities		19,674,340		1,018,825,864
Income Tax paid		(147,749,880)		(94,423,978)
Net Cash Flow generated/ (used) from/ in Operating Activities		(128,075,540)		924,401,886
(B) Cash Flow From Investing Activities:				
Interest Income	13,207,990		4,336,957	
Sale of Fixed Assets	-		31,505	
Loans (Granted)/ Refunded back	(25,739,108)		(43,834,822)	
Purchase of Fixed Assets	(430,779)		(674,520)	
Net Cash (used)/ generated in/ from Investing Activities		(12,961,897)		(40,140,880)
(C) Cash Flow From Financing Activities:				
Borrowings (Net)	333,980,957		(608,622,424)	
Financial Charges	(188,896,214)		(270,495,598)	
Net Cash (used)/ generated in/ from Financing Activities		145,084,743		(879,118,022)
Net Increase in Cash and Cash Equivalents		4,047,306		5,142,984
Add: Cash and Cash Equivalents (Opening)		6,483,262		1,340,278
Cash and Cash Equivalents (Closing)		10,530,568		6,483,262
(D) Cash and Cash Equivalents includes:				
Cash on hand		81,639		86,612
Bank Balances		10,448,929		6,396,650
		10,530,568		6,483,262

For M.A.PARIKH & CO
Chartered Accountants

C. Ghelani

PARTNER

Name: **Chintan Ghelani**

Membership No:

132791



FOR AND BEHALF OF BOARD OF
DIRECTORS

Ashok Saraf
(Mr. Ashok Saraf)
CHAIRMAN

Mohammed Balwa
(Mr. Mohammed Balwa)
DIRECTOR

S. A. Choksi
(Mr. Samir Choksi)
DIRECTOR

Place : Mumbai

Dated :

30 MAY 2011

Place : Mumbai

Dated :

30 MAY 2011

NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE:1		
SHARE CAPITAL:		
AUTHORISED		
750,000 (Previous Year 750,000) Equity Shares of Rs.10/- each	7,500,000	7,500,000
1,050,000 (Previous Year 1,050,000) 10.50% Redeemable Cumulative Preference Shares of Rs.100/- each	105,000,000	105,000,000
TOTAL RUPEES	112,500,000	112,500,000
ISSUED, SUBSCRIBED & PAID UP:		
660,000 (Previous Year 660,000) Equity Shares of Rs.10/- each, fully paid up	6,600,000	6,600,000
1,050,000 (Previous Year 1,050,000) 10.50% Redeemable Cumulative Preference Shares of Rs.100/- each, fully paid up	105,000,000	105,000,000
TOTAL RUPEES	111,600,000	111,600,000
SCHEDULE:2		
RESERVES & SURPLUS		
Surplus as per annexed Profit & Loss Account	455,328,221	413,591,705
TOTAL RUPEES	455,328,221	413,591,705
SCHEDULE:3		
SECURED LOANS:		
Term Loans:		
Bank of India		201,505,189
Was Secured by :		
(a) First mortgage charge / First charge, on a pari passu basis, on the entire project assets, both present and future, including equitable mortgage of land & building (under construction)		
(b) Personal guarantee of some of the Directors		
Note: Includes interest accrued and due of Rs. Nil (Previous Year Rs. 1,505,189/-)		
Housing Development Finance Corporation Limited	1,319,086,417	
Secured by:		
(a) Mortgage of land situated at Dahisar (East) which has been undertaken for development and construction.		
(b) Exclusive charge on the receivables emanating from sale of flats of the project undertaken for development and construction on the above land, both present and future.		
(c) Personal guarantee of Directors of the Company/Holding Company		
TOTAL RUPEES	1,319,086,417	201,505,189
SCHEDULE:4		
UNSECURED LOAN:		
Holding Company	161,531,314	945,131,585
TOTAL RUPEES	161,531,314	945,131,585



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE : 5

FIXED ASSETS (AT COST LESS DEPRECIATION)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.10 Rs.	ADDITIONS Rs.	DELETION Rs.	AS AT 31.03.11 Rs.	AS AT 01.04.10 Rs.	PROVIDED OR THE YEAR Rs.	DELETIONS Rs.	AS AT 31.03.11 Rs.	AS AT 31.03.11 Rs.	AS AT 31.03.10 Rs.
FURNITURE & FIXTURES	647,220	44,550		691,770	269,657	71,827	-	341,484	350,286	377,563
OFFICE EQUIPMENTS	485,728	96,624	-	582,352	104,798	64,905	-	169,703	412,649	380,930
COMPUTERS	1,297,867	289,605	-	1,587,472	654,158	324,405	-	978,563	608,909	643,709
TOTAL RUPEES	2,430,815	430,779	-	2,861,594	1,028,613	461,137	-	1,489,750	1,371,844	1,402,202
PREVIOUS YEAR	58,497,808	674,520	56,741,513	2,430,815	32,410,115	25,344,259	56,725,761	1,028,613	1,402,202	26,087,693

Note: Depreciation allocated to Establishment Expenses Rs. 461,137/- (Previous Year : 423,249/-)



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE:6		
DEFERRED TAX (ASSET)/LIABILITY (NET)		
Deferred Tax Liability		
Difference between book & tax depreciation	38,289	34,971
Deferred Tax Asset:		
Disallowance of Provision for Gratuity	1,056,952	725,851
Disallowance of Provision for Leave Encashment	1,502,940	1,104,314
Deduction of Preliminary Expenditure	8,682	17,779
	2,568,574	1,847,944
TOTAL RUPEES	(2,530,285)	(1,812,973)
SCHEDULE:7		
INVENTORIES:		
(At cost, taken valued and certified by a Director)		
Project Work in Progress	1,294,668,011	1,602,841,975
TOTAL RUPEES	1,294,668,011	1,602,841,975
SCHEDULE:8		
SUNDRY DEBTORS		
(Unsecured - Considered Good)		
- Outstanding for more than six months	2,561,156	16,913,313
- Outstanding for less than six months	1,987,129,165	1,218,242,050
(Refer Note No. C-6 of Schedule 19)		
TOTAL RUPEES	1,989,690,321	1,235,155,363
SCHEDULE:9		
CASH & BANK BALANCES:		
Cash on hand	81,639	86,612
Balance with Scheduled Banks in Current Accounts	10,448,929	6,396,650
TOTAL RUPEES	10,530,568	6,483,262
SCHEDULE:10		
LOANS AND ADVANCES:		
(Unsecured, Considered Good)		
Loans	117,729,956	91,990,848
Advances recoverable in cash or in kind or for value to be received	171,158,554	141,974,297
Interest Free Performance Refundable Deposit	29,000,000	29,000,000
Other Deposits	2,126,796	2,126,796
TOTAL RUPEES	320,015,306	265,091,941
SCHEDULE:11		
CURRENT LIABILITIES:		
Sundry Creditors		
- Micro Enterprises and Small Enterprises		
- Others	255,029,326	156,369,991
Advances received against Sale of Flats/Car Parking	255,029,326	156,369,991
Other Liabilities	83,563,564	3,936,174
	19,943,177	23,468,007
TOTAL RUPEES	358,536,067	188,774,172
SCHEDULE:12		
PROVISIONS:		
Gratuity	3,257,674	2,184,981
Leave Encashment	4,632,269	3,324,245
Taxation (Net of taxes paid)	27,625,135	139,924,535
Estimated Land Cost	1,177,209,238	1,111,751,304
TOTAL RUPEES	1,212,724,316	1,257,185,065



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
	Rs.	Rs.
SCHEDULE:13		
INTEREST INCOME		
Delay payment from Allottees	2,189,985	-
Income Tax Refund	273,054	-
Deposit (Gross)(*)	2,625	28,875
Loans (Gross)(*)	10,742,326	6,520,136
(Tax Deducted at Source Rs.10,74,233/- (Previous. Year 9,69,450/-)		
TOTAL RUPEES	13,207,990	6,549,011
SCHEDULE:14		
OTHER INCOME		
Sundry credit balance written back	-	18,238
Amount Forfeited Against Cancellation of Flats	1,000,000	-
Profit on sale of fixed Assets	-	15,753
TOTAL RUPEES	1,000,000	33,991
SCHEDULE:15		
PROJECT EXPENSES:		
Compensation for acquiring land/ development Rights	297,616,121	1,220,373,517
Direct cost of construction	917,555,377	462,285,589
Construction overheads:		
- Salaries, wages and bonus	22,046,372	11,884,070
- Contribution to Provident Fund and other Allied Funds	382,623	279,235
- Staff Welfare and other amenities	4,164,039	2,220,550
- Other construction overheads	10,698,087	10,628,896
	37,291,121	25,012,751
Interest	166,691,214	271,783,787
Other Financial charges	22,205,000	217,000
	1,441,358,833	1,979,672,644
Less: Cost of construction towards acquisition of land	232,158,186	108,622,213
TOTAL RUPEES	1,209,200,647	1,871,050,431
SCHEDULE:16		
(INCREASE) / DECREASE IN INVENTORIES		
Balance as of commencement of the year:		
- Project work in progress	1,602,841,975	1,547,121,255
Less:		
Balance as of end of the period:		
- Project work in progress	1,294,668,011	1,602,841,975
TOTAL RUPEES	308,173,964	(55,720,720)



NEELKAMAL REALTORS SUBURBAN PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
	Rs.	Rs.
SCHEDULE:17		
ESTABLISHMENT EXPENSES		
Compensation Paid (Refer Note No. C-2.1 (a) & C-2.1 (b) of Schedule 19)	12,000,000	24,000,000
<i>Payment to and Provision for employees:</i>		
- Salaries and Allowances	11,281,294	7,944,565
- Contribution to Provident Fund and Allied Funds	195,552	142,063
- Staff Welfare Expenses	107,792	102,458
	11,584,638	8,189,086
Rent, Rates & Taxes	4,123,561	3,882,571
Repairs & Maintenance	34,176	139,193
Legal and Professional charges	1,664,814	980,146
Donation	-	1,000,000
Advertisement and Publicity	869,627	1,919,670
Brokerage	6,668,839	-
Printing, Postage & Telephone expenses	349,297	330,972
Conveyance, Travelling & Vehicle expenses	169,877	346,910
Auditors' Remuneration (including Service Tax)	553,982	392,030
Miscellaneous expenses	981,263	1,114,586
	39,000,074	42,295,164
TOTAL RUPEES		
SCHEDULE 18		
FINANCIAL CHARGES		
Interest on Loans	193,159,685	271,783,787
Other Finance Charges	22,205,000	217,000
	215,364,685	272,000,787
Less: Transferred to Project Expenses	188,896,214	272,000,787
TOTAL RUPEES	26,468,471	-



SCHEDULE - 19

NOTES TO ACCOUNTS:

A. 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).

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1 **Basis of preparation of Financial Statements**

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

2 **Use of Estimates**

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

3 **Fixed Assets and Depreciation**

Fixed Assets are capitalized at cost of acquisition/ construction inclusive of expenses incidental thereto relevant in bringing the asset to its 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.

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.

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.

6 **Impairment of Assets**

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



7 Revenue Recognition

Revenue from construction and development of the Project is recognized on the basis of Percentage of Completion method. 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.

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.

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.

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.

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.

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



C OTHER NOTES

1 The Company is a subsidiary of D B Realty Limited, which has become a "public company" w.e.f. 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.

2 Land Cost:

2.1 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 31.03.2011	(Amount in Rupees)
			Outstanding amount of provision as of 31.03.2011
Estimated construction cost referable to the saleable area to be provided by the Company free of cost to the respective party	443,107,138	191,080,141	252,026,996

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. 36,00,000/- as up to 31st March.2011, being the liability which the Company estimates it would have to pay towards its said obligation in terms of Joint Venture Agreement.
- (b) Further, notwithstanding that the Company has paid such compensation for the Month of April 11 and May 11 aggregating to Rs. 40,00,000/-, no provision therefor as well as for the amount that the Company would have to pay towards its said obligation has been provided for in these accounts as the Company expects to settle the said obligation at Rs. 3,60,00,000/- which has been paid and charged off to the Profit and Loss Account up to 31st March 2011.
- (c) Interest free performance refundable deposit paid by the Company on execution of above Joint Venture Agreement is 29,00,000 (Previous Year: Rs. 29,00,000)
- 2.2 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 31.03.2011	(Amount in Rupees)
			Outstanding amount of provision as of 31.03.2011
Estimated construction cost referable to the residential complex	909,883,000	149,700,258	760,182,742

2.3 The Company, keeping in view the maximum potential of the land on which the Project is being constructed, has to acquire Transferrable Development Right(s) for the purpose of completion of Project. Similarly, for the part of the land on which Project is being constructed the consideration has not been finalised with the vendor. Pending such acquisition/ finalisation, in these accounts, provision has been made for the estimated cost of purchase of TDR/ Land. The details of provision made is as under:

Sr. No	Particulars	Amount Provided	Amount Adjusted on Purchase of TDR	(Amount in Rupees)
				Outstanding amount of provision as of 31.03.2011
(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
	Total	164,999,500	-	164,999,500

2.4 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.

3 Service Tax on Sale of Residential Flats

The Company is a member of Maharashtra Chambers of Housing Industry (MCHI). MCHI, on behalf of its Members, has filed a writ petition in the High Court of Bombay challenging the levy of service tax by them on Sale of Residential Flats, which has not reached its finality. Meanwhile, the High Court of Bombay have passed a Notice of Motion dated 18th February, 2011, whereby the Members are permitted to deposit the service tax with the Prothonotary & Senior Master/ Registrar (O.S.) of the Court, with a direction that the same will be refunded with interest in the event Members succeed in the said writ petition. In view of the same, the Company has demanded the amount of service tax from each of the purchasers after 31st March 2011 and the amount of such service tax as up to 31st March 2011 is Rs. 20,087,967. The Company is of the view that the same is required to be deposited as and when collected from the purchasers. The Management of the Company has taken adequate steps for recovering of such service tax and are of the opinion that the same shall be collected and deposited in due course of time and accordingly, the necessary entries in this regard would be passed in the books of account on collection. Further, in the opinion of the Management of the Company, this litigation will not have any material adverse impact on the state of affairs of the Company.

4 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.



5 **Contingent Liabilities not provided for:**

Particulars	(Amount in Rupees)	
	As on 31.03.2011	As on 31.03.2010
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	800,155
- Relating to Property Tax in relation to Land		3,599,370
Arrears of Dividend in respect of Redeemable Cumulative Preference Shares	59,460,205	48,435,205

6 Sundry Debtors includes Rs. 188,60,17,613/- (Previous Year Rs.119,58,09,851/-) represents accrued revenue in accordance with policy followed for recognition of revenue from sale of flats and does not represent progressive payments due from Allottees as per the terms and conditions of Sale.

7 During the year ended 31st March 2010, upon reaching the threshold limit for recognizing the initial revenue from sale of flats and car parking to the Profit & Loss Account, proportionate revenue in the ratio of construction cost incurred as upto 31st March 2010 to the estimated construction cost of the Project was recognized. Accordingly, the profit before tax for the year ended 31st March 2010 includes the impact of 'Profit' referable to the level of activity of the Project carried out as upto 31st March 2010. To that extent profits for the previous year are not comparable with that of the current year.

8 During the year ended 31st March 2011, the Management of the Company has revised its estimated project cost from Rs.666.98 Crores to Rs.817.20 Crores. On account of such revision, the profit before tax for the current year includes reversal of estimated profits recognised upto 31st March 2010 of Rs. 49.34 Crores. Provision for income tax is made after considering the impact of reversal of such estimated profits.

9 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.

10 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'.

11 During the year, the holding company has charged interest of Rs. 151,468,882/- (Previous year Rs.163,098,975/-) on loans granted to the Company.

12 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.

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

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

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

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

15 **Segment Reporting:**

Keeping in view the object of the Company as that of developing and constructing the Project, it has only one reportable segment and hence separate disclosure requirements of AS-17 Segment Reporting are not applicable.



16 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	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
	Rs.	Rs.
Employer's Contribution to Provident Fund and Allied Funds	578,175	421,298

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 31.03.2011	For the Year Ended 31.03.2010
Defined Benefit obligation at the beginning of the year	2,184,981	1,211,509
Current Service Cost	886,180	710,941
Interest Cost	245,693	148,990
Past Service Cost -Vested Benefit	21,498	-
Actuarial (gain)/loss	(80,678)	113,541
Defined Benefit obligation at the end of the year	3,257,674	2,184,981

II. Expense recognized during the year.

	Gratuity (Un-Funded)	
	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
Current Service Cost	886,180	710,941
Interest Cost	245,693	148,990
Past Service Cost -Vested Benefit	21,498	-
Actuarial (gain)/loss	(80,678)	113,541
Net Cost	1,072,693	973,472

III. Actuarial assumptions.

	Gratuity (Un-Funded)	
	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
Discount Rate	8.00%	8.00%
Rate of Escalation in Salary	10.00%	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 Profit & Loss Account for the year is Rs.23,64,714/- (Previous Year Rs.15,29,371/-)

17 Operating Lease:

Particulars	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
	Rs.	Rs.
Lease payments recognized in the Profit and Loss account	4,123,561	3,882,571
Future Lease Payments		
(a) Not later than one year.	3,301,237	4,296,845
(b) Later than one year but not later than five years.	520,931	7,588,321
(c) Later than five years	-	-
Total of future lease payments	3,822,168	11,885,166

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



18 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.	Name of the Related Party and Relationship
a.	Holding Company: D B Realty Limited
b.	Fellow Subsidiaries: Neelkamal Realtors Tower Private Limited Gokuldam Real Estate Development Company Private Limited Real Gem Buildtech Pvt.Ltd. Conwood DB JV
c.	Enterprises on which director(s) of the Company exercise significant influence (Associated Enterprises): K.G.Enterprises Nihar Construction Company Private Limited Suraksha DB Realty Conwood Construction & Developers Pvt.Ltd. DBS Realty Mira Salt Works Company
d.	Enterprises under joint control of the Holding Company (Jointly Controlled Entities): DB (BKC) Realtors Pvt.Ltd formerly known as M.K.Malls & Developers Private Limited Dynamix Realty Turf Estate Joint Venture
e.	Relatives of Directors Mr. Salim Balwa (Upto 9th February 2011) Mrs.Aseela Goenka

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

Description of Transactions	(Amount in Rupees)				
	Holding Company	Fellow Subsidiaries	Associated Enterprises	Jointly Controlled Entities	Relative of Director
Loans Taken					
Opening Balance	945,131,585 (816,099,469)	- (-)	- (-)	- (-)	- (-)
Taken during the year	446,000,000 (890,500,000)	- (-)	- (-)	- (-)	- (-)
Interest Expenses	151,468,882 (163,098,970)	- (-)	- (-)	- (-)	- (-)
Repaid during the year	1,382,138,306 (924,566,854)	- (-)	- (-)	- (-)	- (-)
Closing Balance	160,462,161 (945,131,585)	- (-)	- (-)	- (-)	- (-)
Interest on Loan Taken					
Transaction during the year	151,468,882 (163,098,970)	- (-)	- (-)	- (-)	- (-)
Reimbursement of Expenditure incurred on behalf of the Company					
Transaction during the year	20,104 (-)	- (-)	- (-)	- (-)	- (-)
Closing Balance	- (4,956,818)	- (-)	- (-)	- (-)	- (-)
Expenditure incurred by the Company on behalf of others					
Transaction during the year	- (-)	24,485 -	37,173 (20,652)	- (58,852)	- (-)
Closing Balance	- (-)	- (314,608)	- (20,652)	- (-)	- (-)
Sale of Flat					
Opening Balance	- (-)	- (-)	- (-)	- (-)	377,437 (847,437)
Transaction during the year (To the extent of Revenue Recognised)	- (-)	- (-)	- (-)	- (-)	286,549 (847,437)
Closing Balance	- (-)	- (-)	- (-)	- (-)	663,986 (377,437)
Advances Received/Repaid back against Sale of Flat					
Opening Balance	- (-)	- (-)	- (-)	- (-)	1,000,000 (-)
Amount Received/Adjusted	- (-)	- (-)	- (-)	- (-)	(1,000,000) (1,000,000)
Closing Balance	- (-)	- (-)	- (-)	- (-)	- (1,000,000)



Charges for Use of Premises by the Company					
Transaction during the year			4,274,039		300,000
	(-)	(-)	(5,209,161)	(-)	(150,000)
Closing Balance			154,885		-
	(-)	(-)	(111,500)	(-)	(-)
Placement of Interest Free Security Deposit					
Opening Balance		(167,500,000)			
	(-)		(-)	(-)	(-)
Placement during the year					
	(-)	(-)	(-)	(-)	(-)
Refunded during the year					
	(-)	(167,500,000)	(-)	(-)	(-)
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

19 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 31.03.2011	For the Year Ended 31.03.2010
Net Profit/ (Loss) after tax as per Profit & Loss Account	41,736,516	475,549,564
Adjustment for Preference Dividend on Cumulative Preference Shares	(11,025,000)	(11,025,000)
Net Profit/ (Loss) after Adjustment	30,711,516	464,524,564
Weighted average number of shares outstanding during the year	660,000	660,000
Basis and Diluted Earning Per Share	47	704
Face Value Per Equity Share	10	10

- 20 Management is of the view that the activities of the Company, being in the nature of construction and development of the Project, the requirements of Para No. 3(i)(a), 3(ii)(a), 4-C and 4-D(a) & (b) of Part II of Schedule VI to the Companies Act, 1956 are not applicable.
21 Previous year's figures have been rearranged and reclassified wherever necessary to confirm with current year's presentation.

Signatures to Schedules 1 to 19

In terms of our report of even date attached

For M.A.PARIKH & CO
Chartered Accountants

PARTNER

Name: Chintan Ghelani
Membership No: 132791



FOR AND BEHALF OF BOARD OF
DIRECTORS

(Mr. Ashok Saraf)
CHAIRMAN

(Mr. Mohammed Balwa)
DIRECTOR

(Mr. Samir Choksi)
DIRECTOR

Place : Mumbai
Dated :

30 MAY 2011

Place : Mumbai
Dated :

30 MAY 2011