

M/S. NINE PARADISE ERECTORS PVT. LTD.

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31st MARCH, 2012

MEHTA CHOKSHI & SHAH

Chartered Accountants

229, Bokadia Mansion,

Princess Street, Mumbai 400 002,

Tel No.: 2205 7309 *2208 8743 *66334067

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

NOTICE

NOTICE is hereby given that the 4th Annual General Meeting of the members of the Company will be held on Saturday, the 1st September, 2012 at 11.30 a.m. at the Registered Office of the Company at DB House, Gen. A K Vaidya Marg, Goregaon East, Mumbai-400063 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2012, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To appoint Director in place of Mr. Suresh Atkur, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as an ordinary resolution:

“RESOLVED THAT M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai, (Reg. No. 106201W) the Auditors of the Company, who are not disqualified to act as Auditors of the Company under section 224(1B) of the Companies Act, 1956 be and are hereby appointed as the Statutory 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 plus re-imbursalment 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 as shall be fixed and agreed between the Statutory Auditors and the Board of Directors of the Company.”

**By order of the Board of Directors
For Nine Paradise Erectors Pvt Ltd**

Date: 24.05.2012
Place: Mumbai

Sd/-
Director

Registered Office:
DB House,
Gen. A K Vaidya Marg,
Goregaon East, Mumbai -400063

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, must be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is annexed to the notice.

DIRECTOR'S REPORT

Dear Members

Your Directors have pleasure in presenting the 4th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2012.

FINANCIAL RESULTS:

(Amount in Rs)

Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
Total Income	9,61,54,341	6,57,534
Total Expenditure including Depreciation	9,62,72,151	8,32,104
Profit/(Loss) before Tax	(1,17,810)	(1,74,570)
Less: Provision for Tax	Nil	Nil
Profit/(Loss) after Tax	(1,17,810)	(1,74,570)

DIVIDEND:

As the Company has not earned any revenue/profits, your Directors do not recommend any dividend.

FIXED DEPOSITS:

Your Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- (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 the Directors had selected such accounting policies and applied them consistently and the Directors 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 loss of the company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a 'going concern' basis.

DIRECTORS:

During the year under review, Mr. Suresh Atkur and Mr. Zahid Bangi, are continuing as Directors of the Company.

Mr. Suresh Atkur, Director retires by rotation and being eligible, offers himself for re-appointment subject to approval of Members in the ensuing Annual General Meeting. The Board recommends his re-appointment as Director of the Company.

AUDITORS:

The Statutory Auditors of the Company M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai (Reg. No. 106201W) retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves, for re-appointment. The Board recommends their re-appointment as the Auditors of the Company.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no employees drawing the remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956.

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

Considering the nature of the business, it is not necessary to give statement showing required particulars in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 read with the provisions of Section 217(1) (e) of the Companies Act, 1956 and hence it has not been annexed hereto.

During the year under review, Foreign Exchange earnings and outgo were Nil.

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the support extended by the Bankers, Office Bearers of the Government Department.

**On behalf of the Board of Directors
For Nine Paradise Erectors Pvt Ltd**

Date: 24.05.2012
Place: Mumbai

Sd/-
Director

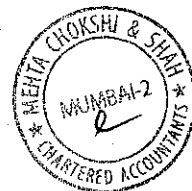
Sd/-
Director

Mehta Chokshi & Shah
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

**To the Members of,
Nine Paradise Erectors Private Limited**

1. We have audited the attached Balance Sheet of **Nine Paradise Erectors Private Limited** ("the Company") as at 31st March, 2012 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 here-in-above, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the 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 accounts;



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A-101, "AADESHWAR" 5, V. P. ROAD, (MANDPESHWAR ROAD), BORIVALI (W), MUMBAI - 400 092.
Tel. 2893 0501 • Telefax : 2893 0503

- d. in our opinion, the Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
- e. in respect of the directors, on the basis of written representations received from the them 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 together 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 31st March, 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 Mehta Chokshi & Shah
Chartered Accountants
Firm Registration Number: 106201W



A handwritten signature in black ink, appearing to be "C.M. Shah".

(C.M. Shah)
Partner
M.No: 47178

Place: Mumbai
Date: 24th May, 2012

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

1. Fixed Assets

The Company does not have any Fixed Assets and therefore clause 4(i)(a), 4(i)(b) and 4(i)(c) of the order are not applicable.

2. Inventories

(a) The Company is in the business of real estate development and up to the year-end the project undertaken for development and construction is in progress. As explained to us, Inventories comprising of expenditure incurred on acquisition of property rights and development thereof were physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, keeping in view the nature of inventory, the procedures of physical verification followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business. As explained to us, no material discrepancies were noticed on physical verification of inventory by the management.

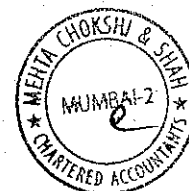
(c) In our opinion and according to the information and explanations given to us, the adequate inventory records have been maintained by the Company.

3. In respect of the loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:

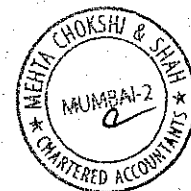
(a) The Company has granted unsecured loans to a Company covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum balance outstanding at any time during the year is Rs.800,591,781/- and the year-end balance of the said loans is Rs. 96,736,507/-

(b) The said loan was with interest and repayable on demand. Since the loan is repayable on demand, the question of overdue amount does not arise.

(c) According to the information and explanations given to us, as regards the terms and conditions of the said loan, the same are prima facie not prejudicial to the interest of the Company.

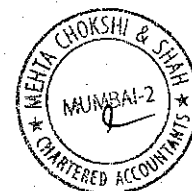


- (d) The Company has taken interest free unsecured loans, repayable on demand, from its holding company and a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding at any time during the year is Rs.1,018,441,781/- and the year-end balance of the said loans is Rs. 304,980,688/-.
- (e) In our opinion, the terms on which the loans have been taken are prima facie not prejudicial to the interest of the Company. We are informed that the amounts of loans were repaid by the Company as and when demanded and hence, the question of default in repayment thereof does not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory. There were no transactions for the sale of flats during the year. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said areas.
5. a) To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 have so been entered.
- b) According to the information and the explanations given to us, where such transactions, are in excess of Rs. 5 lacs in respect of each party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The Company is not required to have an internal audit system.
8. According to the information and explanations given to us, the company does not meet with the threshold limits laid down in rule 3 of the Companies (Cost Accounting Records) Rules, 2011 and therefore are not required to maintain cost records as prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956.



9. **Statutory Dues**

- 9.1 According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts in respect of undisputed statutory dues including Provident Fund, Income tax, Value Added Tax, Custom Duty and applicable other statutory dues have been regularly deposited with the appropriate authorities.
- 9.2 According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.
- 9.3 According to the information and explanations given to us, there are no disputed dues of Income – tax / Value Added tax / Wealth tax / Service tax / Customs duty / Excise duty / Cess and hence, the requirements of disclosure with respect to the amounts involved and the forums where the disputes are pending are not applicable.
10. The Company's accumulated loss exceeds fifty percent of the Net worth of the Company as at the year end. Further, the company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.
11. According to the information and explanations given to us there are no borrowings from financial institutions/banks/debenture holders, hence the question of any defaults in repayment of the dues to them does not arise.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the requirements of Clause 4(xii) of the Order are not applicable.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the requirements of Clause 4(xiii) of the Order are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the requirements of Clause 4(xiv) of the Order are not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the requirements of Clause 4(xv) of the Order are not applicable.
16. The Company has not availed of any term loan and therefore clause 4(xvi) of the said order is not applicable.



17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short – term basis have not been utilized for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the requirements of Clause 4(xviii) of the Order are not applicable.
19. The Company has not issued any debentures. Therefore, the requirements of Clause 4(xix) of the Order are not applicable.
20. The Company has not raised any monies by way of Public Issue. Therefore, the requirements of Clause 4(xx) of the Order are not applicable.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration Number: 106201W



A handwritten signature in black ink, appearing to be "C.M. Shah".

(C.M. Shah)
Partner
M.No: 47178

Place : Mumbai

Date: 24th May, 2012

Nine Paradise Erectors Private Limited

Balance Sheet as at 31st March, 2012

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	100,000	100,000
Reserve and Surplus	4	(385,391)	(267,581)
Non-current liabilities			
Other Long term liabilities	5	5,596	5,596
Current liabilities			
Short-term borrowings	6	304,980,688	912,641,781
Trade payables	7	945,239	1,184,569
Other Current Liabilities	8	18,713,638	113,145,305
Total		324,359,770	1,026,809,670
Assets			
Non-current assets			
Non-current investment	9	700	700
Current assets			
Inventories	10	218,704,481	217,100,631
Cash and cash equivalents	11	116,677	350,805
Short-term loans and advances	12	105,537,912	809,357,534
Total		324,359,770	1,026,809,670

Significant accounting policies and notes on
Financial statements

1 to 28

As per our attached report of even date

For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

Name : C M Shah
Partner
Membership No. : 47178

Place : Mumbai
Date : 24 MAY 2012



For and Behalf of the Board

(Suresh Atkur)
Director

(Zahid Bangi)
Director

Place : Mumbai
Date : 24 MAY 2012

Nine Paradise Erectors Private Limited

Statement of Profit and Loss for the year ended 31st March, 2012

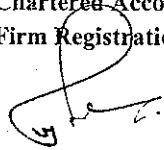
(Amount in Rs.)			
Particulars	Note No.	For the year Ended 31st March, 2012	For the year Ended 31st March, 2011
Income :			
Revenue from operations		-	-
Other Income	13	96,154,341	657,534
Total Income		96,154,341	657,534
Expenditure :			
Project Expenses	14	1,603,850	217,100,631
(Increase)/Decrease In Inventories	15	(1,603,850)	(217,100,631)
Finance costs		96,154,341	657,534
Other expenses	16	114,362	108,278
Share of Loss from Limited Liability Partnership		3,448	66,292
Total expenses		96,272,151	832,104
Profit/(Loss) before tax		(117,810)	(174,570)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/ (Loss) for the year		(117,810)	(174,570)
Earnings per share:			
Basic and Diluted (Refer note no. 19)		(11.78)	(17.46)

Significant accounting polices and notes on
Financial Statements

1 to 28

As per our attached report of even date

For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W



Name : C M Shah
Partner
Membership No. : 47178



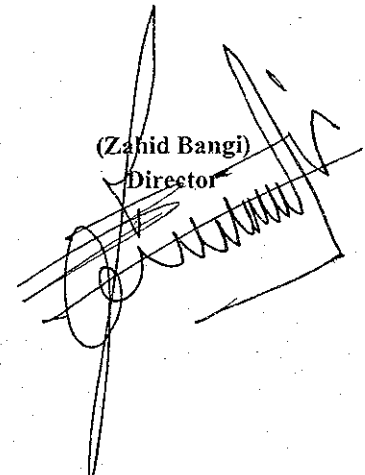
Place : Mumbai
Date : 24 MAY 2012

For and Behalf of the Board



(Suresh Atkur)
Director

Place : Mumbai
Date : 24 MAY 2012



(Zahid Bangi)
Director

Nine Paradise Erectors Private Limited

Cash Flow Statement for the year ended 31st March 2012

(Amount in Rs.)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Cash Flow From Operating Activities:		
Profit / (Loss) Before Tax	(117,810)	(174,570)
Adjustment		
Interest received	(96,154,341)	(657,534)
Interest Paid	96,154,341	657,534
Working Capital Adjustments		
Increase/(Decrease) in current liabilities	(94,670,997)	114,287,510
Increase/(Decrease) in Inventories	(1,603,850)	(217,100,631)
Increase/(Decrease) in Loans and Advance	(703,819,622)	-
Cash from Operating Activities	(96,392,657)	(102,987,691)
Less: Taxes paid	9,615	-
Net Cash generated/(used) from Operating Activities	A (96,402,272)	(102,987,691)
Cash Flow From Investing Activities:		
Investment made	-	(700)
Loan Granted	703,819,622	(809,357,534)
Interest received	96,163,956	657,534
Net Cash generated/(used) from Investing Activities	B 799,983,578	(808,700,700)
Cash Flow From Financing Activities:		
Loan Accepted /Repaid	(607,661,093)	912,641,781
Interest Paid	(96,154,341)	(657,534)
Net Cash generated/(used) from Financing Activities	C (703,815,434)	911,984,247
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(234,128)	295,856
Add: Cash & Cash Equivalents (Opening)	350,805	54,949
Cash & Cash Equivalents (Closing)	116,677	350,805
Cash and cash Equivalents includes:		
Cash on hand	4,402	9,300
Bank Balances	112,275	341,505
	116,677	350,805

As per our attached report of even date

For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

Name : C M Shah
Partner
Membership No. : 47178

Place : Mumbai
Date : 24 MAY 2012



For and Behalf of the Board

(Suresh Atkur)
Director

(Zahid Bang)
Director

Place : Mumbai
Date : 24 MAY 2012

Notes Forming Part of Financial Statements

1 Company Background

The Company has entered into a Agreement of Assignment dated 09.04.2010 towards acquiring 55% share in a property situated at Rippon Road, Cross Land, Madanpura, Mumbai Central, Mumbai admeasuring approximately 7015.94 sq. meters with a intention to develop and construct Residential buildings. However the final rights of the property will get transferred only after the disposal of the suit pending before Bombay High Court. Considering the precedents in similar cases ,the company is hopeful of favorable ruling in its favour

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 the mandatory Accounting Standards prescribed by the Central Government, in consolation with National Advisory Committee, Accounting standards, under the Companies (Accounting Standard Rules), 2006 referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956

2.2 Accounting policies not specifically referred to otherwise are consistent with the generally accounting principles followed in India.

2.3 Use of Estimates :

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the year 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.

2.4 Inventories

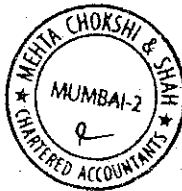
Project Work in Progress represents expenditure incurred on project undertaken by the Company for development and construction of Residential complex, net of recoveries, if any.

2.5 Revenue Recognition :

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

2.6 Provisions:

A provision is recognized when an enterprise has a present obligation as a result of past event; 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. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



Notes Forming Part of Financial Statements

2.7 Contingent Liabilities:

Contingent liabilities are not provided for in this account, and if any the same is reflected in notes to account.

2.8 Taxes :

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.



Nine Paradise Erectors Private Limited

Notes Forming Part of Financial Statements

3 Share Capital

3.1 Details of Authorised, Issued, Subscribed & Paid up Share Capital

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity Share				
Equity Shares of Rs.10/- each	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000
Issued				
Equity Share				
Equity Shares of Rs.10/- each	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000
Subscribed & Paid up				
Equity Share				
Equity Shares of Rs.10/- each	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000

All of the above shares carry equal voting rights and there are no restrictions / preferences attached to any of the above share

3.2 Reconciliation of the outstanding number of shares

Particulars	Equity Shares		Equity Shares	
	As at 31st March, 2012		As at 31st March, 2011	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Add : Shares Issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,000	100,000	10,000	100,000

3.3 Detail of number of share held by holding company

10,000 Equity Shares (Previous Year -10,000) are held by D B Realty Limited the holding company and its nominees.

3.4 The details of shareholders holding more than 5% shares

Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Share				
D B Realty Limited and its nominees	10,000	100%	10,000	100%
Total	10,000		10,000	



Nine Paradise Erectors Private Limited

Notes Forming Part of Financial Statements

4 Reserves & Surplus

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Amount in Rs.	Amount in Rs.
Profit and Loss Account		
Opening balance of Profit & Loss account	(267,581)	(93,011)
Add : Profit/(Loss) for the year	(117,810)	(174,570)
Total	(385,391)	(267,581)

5 Other Long Term Liabilities

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Amount in Rs.	Amount in Rs.
Contractor Retention money	5,596	5,596
Total	5,596	5,596

6 Short Term Borrowings

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Amount in Rs.	Amount in Rs.
Unsecured Loan (Repavable on demand)		
From holding company	217,850,000	112,050,000
From other company	87,130,688	800,591,781
Total	304,980,688	912,641,781

7 Trade Payables

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Amount in Rs.	Amount in Rs.
Micro Small and Medium Enterprises (Refer note no.23)	-	-
Others	945,239	1,184,569
Total	945,239	1,184,569



Nine Paradise Erectors Private Limited

Notes Forming Part of Financial Statements

8 Other Current Liabilities

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Amount in Rs.	Amount in Rs.
Statutory Liability	9,628,898	77,013
Advance received against purchases of occupants rights (Tata Colony) (Refer note no. 26)	8,700,000	8,700,000
Payable towards purchase of Property	-	104,115,000
Current Account with Limited Liability Partnership	69,740	66,292
Outstanding Expenses	315,000	187,000
Total	18,713,638	113,145,305

9 Non Current Investments

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Amount in Rs.	Amount in Rs.
(a) In Limited Liability Partnership		
DB Realty and Shreepati Infrastructure LLP (Towards 0.06% share in Profit/Loss)(Previous Year 0.06%)	600	600
(b) In Partnership Firm		
M/s. Sneh Developers (Towards 1% share in Profit/Loss)(Previous Year 1%) [Refer note no. 22]	100	100
Total	700	700

10 Inventories

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Amount in Rs.	Amount in Rs.
(As valued and certified by a director)		
Opening Inventories	217,100,631	-
Add: Construction expenses incurred during the year	1,603,850	217,100,631
Total	218,704,481	217,100,631

11 Cash And Cash Equivalents

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Amount in Rs.	Amount in Rs.
Cash in hand	4,402	9,300
Balances with banks	112,275	341,505
Total	116,677	350,805



Nine Paradise Erectors Private Limited

Notes Forming Part of Financial Statements

12 Short-Term Loans And Advances

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Amount in Rs.	Amount in Rs.
Loans and advances to related parties	96,762,544	800,591,781
Advances recoverable in cash or in kind or for value to be received (Refer note no. 26)	8,700,000	8,700,000
Advance Tax and Tax deducted at sources	75,368	65,753
Total	105,537,912	809,357,534



Nine Paradise Erectors Private Limited

Notes Forming Part of Financial Statements

13 Other Income

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Amount in Rs.	Amount in Rs.
Interest Income	96,154,341	657,534
Total	96,154,341	657,534

14 Project Related Expenses

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Amount in Rs.	Amount in Rs.
Land	-	208,230,000
Legal & Professional fees	583,950	-
Construction Expenses	2,230	135,227
Registration Charges	-	30,000
Rates & Taxes	-	6,247,000
Security Charges	1,017,670	2,458,404
Total	1,603,850	217,100,631

15 (Increase)/Decrease In Inventories

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Amount in Rs.	Amount in Rs.
Opening Inventories	217,100,631	-
Less: Closing Inventories	218,704,481	217,100,631
Total	(1,603,850)	(217,100,631)

16 Other Expenses

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Amount in Rs.	Amount in Rs.
Printing Stationary and Courier Expenses	-	2,032
Tour Travel and Conveyance	1,115	574
Auditor's Remuneration	66,798	52,944
Professional Fees	1,400	10,620
Miscellaneous Expenses	45,049	42,108
Total	114,362	108,278



Notes Forming Part of Financial Statements

17. The Company is a subsidiary of D B Realty Limited, which has become a "Public company" w.e.f. 23rd September 2009. Therefore, the Company has become a private company which is a subsidiary of a public company and accordingly, by virtue of provision of section 3(1)(iv)(c) of the Companies Act, 1956, the Company is a public company. The Company continues to use the word "Private Limited" as permitted by law.
18. In absence of any timing difference, no provision for deferred tax needs to be made. In view of loss no provision for current tax has been provided.
19. **Earnings Per Share**
As per AS-20 "Earning Per Share", the Company's EPS is as under

(Amount in Rupees)

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Net Loss after tax as per Profit & Loss Account	(117,810)	(174,570)
Weighted average number of shares outstanding during the year	10,000	10,000
Basis and Diluted Earning Per Share	(11.78)	(17.46)
Face Value Per Equity Share	10	10

20. **Breakup of Auditor's Remuneration**

(Amount in Rupees)

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Audit Fees	30,000	30,000
Certification matters	30,000	18,000
Service Tax	6,798	4,944
Total	66,798	52,944

21. **Related Party Disclosures:**

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

A. **List of Related Parties**

Sr. No.	Name and Relationship of the Related Party
(A)	Holding Company
1	DB Realty Limited
(B)	Entities Jointly Controlled by Holding Company
1	DB (BKC) Realtors Pvt.Ltd
2	Dynamix Realty
3	D B Realty and Shreepati Infrastructure LLP
4	Gokuldham Real estate Development Company Pvt.Ltd.
(C)	Enterprises where individuals i.e. KMP and their relative have Significant Influence.
	D B Hospitality Private Limited
	Nihar Construction Private Limited
(D)	Key Management Personnel (Directors)
	Suresh Atkur
	Zahid Bangi

The above related parties are identified by the management and relied upon by the auditor. However there were no transactions with the Key Management Personnel.



Notes Forming Part of Financial Statements

B. The details of transactions with the related parties are as under:

(Amount in Rs.)

Sr. No.	Description	Holding Company	Company having significant influence	Entities Jointly Controlled by Holding Company
(i)	Loan Accepted			
	Opening Balance	112,050,000	-	800,591,781
		(-)	(-)	(-)
	Loan Accepted during the period (including interest)	105,800,000	-	96,154,341
		(286,050,000)	(-)	(800,657,534)
(ii)	Advance Given			
	Opening Balance	-	800,591,781	-
		(-)	(-)	(-)
	Advance given during the period (including interest)	-	96,144,726	-
		(-)	(800,591,781)	(-)
(iii)	Share of Loss in LLP			
		-	-	3,448
		(-)	(-)	(66,292)
		-	800,000,000	-
		(-)	(-)	(-)
(iv)	Inter Corporate Deposit Interest			
	Interest Paid	-	-	96,154,341
		(-)	(-)	(657,534)
	Interest Received	-	96,154,341	-
		(-)	(657,534)	(-)

Figures in bracket represent previous year's figures



Notes Forming Part of Financial Statements

Material Related Party Transactions:

(Amount in Rs.)

Particulars	Opening Balance	Accepted During the year	Repaid During the year	Closing Balance
Loan Accepted-Gokuldham Real Estate Developers Private Limited	800,591,781	96,154,341	809,615,434	87,130,688

(Amount in Rs.)

Particulars	Opening Balance	Accepted During the year	Repaid During the year	Closing Balance
Loan Granted-Nihar Constructions Private Limited	800,591,781	96,144,726	800,000,000	96,736,507

(Amount in Rs.)

Particulars	During the Year
Interest Paid-Gokuldham Real Estate Developers Private Limited	96,154,341

(Amount in Rs.)

Particulars	During the Year
Interest Received-Nihar Constructions Private Limited	96,154,341



Notes Forming Part of Financial Statements

22 Particular of Investments

22.1 Disclosure of financial interest in partnership firm /LLP

Name of Partnership firm /LLP	Partner Fixed Capital		Share in Profit / Loss %
	As at 31st March,2012	As at 31st March,2011	
DB Realty & Shreepati Infrastructures LLP			
Name of Partners			
Nine Paradise Erectors Private Limited	600	600	0.60%
DB View Infracon Private Limited	600	600	0.60%
DB Realty Limited	58,800	58,800	58.80%
Shreepati Infra Realty Limited	20,000	20,000	20.00%
Rajendra Chaturvedi	10,000	10,000	10.00%
Tapas Chaturvedi	10,000	10,000	10.00%
Total	100,000	100,000	100.00%

22.2 Company's Share of interest in the assets, liabilities, income and expenses with respect to partnership and Limited Liability Partnership firms on the basis of audited financial statements of partnership firms (as audited by other auditors) as at and for the period ended March 31,2012 are as under

Name of Partnership firm	Company's Share of			
	Assets	Liabilities	Income	Expenditure
DB Realty & Shreepati Infrastructures LLP	334,560	521	-	3,448
	(332,593)	(398,285)	(-)	(66,292)

(Previous year disclosures are given in bracket)

22.3 Due to non availability of audited financial statements of M/s Sneh Developers, the above information as per para 21.1 and 21.2 are not provided.

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

(Amount in Rupees)

Particulars	Year Ended 31st March,2012	Year Ended 31st March,2011
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.	-	-
Total		

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 Auditors.



Notes Forming Part of Financial Statements

- 24 Sundry balances in the financial statements are subject to confirmations.
- 25 **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.
- 26 The Company on behalf of DB (BKC) Realtors Pvt. Ltd. has advanced Rs.87,00,000/- towards acquisition of occupancy rights of the occupants situated at Tata Colony, Bandra Kurla Complex, Mumbai. As per the Memorandum of Understanding entered into by the company with DB (BKC) Realtors Pvt. Ltd., the company has been appointed under a fiduciary capacity to acquire the said rights and to retransfer the same to DB (BKC) Realtors Pvt. Ltd. as and when so directed. In these accounts the amounts received from DB (BKC) Realtors Pvt. Ltd. has been shown as current liability and the amount so advanced has been classified as Advances. The necessary adjustment entries shall be passed in the year in which the occupancy rights are retransferred to DB (BKC) Realtors Pvt. Ltd. Further, as per the MOU liability for stamp duty on acquiring occupancy rights which is yet to be ascertained as also any other costs including capital gains tax liability, if any, is on account of DB (BKC) Realtors Pvt. Ltd.
- 27 The amount in the Balance Sheet and Profit and Loss Account are rounded off to nearest rupee
- 28 Previous period figures have been regrouped and reclassified wherever necessary to make them comparable with current year figures.

Signatures to notes to financial statements 1 to 28

As per our attached report of even date

For. Mehta Chokshi & Shah

Chartered Accountants

Firm Registration no. 106201W



Name : C M Shah

Partner

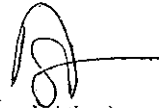
Membership No. : 47178

Place : Mumbai

Date : 24 MAY 2012



For and Behalf of the Board



(Suresh Atkur)

Director

Place : Mumbai

Date : 24 MAY 2012

(Zahid Bahgi)

Director

