

**NEELKAMAL SHANTI NAGAR PROPERTIES PRIVATE
LIMITED**

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

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 3rd Annual General Meeting of the Members of Neelkamal Shantinagar Properties Private Limited will be held on Tuesday, 28-9-2010 at 11.00 A.M. at the Registered Office of the Company at DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063 to transact the following business:

AGENDA

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2010, Profit and Loss Account for the period ended on that date and the Reports of the Auditors thereon; and the Report of the Board of Directors
2. To appoint a Director in place of Mr. Asif Balwa, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors for the year 2010-2011 and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Rajiv Agarwal, who was appointed as Additional Director by the Board of Directors of the Company with effect from 04-05-2010 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 pursuant to section 293(1)(e) of the Companies Act, 1956 (the Act) consent of the Company be and is hereby granted to the Board of Directors to contribute to charitable and other funds not directly relating to the business of the Company or to the welfare of its employees, the amount in aggregate not exceeding Rs. 25,00,000/- in any financial year or 5% of the average net profits as determined in accordance with the provision of sections 349, 350 of the Act, during the three financial years immediately preceding, whichever is greater.

BY ORDER OF THE BOARD


RAJIV AGARWAL
DIRECTOR

MUMBAI,
DATE : 04-5-2010

- 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 ITEMS 4 & 5 IS ANNEXED HERETO.

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NEELKAMAL SHANTINAGAR PROPERTIES PVT. LTD.

EXPLANATORY STATEMENT FORMING PART OF THE NOTICE DATED 04-5-2010

ITEM 4

Mr. Rajiv Agarwal was appointed as Additional Director at Board Meeting held on 4-5-2010 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. Rajiv Agarwal is in any way concerned or interested in the said resolution.

ITEM 5

As the provisions of Sections 293(1)(e) of the Companies Act, 1956 the Board of Directors of a public limited Company shall not, except with the consent of the members in a general meeting contribute to charitable and other funds not directly related to the Business of the Company or the welfare of its employees in excess of Rupees Fifty Thousand or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater. The members approval is required for enabling the Company and /or its Board of Directors to contribute sum not exceeding Rupees Twenty Five Lakhs only during the financial year for charitable and other causes per financial year as and when it may be deemed fit.

The resolution vide item no. 5 is therefore proposed for approval of the members.

None of the directors of the Company is interested or concerned in the proposed resolution.

By Order of the Board
For Neelkamal Shantinagar Properties Private Limited



Rajiv Agarwal
Director

Mumbai
Date: 04-5-2010



DIRECTORS' REPORT

Your Directors hereby present their Annual Report together with the Audited Accounts of the Company for the Year ended on 31-3-2010.

FINANCIAL RESULTS

During the year under review, the Company has incurred a loss of Rs.4,53,208/- comprising of Rs.42,937/- towards administrative and other expenses and Rs.4,10,271/- towards share of loss from the Association of Person (AOP) viz. Shree Shantinagar Venture (Previous year Rs. 3,26,182/-). Your Company is a 50% member in the Association of Person (AOP) which has been formed for the purpose of developing and constructing residential complex, but has not yet commenced the development activity. The loss for the year together with the previous years' loss of Rs. 25,48,520/- totaling to Rs. 30,01,728/- has been carried to the Balance Sheet.

DIVIDEND

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

STATUS OF THE COMPANY:

The Company is a Wholly Owned Subsidiary Company 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 Company 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.

FIXED DEPOSIT

During the year ended 31-3-2010, the Company has not accepted any fixed deposit.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Accounts for the year ended on 31-3-2010, 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 made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the Accounts for the financial year ended on 31-3-2010 on a going concern basis.

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NEELKAMAL SHANTINAGAR PROPERTIES PVT. LTD.



DIRECTORS:

Mr. Asif Balwa, retires by rotation at the ensuing annual general meeting and being eligible offer himself for reappointment.

Mr. Shahid Balwa and Mr. Vinod K. Goenka ceased to be Directors by resignation w.e.f. 10-4-2010 and 04-05-2010 and the Board has places on record its appreciation for the services rendered by them during their tenure as Directorship.

Mr. Rajiv Agarwal was appointed as Additional Director with effect from 04-05-2010 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 a Notice in writing from a Member proposing his appointment as Director subject to retirement by rotation.

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 thereunder.

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

Our Company is not covered by the Schedule of Industries which are required to furnish the information in Form-A, pursuant to Section 217(1)(e) of the Companies Act, 1956 read (with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

The Company has neither imported any technology nor carried on the business of export or import and therefore the disclosure requirements against technology absorption are not applicable. There is no inflow and outflow of foreign exchange during the year.

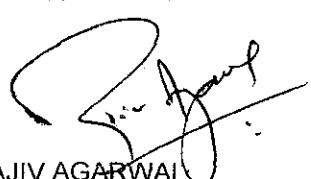
AUDITORS

M/s. Mehta Chokshi & Shah, Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

You are requested to appoint the Auditors for the year 2010-2011 and fix their remuneration.

ON BEHALF OF THE BOARD OF DIRECTORS


ASIF BALWA
DIRECTOR


RAJIV AGARWAL
DIRECTOR

MUMBAI,
DATE: 4-05-2010

Mehta Chokshi & Shah
CHARTERED ACCOUNTANTS

**AUDITORS' REPORT TO THE MEMBERS OF
NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of NEELKAMAL SHANTI NAGAR PROPERTIES PRIVATE LIMITED ('the Company') as at March 31, 2010 and the Profit and Loss Account 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 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 (as amended) ("the 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 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;

BOKADIA MANSION, 2ND FLOOR, 229, PRINCESS STREET, MUMBAI-400 002.
TEL. : 2205 7309 • 2208 8743 • 6633 4067 • Fax : 2205 5432 • Email : camcs@vsnl.com

A-101, "AADESHWAR" S. V. P. ROAD, (MANDPESHWAR ROAD), BORIVALI (W), MUMBAI - 400 0
Tel. 2893 0501 • Telefax : 2893 0503



CHARTERED ACCOUNTANTS

(e) On the basis of the written representation received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;


(f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read with the 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, 2010;
- (ii) In the case of the Profit and Loss Account, 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.



PLACE: MUMBAI
DATED: 4 MAY 2010

FOR MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS.


C.M. SHAH
PARTNER
M.NO.: 47178
FIRM REGD. NO.:106201W

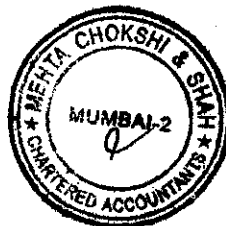
ANNEXURE TO THE AUDITORS' REPORT
(Referred to in our report of even date)

1. **Fixed Assets**
The Company does not have any Fixed Assets and therefore clause 4(i) of the order is not applicable.
2. **Inventories**
The Company does not have any Inventory and therefore clause 4(ii) of the order is not applicable.
3. **Loans**
 - 3.1 The Company has not granted any loans, secured or unsecured to and from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - 3.2 The Company has taken interest free unsecured loans, repayable on demand, from its Holding Company covered in the register maintained under section 301 of the Companies Act, 1956. There are no other terms and conditions. The maximum balance outstanding any time during the year and the year end balance in respect thereof is Rs. 9,01,89,316/-. 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. During the course of our audit, we have not observed any major weaknesses in internal controls and hence, the question of continuing failure on the part of the Company to correct major weaknesses in the internal control system does not arise.
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 of the prices at which similar transactions have been made with other parties or as available with the Company.



CHARTERED ACCOUNTANTS

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. 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**
 - 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 Income tax and 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, 2010 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 losses far exceed the net worth of the Company as at the end of current financial year. Further the Company has incurred cash losses in the current financial year as well as in the immediately preceding financial year
11. The Company has neither any borrowings from Banks/Financial Institution nor issued any debentures and therefore the question of the Company being default in repayment of dues 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.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4(xiii) of the order is not applicable to the Company.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.



CHARTERED ACCOUNTANTS

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.
16. The Company has not obtained any term loan during the year hence clause 4(xvi) of the Order is not applicable.
17. According to the Cash Flow Statement and other records examined and 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.
19. The Company has not issued any debentures and hence, the question of creation of security on the assets of the Company in respect thereof does not arise.
20. The Company, being a Private Limited Company, the question of raising monies by way of Public Issue does not arise.
21. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, no fraud on or by the Company has been noticed or reported during the year.



PLACE: MUMBAI

DATED: 4 MAY 2010

FOR MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS.

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

C.M. SHAH
PARTNER
M.NO.: 47178
FIRM REGD. NO.:106201W

NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

SOURCES OF FUNDS:
SHAREHOLDERS' FUNDS
SHARE CAPITAL

LOAN FUNDS
UNSECURED LOANS

TOTAL RUPEES

APPLICATION OF FUNDS:

INVESTMENTS
In the capital of Joint Venture
SHREE SHANTINAGAR VENTURE (50% SHARE IN JOINT VENTURE)

CURRENT ASSETS, LOANS AND ADVANCES
CASH AND BANK BALANCES
LOANS AND ADVANCES

LESS : CURRENT LIABILITIES AND PROVISIONS:
CURRENT LIABILITIES
PROVISIONS

NET CURRENT ASSETS

PROFIT AND LOSS ACCOUNT

TOTAL RUPEES

SCHEDULE NUMBER	AS AT 31.03.2010		AS AT 31.03.2009
	RUPEES	RUPEES	RUPEES
1		160,000	160,000
2		90,189,316	23,168,722
		90,349,316	23,328,722
3	83,396		1,097,474
4	1,062,815		789,222
	1,146,211		1,886,696
5	30,143		36,249,763
6	10,640		10,640
	40,783		36,260,403
		1,105,428	(34,373,707)
		3,001,728	2,548,520
		90,349,316	23,328,722

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS

C.M. SHAH
PARTNER
M.No.47178



PLACE : MUMBAI

DATED: 4 MAY 2010

FOR AND ON BEHALF OF BOARD OF DIRECTORS

DIRECTOR

DIRECTOR

PLACE : MUMBAI

DATED: 4 MAY 2010

NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

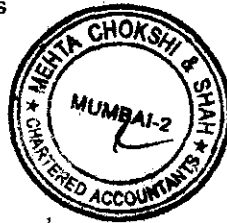
	SCHEDULE NO.	YEAR ENDED MARCH 31ST, 2010	YEAR ENDED MARCH 31ST, 2009
		RUPEES	RUPEES
I. INCOME			
INTEREST INCOME (NET)	7	-	-
TOTAL RUPEES		-	-
II. EXPENDITURE			
ADMINISTRATIVE AND OTHER EXPENSES	8	42,937	167,788
SHARE OF LOSS FROM JOINT VENTURE		410,271	326,182
TOTAL RUPEES		453,208	493,970
PROFIT/(LOSS) BEFORE TAX		(453,208)	(493,970)
PROVISION FOR FRINGE BENEFIT TAX		-	(264)
PROFIT/(LOSS) AFTER TAX		(453,208)	(494,234)
BALANCE AS OF EARLIER YEAR BROUGHT FORWARD		(2,548,520)	(2,054,286)
CARRIED FORWARD TO BALANCE SHEET		(3,001,728)	(2,548,520)
EARNING PER SHARE (EPS):			
BASIC AND DILUTED		(28.33)	(30.89)
NUMBER OF SHARES USED IN COMPUTING EPS (of Rs.10 each)		16,000	16,000

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS

C.M. SHAH
PARTNER
M.No.47178

PLACE : MUMBAI
DATED :



FOR AND ON BEHALF OF BOARD OF DIRECTORS

DIRECTOR

DIRECTOR

PLACE : MUMBAI
DATED :

NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010

	For the Year ended 31.03.10		For the Year ended 31.03.09	
	Rs.	Rs.	Rs.	Rs.
(A) Cash Flow From Operating Activities:				
Net loss before taxation and extraordinary items		(453,208)		(493,970)
Adjustment for:				
Share of loss from Joint Venture		410,271		326,182
Operating Income before working Capital changes		(42,937)		(167,788)
Adjustment for Working Capital Changes:				
(Increase)/Decrease in Loans and Advances	(273,593)			(778,380)
Increase/(Decrease) in Provisions	-			(8,633)
Increase/(Decrease) in Current Liabilities	(36,219,620)	(36,493,213)		36,222,400
Cash used in operations		(36,536,150)		35,267,599
Income Tax paid		-		361
Net Cash Generated/(Used) From Operating Activities		(36,536,150)		35,267,238
(B) Cash Flow From Investing Activities:				
Investment in Joint Venture (net)	(31,498,522)			(1,900,000)
Net cash generated from Investing Activities		(31,498,522)		(1,900,000)
(C) Cash Flow From Financing Activities:				
Borrowings (Net)	67,020,594			(33,431,278)
Net cash generated from financing Activities		67,020,594		(33,431,278)
Net Decrease in Cash and Cash Equivalents (A+B+C)		(1,014,078)		(64,040)
Add: Cash and cash Equivalents (Opening)		1,097,474		1,161,514
Cash and cash equivalents (Closing)		83,396		1,097,474
(D) Cash and cash Equivalents includes:				
Cash on hand		20,045		1,026,669
Bank Balances		63,351		70,805
		83,396		1,097,474

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

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AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS

C.M. SHAH
PARTNER
M.No.47178



Place: Mumbai

Date: - 4 MAY 2010

FOR AND ON BEHALF OF THE BOARD

DIRECTOR

DIRECTOR

Place: Mumbai

Date: 4 MAY 2010

NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE 1:

**SHARE CAPITAL:
AUTHORISED:**

50,000 Equity Shares of Rs.10/- each

ISSUED, SUBSCRIBED AND PAID UP:

16,000 Equity Shares of Rs. 10/- each fully paid up
(Out of the above 15,900 Equity
Shares are held by the holding company
D B Realty Limited)

TOTAL

SCHEDULE 2:

UNSECURED LOANS:

From Holding Company

TOTAL

SCHEDULE 3:

CASH AND BANK BALANCES:

Cash on Hand
Balance with Schedule Bank

TOTAL

SCHEDULE 4:

LOANS AND ADVANCES:

Loan Given
Deposits
Tax Deducted at Source
Fringe Benefit Tax

TOTAL

SCHEDULE 5:

CURRENT LIABILITIES:

Sundry Creditors
Duties and Taxes
Other Liabilities
Balance due to Reconciliation

TOTAL

SCHEDULE 6:

PROVISIONS

Provision for tax

TOTAL

	AS AT 31.03.2010 RUPEES	AS AT 31.03.2009 RUPEES
	500,000	500,000
	500,000	500,000
	160,000	160,000
	160,000	160,000
	90,189,316	23,168,722
	90,189,316	23,168,722
	20,045	1,026,669
	63,351	70,805
	83,396	1,097,474
	400,000	150,000
	1,000	1,000
	651,973	628,380
	9,842	9,842
	1,062,815	789,222
	25,961	28,033,602
	-	8,209,936
	2,758	6,225
	1,424	
	30,143	36,249,763
	10,640	10,640
	10,640	10,640



NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE 7:

INTEREST INCOME (NET)

Interest Income
 Less: Interest charges

TOTAL

YEAR ENDED 31ST MARCH, 2010 RUPEES	YEAR ENDED 31ST MARCH, 2009 RUPEES
104,117	36,219,658
(104,117)	(36,219,658)
-	-

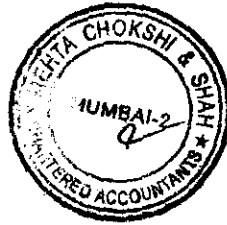
SCHEDULE 8:

ADMINISTRATIVE AND OTHER EXPENSES

Salary expenses
 Printing and Stationery
 Miscellaneous expenses
 Telephone expenses
 Legal and Professional charges
 Auditor's Remuneration
 Bank charges
 Repair & Maintenance

TOTAL

YEAR ENDED 31ST MARCH, 2010 RUPEES	YEAR ENDED 31ST MARCH, 2009 RUPEES
-	126,324
1,924	2,288
446	2,851
2,722	3,539
6,280	4,070
27,575	28,240
682	476
3,308	-
42,937	167,788



NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED

SCHEDULE 9:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

The Company being a subsidiary of DB Realty Limited has become a "Public Company" with effect from 23rd September, 2009

(A) 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 the mandatory Accounting Standards prescribed by the Central Government, in consultation 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. Accounting policies not specifically referred to otherwise are consistent with the generally accounting principles followed by the Company.

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 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.

4. Borrowing Cost:

Borrowing costs which have a direct nexus and are directly attributable to the project are charged to the project and other borrowing costs are expensed out as period cost as specified in Accounting Standard (AS 16) on "Borrowing Costs".



5. Taxes on Income:

- i. Provision for current tax is made based on the assessable income determined in accordance with the applicable provisions of the Income Tax Act, 1961.
- ii. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable/ virtual certainty that the asset will be realized in future.

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.

7. Contingent Liabilities:

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

8. Investment:

Investment is initially recognized at cost and subsequently adjusted by share of loss (if any) attributable to the company.



(B) NOTES TO THE ACCOUNTS:

1. The losses represents, share of loss from joint venture and other administrative expenses. The management is of the view that the company will be able to recoup the losses once the revenue starts getting recognized in the joint venture on achieving the prescribed threshold limit of the total work involved.
2. In the 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 for.
3. **Earnings per Share:**
As per Accounting Standard-20 "Earning Per Share", the Company's EPS is as under

(Amount in Rupees)

	31 st March 2010	31 st March 2009
Net Profit/(Loss) after tax as per Profit & Loss Account	(4,53,208)	(4,94,234)
Weighted average number of equity shares outstanding	10,000	10,000
Basic and Diluted Earnings per share	(28.33)	(30.89)
Face Value per Equity Share	10	10

4. Breakup of Auditors Remuneration:

(Amount in Rupees)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
- Audit Fees	25,000	20,000
- Others	Nil	5,500
- Service Tax	2,575	2,740
Total	27,575	28,240



5. The Company has entered into a 50: 50 Joint Venture agreement with Shankala Realtors Private Limited for development and construction of a residential complex at Lower Parel, Mumbai in the name and style M/s. Shree Shantinagar Venture (AOP).

The details of amount invested in AOP are as follows.

(Amount in Rupees)

Particulars	For the year ended 31.03.10	For the year ended 31.03.09
Opening Balance	55,153,909	5,35,80,092
Add: Amount invested during the year/period	52,898,522	19,00,000
Less: Amount withdrawn	21,400,000	NIL
Less: Share of Loss	410,271	3,26,182
Closing balance	8,6242,160	5,51,53,909

6. **Related Parties Disclosure:**

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.

Name of the related party	Relationship
DB Realty Limited	Holding Company
Neelkamal Central Apartment Private Limited	Associated Enterprise
Mr. Shahid Balwa	Key Management Personnel (Director)
Mr. Vinod Goenka	Key Management Personnel (Director)

Note: The above related parties are identified by the management and relied upon by the auditors. However there were no transactions with the K.M.P. during the year.



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

(Amount in Rupees)

Nature of Transaction	With Holding Company	With Associated Enterprise
Loans accepted opening balance	23,168,722 (56,600,000)	- (-)
Loans accepted during the year	88,501,118 (21,700,00)	- (-)
Repayment of Loan accepted	21,480,524 (35,601,278)	- (-)
Loans Granted opening balance	-	-
Loans Granted	- (35,00,00,000)	- (-)
Repayment of Loans Granted	- (35,00,00,000)	- (-)
<u>Balance Outstanding as at 31st March, 2010</u>		
Loans accepted	90,189,316 (23,168,722)	- (-)

Figures in the brackets denote figures belonging to the previous year

7. It is the contention of the company that it does not carry on any manufacturing and trading activity, therefore the particulars required to be given as per paragraph 3(a), 3(b), 4C and 4D of Part II of Companies Act, 1956, are not applicable.
8. As per the information provided by the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.
9. Previous year figures have been re-grouped and re-classified wherever necessary to make them comparable with current year figures.

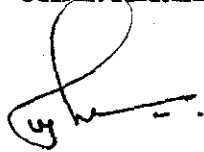


10. The amount in the Balance Sheet and Profit and Loss Account are rounded off to nearest rupee.

Signatures to Schedules 1 to 9

**AS PER OUR ATTACHED REPORT OF
EVEN DATE**

**FOR MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS**



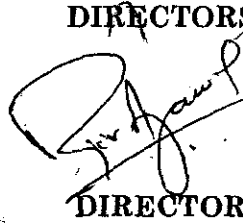
**C.M.SHAH
PARTNER
M.NO. 47178**

PLACE : MUMBAI

DATED : - 4 MAY 2010



**FOR AND ON BEHALF OF THE BOARD
OF
DIRECTORS**



DIRECTOR



DIRECTOR

PLACE : MUMBAI

DATED :

- 4 MAY 2010