

PRIYA CONSTRUCTIONS 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

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NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Priya Constructions Private Limited will be held on Tuesday, 20th September, 2011 at 2.00 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

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 Mr. Narayan P. Bajaj 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.

BY ORDER OF THE BOARD
For PRIYA CONSTRUCTIONS PRIVATE LIMITED.


SALIM BALWA
DIRECTOR

MUMBAI,
DATE: 30.05.2011

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



DIRECTORS' REPORT

To,
The Members
Priya Constructions Private Limited

Your Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

During the year under review, the Company's income amounted to Rs.1,14,44,647/- comprising of Rs. 1,13,00,000/- being value of Stock in trade and Rs. 1,44,647/- being other income. After adjusting the amount of Rs.1,13,00,000/- towards Project work in Progress, Rs.11,78,507/- towards Establishment expenses, Rs. 694/- for Depreciation and Rs.29,89,281/- towards share of loss in a Partnership Firm viz. Evergreen Industrial Estate, the working of the Company resulted in a loss of Rs. 40,23,835/- After prior year tax adjustment of Rs. 26,767/- and adding deficit of Rs. 9,69,793/- brought forward from previous year, the Net deficit of Rs.49,66,861/- has been carried to the Balance Sheet.

DIVIDEND

In absence of profit, your Directors have not recommended any dividend.

STATUS OF THE COMPANY:

The Company continues to be the Wholly Owned 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. Salim Balwa was appointed as Alternate Director to Mr. Ishaq Balwa with effect from 9th April, 2011 as per Section 313 of the Companies Act, 1956

Mr. N.P Bajaj retires by rotation at the ensuing annual general meeting and being eligible offer himself for reappointment.

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 31st March, 2011, 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 31st March, 2011 on a going concern basis.

FIXED DEPOSIT

During the year ended 31st March, 2011 the Company has not accepted any fixed deposit.

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

As required under 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, our Company is not covered by the Schedule of Industries which are required to furnish the information in Form-A.

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. The Company had no foreign exchange earnings or outgo during the year.

AUDITORS

M/s. M. A. Parikh & Co., 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 2011-2012 and to fix their remuneration.

ON BEHALF OF THE BOARD OF DIRECTORS
PRIYA CONSTRUCTION PRIVATE LIMITED


SALIM BALWA
DIRECTOR


N.P. BAJAJ
DIRECTOR

MUMBAI
DATE: 30.05.2011

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of Priya Constructions Private Limited

1. We have audited the attached Balance Sheet of Priya Constructions Private Limited ('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 directors 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) 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 Loss for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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



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 assets. No discrepancies were noticed on such verification.
- (c) No fixed assets have been disposed off during the year.

2. Inventories

Inventory consists of an office premise, which has been physically verified by the management as of year-end. In our opinion, having regard to the nature of inventory, the procedure followed by the management for physical verification of the said inventory is reasonable and adequate in relation to the size of the Company and the nature of its business. The Company has maintained proper records for the said inventory. No discrepancies were noticed on physical verification of the inventory as compared to the book records.

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 and the year-end balance of the said loans is Rs. 21,60,11,152/-.
- (c) The loan is without interest and repayable on demand. According to the information and explanations given to us, the terms and conditions of the said loans are prima facie not prejudicial to the interest of the Company.
- (d) Since the said loans are repayable on demand, the question of repayment being regular does not arise.

4. During the year, there were no transactions for purchase of fixed asset & inventory and for sale of goods. Therefore, the requirements of clause 4(iv) of the Order are not applicable.



5. During the year, there were no contracts or arrangements that were needed to be entered in the register required to be maintained under section 301 of the Companies Act 1956. Therefore, the requirements of Clause 4(v) of the Order are not applicable.
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's paid-up capital and reserves at the commencement of the financial year concerned did not exceed Rs. 50 Lakhs. Further, the Company's average annual turnover for the immediately three preceding financial years did not exceed Rs. 5 Crores. Therefore, the requirements of Clause 4(vii), with respect to internal audit system, are not applicable.
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 is regular in depositing the undisputed statutory dues including 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 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.
 - (b) According to the information and explanations given to us, there are no disputed dues of Income – tax / Value Added tax / Wealth tax / Service tax / Custom 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 accumulated losses of the Company at the end of the financial year are more than 50% of its net worth. The Company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.
11. 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.
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. 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 obtained any term loan. Therefore, the requirements of Clause 4(xvi) of the Order are 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 by way of unsecured loans repayable on demand from the holding company have been used for making capital contributions in a partnership firm, wherein the Company is one of the Partner. The amount standing to Company's account in these entities as of the year-end was Rs. 16,85,33,366/-.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the requirements of Clause 4(xviii) of the Order are not applicable.
19. The Company has not issued any debentures. Therefore, the requirements of Clause 4(xix) of the Order are not applicable.
20. The Company has not raised any monies by way of Public Issue. Therefore, the requirements of Clause 4(xx) of the Order are not applicable.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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



C. Ghelani

**Partner
Name: Chintan Ghelani
Membership No. 132791**

Mumbai, Dated: 30 MAY 2011

PRIYA CONSTRUCTIONS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

SOURCES OF FUNDS:

Share Capital
Unsecured Loans

TOTAL RUPEES

APPLICATION OF FUNDS:

Gross Block
Less : Depreciation
Net Block

Investments

CURRENT ASSETS, LOANS & ADVANCES:

Inventories
Cash & Bank Balances
Sundry Debtors
Loans & Advances

Less: Current Liabilities & Provisions

Current Liabilities
Provisions

Net Current Assets

Deficit as per Annexed Profit & Loss Account

TOTAL RUPEES

Notes to Accounts

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**

Schedules	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
1	100,000	100,000
2	216,011,152	213,000,000
	216,111,152	213,100,000
3	10,580,142	10,580,142
	42,161	41,467
	10,537,981	10,538,675
4	168,533,366	170,640,646
5	11,300,000	11,300,000
6	41,141	152,271
7	25,000,000	25,000,000
8	1,171,713	494,221
	37,512,854	36,946,492
9	4,248,910	4,502,106
10	1,191,000	1,493,500
	5,439,910	5,995,606
	32,072,944	30,950,886
	4,966,861	969,793
	216,111,152	213,100,000

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FOR AND BEHALF OF BOARD OF DIRECTORS

(Salim Balwa)
Director

N. P. Bajaj
Director

Place : Mumbai

Dated: **30 MAY 2011**

PRIYA CONSTRUCTIONS PRIVATE LIMITED

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

Schedules	Year ended 31.03.11	Year ended 31.03.10
	Rs.	Rs.
INCOME:		
	-	267,580,656
Project Executed		
Compensation Received		2,500,000
(Refer Note no. B.2 of Schedule 13)		
Other Income	144,647	1,073,868
Closing Stock In Trade	11,300,000	11,300,000
TOTAL RUPEES	11,444,647	282,454,524
EXPENDITURE:		
	11,300,000	261,061,091
Project Work in Progress		
Purchases of Units	-	11,300,000
Establishment Expenses	1,178,507	5,640,487
Depreciation	694	767
Share of Loss in a Partnership Firm	2,989,281	837,048
TOTAL RUPEES	15,468,482	278,839,393
	(4,023,835)	3,615,130
Profit/Loss for the year		
Less: Provision for tax		
Current Tax	-	1,110,000
Prior year Tax Adjustment	(26,767)	(200)
Profit after tax	(3,997,068)	2,505,330
Less: Balance Brought forward	(969,793)	3,475,123
Balance Carried to Balance Sheet	(4,966,861)	(969,793)

Basic and Diluted Earning per Equity Shares (399.71) 250.53

Face Value per Equity Shares 10 10

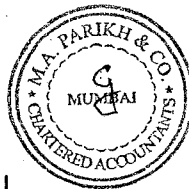
Notes to Accounts 13

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

(Salim Bajaj)
Director

(N. P. Bajaj)
Director

Place : Mumbai
Dated: 30 MAY 2011

PRIYA CONSTRUCTION PRIVATE LIMITED

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

Particulars	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.	Rs.	Rs.	Rs.
(A) Cash Flow From Operating Activities:				
Net Profit/(Loss) as per Profit and Loss account		(4,023,835)		3,615,130
Add:				
Depreciation	694		767	
Share of Loss in a Partnership Firm	2,989,281	2,989,975	837,048	837,815
Operating Income before working capital Changes		(1,033,860)		4,452,945
Adjustments for changes in Working Capital:				
Project work-in-progress	-		249,761,091	
Sundry Debtors	-		(25,000,000)	
Loans and Advances	(677,492)		3,039,928	
Current Liabilities	(253,196)	(930,688)	(260,213,080)	(32,412,061)
Cash Flow from Operating Activities:		(1,964,548)		(27,959,116)
Less: Income Tax paid for earlier year		(275,734)		(72,400)
Net Cash Flow from Operating Activities:		(2,240,282)		(28,031,516)
(B) Cash Flow From Investing Activities:				
Contribution made in partnership fund	(882,000)		(2,400,000)	
Net Cash used in Investing Activities		(882,000)		(2,400,000)
(C) Cash Flow From Financing Activities:				
Amount of loan Borrowings(Net)	3,011,152		29,500,000	
Net Cash Generated from Financing Activities		3,011,152		29,500,000
Net Increase in Cash and Cash Equivalents		(111,130)		(931,516)
Add: Cash and cash Equivalents (Opening)		152,271		1,083,787
Cash and cash equivalents (Closing)		41,141		152,271
Cash and cash equivalents includes				
Cash on hand		6,448		19,046
Bank balances		34,693		133,225
		41,141		152,271

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

(Salim Jalwa)
Director

N. P. Bajaj
Director

Place : Mumbai
Dated:

30 MAY 2011

PRIYA CONSTRUCTIONS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE : 1

SHARE CAPITAL:

Authorised

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

ISSUED, SUBSCRIBED & PAID-UP

10,000 Equity Shares of Rs.10/- each, fully paid up

Note: The above Equity Shares are held by the Holding Company and its nominee

TOTAL RUPEES

SCHEDULE : 2

UNSECURED LOANS:

From Holding Company

TOTAL RUPEES

As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
500,000	500,000
100,000	100,000
100,000	100,000
216,011,152	213,000,000
216,011,152	213,000,000



PRIYA CONSTRUCTIONS PRIVATE LIMITED

SCHEDULE : 3

FIXED ASSETS: (AT COST LESS DEPRECIATION)

PARTICULARS	GROSS BLOCK			D E P R E C I A T I O N			N E T B L O C K	
	As At 01.04.2010 RS.	Addition RS.	As At 31.03.2011 RS.	As At 01.04.2010 RS.	Provided for the Year RS.	As At 31.03.2011 RS.	As At 31.03.2011 RS.	As At 31.03.2010 RS.
Rights in respect of a Plot of Leasehold Land	10,531,740	-	10,531,740	-	-	-	10,531,740	10,531,740
Temporary Structure	38,542	-	38,542	31,607	694	32,301	6,241	6,935
Furniture & Fixtures	9,860	-	9,860	9,860	-	9,860	-	-
TOTAL RUPEES	10,580,142	-	10,580,142	41,467	694	42,161	10,537,981	10,538,675
PREVIOUS YEAR	10,580,142	-	10,580,142	40,700	767	41,467	10,538,675	10,539,442



PRIYA CONSTRUCTIONS PRIVATE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE: 4

**INVESTMENTS:
IN THE CAPITAL OF A PARTNERSHIP FIRM**

Name : **EVERGREEN INDUSTRIAL ESTATE**

Name of the Partner	Share of Profit/Loss	Capital as at 31.03.2011
Priya Constructions Pvt.Ltd.	66%	168,533,366
Jony Estate Pvt.Ltd.	33%	82,525,682
Turf Estate Joint Venture (AOP)	1%	5,618,385
TOTAL RUPEES		

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
	168,533,366	170,640,646
	168,533,366	170,640,646
	11,300,000	11,300,000
	11,300,000	11,300,000
	6,448	19,046
	34,693	133,225
	41,141	152,271
	25,000,000	-
	-	25,000,000
	25,000,000	25,000,000
	326,448	137,093
	845,265	357,128
	1,171,713	494,221
	246,259	245,690
	4,002,651	4,256,416
	4,248,910	4,502,106
	1,191,000	1,491,000
	-	2,500
	1,191,000	1,493,500

SCHEDULE: 5

INVENTORIES:

(At Cost, as taken, valued and Certified by a Director)

Closing Stock (Premise)
TOTAL RUPEES

SCHEDULE: 6

CASH & BANK BALANCES:

Cash on hand
Balance in a Current Account with a Scheduled Bank
TOTAL RUPEES

SCHEDULE: 7

SUNDRY DEBTORS:

(Unsecured- Considered Good)

Other Debts
- Outstanding for more than six months
- Others

TOTAL RUPEES

SCHEDULE:8

LOANS & ADVANCES:

(Unsecured-Considered Good)

Advances recoverable in cash or in kind or for value to be received
Income Tax Payments
TOTAL RUPEES

SCHEDULE: 9

CURRENT LIABILITIES:

Sundry Creditors
Other Liabilities
TOTAL RUPEES

SCHEDULE: 10

PROVISIONS:

For Taxation
For Fringe Benefit Tax
TOTAL RUPEES



PRIYA CONSTRUCTIONS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE: 11

Miscellaneous Receipts
TOTAL RUPEES

	For the year ended 31.03.11	For the year ended 31.03.10
Miscellaneous Receipts	140,647	1,073,868
TOTAL RUPEES	140,647	1,073,868
SCHEDULE: 12		
ESTABLISHMENT EXPENSES:		
Conveyance, Travelling & Vehicle expenses	138	2,504
Stationery & Telephone expenses	1,476	2,240
Repairs & Maintenance	74,480	178,099
Legal & Professional Charges	107,853	103,499
Salaries & Staff Welfare Expenses	36,179	757,503
Advertisement & Business Promotions	1,850	1,194
Sundry Debit Balances Written Off	46,350	2,691,828
Miscellaneous expenses	862,752	1,745,395
Remuneration to Auditors:		
Audit Fees	47,429	38,825
Taxation matters	-	100,000
Reimbursement of Service Tax	-	8,250
Out of Pocket expenses	-	11,150
TOTAL RUPEES	1,178,507	5,640,487



SCHEDULE-13

NOTES TO ACCOUNTS

A. 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 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 stated at cost less accumulated depreciation. Depreciation has been provided on "Written Down Value Method" on the basis and at the rates in accordance with the provisions of Schedule XIV to the Companies Act, 1956. No amount is written off in respect of amount paid for obtaining assignment of rights in respect of a plot of a leasehold land.

4 Inventories

Inventories are valued at cost or estimated net realizable value, whichever is lower.

5 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 is determined as the excess of carrying amount over the higher of the assets net selling price or present value of future cash value expected to arise from the continuing use of the assets and its eventual disposal.

6 Taxes on Income

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

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 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.



7 **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.

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



B. NOTES TO ACCOUNTS:

- 1 The Company is a subsidiary of D B Realty Limited, w.e.f. 25-09-2009 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 The Company had executed a Memorandum of Understanding (MOU) dated 5th August, 2009 with DB Realty Ltd., whereby it has agreed to grant development rights in respect of the unutilised development potential on the building constructed by it known as "Turf Estate", based on agreed terms and conditions as stated therein. In terms of the MOU, the Company was entitled to receive Rs. 25,00,000/- on execution and balance amount of Rs. 75,00,000/- on execution of the Development Agreement, which is pending as of year end. The amount of Rs. 25,00,000/- has been credited to Profit & Loss Account under the captioned heading "Compensation for Granting Development Rights" in the accounts for the year ended 31st March, 2010.
- 3 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

(Amount in Rupees)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	-	-
Interest accrued on the 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	-	-

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.

- 4 In the opinion of Board of Directors, Current Assets, Loans and Advances, are stated at a value to be realised in the ordinary course of business. Provisions have been made for all known liabilities.
- 5 **Rights in respect of a Plot of a Leasehold Land:**
The Company, vide Deed of Assignment, has been assigned rights, in respect of a Plot of a Leasehold Land situated at Haines Road, Mahalaxmi, Mumbai, together with buildings and structures thereon, with all the estate, rights, title, interest, claim and demand of whatsoever, for an aggregate consideration of Rs. One Crore. At present, the premises forming part of buildings on the said land are occupied by Sub-lessee/tenants/occupants.
- 6 **Sundry Debtors**
The Management of the Company have taken adequate steps for recovery of outstanding debtors of Rs. 2.50 Crores and are of the view that the same is good for recovery. The Company shall review the recoverability aspect in the ensuing financial year.



7

Related Party 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 and Relationship	
1	Holding Company D B Realty Limited. (w.e.f. 25-09-2009)
2	Enterprises on which Director(s) of the Company exercise significant influence (Associated Enterprises) K G Enterprises Nihar Constructions Private Limited Evergreen Industrial Estate DB Hi Sky Constructions Pvt.Ltd Johny Estates Pvt.Ltd.

Transactions with Related Parties and outstanding balance as of Year-end:-

(Amount in Rupees)

Particulars	Holding Company	Associated Enterprises
Loan Taken		
Opening Balance	213,000,000 (183,500,000)	- (-)
Taken during the year	109,060,000 (215,400,000)	- (214,715,000)
Repaid during the year	106,048,848 (185,900,000)	- (214,715,000)
Closing Balance	216,011,152 (213,000,000)	- (-)
Reimbursement of Statutory Obligation paid on behalf of the company		
Opening Balance	-	74,813
Statutory obligation paid on behalf of the Company	(-)	(-)
Payment made	(-)	990,792 (55,187)
Closing Balance	(-)	918,000 (130,000)
	(-)	2,021 (74,813)
Compensation Received (The transaction was entered into when the Company was not a subsidiary of D.B. Realty Limited)	(2,500,000)	- (-)
Loan Given		
Opening Balance	(-)	(395,000)
Given during the year	(-)	(-)
Repaid during the year	(-)	(395,000)
Closing Balance	(-)	(-)
Contribution in the capital of a Partnership Firm		
Opening Balance	(-)	(170,640,646)
Contribution during the year	(-)	(169,077,694) 882,000
Share of loss in Partnership Firm	(-)	(2,400,000) 2,989,281
Balance in Capital Account of the Firm	(-)	(837,048) 166,769,365
	(-)	(170,640,646)

Notes:

- (i) The aforesaid related parties are as identified by the Company and relied upon by the Auditors.
(ii) Previous year's figures are denoted in brackets.



8 **Earnings Per Share:**

The Profit/ (Loss) considered in ascertaining the Company's Earnings Per Share comprises of 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)

Particulars	Current Year	Previous Year
Net Profit/ (Loss) after Tax as per Profit & Loss Account	(3,997,068)	2,505,330
Weighted number of shares outstanding during the year	10,000	10,000
Basic & Diluted Earnings per Share	(399.71)	250.53
Face Value per Equity Share	10	10

- 9 The 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 Paragraph 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.
- 10 Previous year figures have been rearranged and reclassified wherever necessary to confirm with current year's presentation.

SIGNATURES TO SCHEDULE 1 TO 13

In terms of our report of even date attached

For M.A.PARIKH & CO
Chartered Accountants

C. Ghelan
PARTNER
Name: CHINTAN GHELAN
Membership No. 132791



Place : Mumbai
Dated : 30 MAY 2011

FOR AND BEHALF OF BOARD OF DIRECTORS

(Salim Salwa)
Director

Na - Bajaj
(N. P. Bajaj)
Director

Place : Mumbai
Dated: 30 MAY 2011