

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY  
PRIVATE LIMITED**

ANNUAL AUDITED ACCOUNTS

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

**M. A. PARIKH & CO.**

Chartered Accountants  
Yusuf Building, 2<sup>nd</sup> Floor,  
Mahatma Gandhi Road,  
Fort, Mumbai – 400 001.

Tel No.: 22041018 \*22043850 \*22029187  
Fax: 22874524 \*Email : maparikh@eth.net

# REALTY

## NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of Gokuldham Real Estate Development Company Private Limited will be held on Saturday, 11<sup>th</sup> August, 2012 at 5.00 P.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:

## AGENDA

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012, the Profit and loss Account for the year ended on that date together with the reports of the Board of Directors & Auditors thereon
2. To appoint a Director in place of Mr. N.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 Gokuldham Real Estate Development Company Pvt. Ltd.



Mumbai  
Date: 24.05.2012

Director/Secretary

### Notes:

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

### GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED

Regd. Office : DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063. • Tel.: 91-22-4077 8600 • Fax: 91-22-2841 5550 / 2842 1667  
E-mail: info@dbg.co.in • Website: www.dbrealty.in

# REALTY

## DIRECTORS' REPORT

To  
The Members  
Gokuldham Real Estate Development Company Private Limited

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

### NATURE OF OPERATIONS

Your Company is engaged in the business of development and construction of residential complex "Orchid Woods" on the land at Dindoshi, Goregaon (East), Mumbai- 400 063 and the work has progressed satisfactorily.

### FINANCIAL RESULTS:

In accordance with the percentage completion method followed by the Company in recognizing the revenue, the Company has recognized revenue during the year and accounted in the Profit and Loss Account:

Particulars	Amount (in Rs.)	
	Year ended March 31, 2012	Year ended March 31, 2011
Income by way of Revenue from Sale of Flats & Other Income	1,957,919,881	2,98,47,98,196
Profit before Depreciation	606,874,196	79,84,43,398
Less: Depreciation	722,170	11,94,427
Profit Before Tax	606,152,026	79,72,48,971
Less: Provision for Taxation	207,744,164	30,45,66,803
Profit / (Loss) after Tax	398,407,862	49,26,82,168
Add: Balance brought forward from Earlier year	381,808,777	28,91,26,609
Less : <u>Appropriation</u> Capital Redemption Reserve	-	40,00,00,000
Balance carried to Balance Sheet	780,216,639	38,18,08,777

### DIVIDEND

In order to conserve resources for the completion of the Project, the Directors have not proposed any dividend on the Equity Share Capital for the year.

### STATUS OF THE COMPANY

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

#### GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED

## **DIRECTORS**

Mr. Salim Balwa was appointed as Additional Director with effect from 1<sup>st</sup> February, 2012 and thereafter he was appointed as Director of the Company subject to retirement by rotation in the Extra- Ordinary General Meeting held on 25<sup>th</sup> February, 2012.

Mr. Salim Balwa was appointed as Managing Director for a period of three years with effect from 1<sup>st</sup> February, 2012 with functions of day to day Management of the operations and the affairs of the Company subject to the over all superintendence, control and direction of the Board of Directors of the Company.

Mr. Ishaq Balwa resigned as Managing Director as well as Director of the Company with effect from 1<sup>st</sup> February, 2012.

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

## **AUDIT COMMITTEE**

Your Company is a material subsidiary Company of D B Realty Limited, the holding Company and as per Clause 49 of Listing Agreement. Mr. Jagat Killawala and Mr. N.P Bajaj continued to be Independent Directors of the Company.

The present members of the committee are:

1. Mr. Narayan P. Bajaj
2. Mr. Shonit Dalmia
3. Mr. Jagat Killawala

The Committee met from time to time and reviewed the audited financial statements and also the internal control systems.

## **DIRECTORS RESPONSIBILITY STATEMENT:**

The Directors State:

- (i) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> 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 had 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 as it exists for the year ended 31<sup>st</sup> March, 2012 and of the Profit of the company for that period;

# REALTY

- (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.

## **FIXED DEPOSITS**

The Company has not accepted any deposit from the public within the meaning of Section 58A of Companies Act, 1956 during the year under review.

## **PARTICULARS OF EMPLOYEES**

Information as per Section 217 (2A) of the Companies Act, 1956, (the Act) read with the Companies (Particulars of Employees) Rule, 1975 as amended from time to time forms the part of this Report.

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

Considering the nature of the business, it is not necessary to give statement showing required particulars in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1998 read with the provisions of Section 217(1)(e) of the Companies Act, 1956 and hence it has not been annexed hereto.

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.

During the year under review, the Company had no Foreign Exchange earnings. The expenditure in foreign currency on account of CIF value of imports was Rs. 6,46,21,544/- (Previous Year: Rs.15,14,21,594/-).

## **COST AUDIT**

In order to comply with the Compliance Report under Companies (Cost Accounting Records) Rules 2011, which came into force since 3<sup>rd</sup> June,2011, the Company has appointed Joshi, Apte & Associates, Cost Accountants, for the year 2011-12.

# REALTY

## AUDITORS:

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

## ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the support extended by the Bankers, Government Authorities, its Employees at all level, Creditors and Suppliers.

**By order of the Board of Directors  
For Gokuldhham Real Estate Development Company Pvt. Ltd.**



**Vinod Goenka  
Director**



**Shouvik Dalmia  
Director**

**Place: Mumbai  
Date : 24.05.2012**

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

Annexure to Directors' Report for the year ended 31<sup>st</sup> March, 2012

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Sr.No.	Name	Remuneration Received (Amt. in Rs.)	Nature of Employment/ Designation	Qualification & Experience (Years)	Date of commencement of employment/ Date of Joining	Age Years	Previous Employment
1.	Mr. Vinod K. Goenka	1,89,27,000	Managing Director	B. Com 28 Years	01.10.2010	53	Business
*2.	Mr. Salim Balwa	12,00,000	Managing Director	Under Graduate 20 Years	01.02.2012	40	Business
3.	Mr. Shonit Dalmia	1,26,18,000	Whole Time Director	M.B.A	01.10.2010	28	Business
4.	Mr. Ishaq Balwa	1,71,27,000	Managing Director up to 31-01-2012. From 01-02-2012 as COO.	B.Com 20 Years	From 27.07.2010 as M.D. From 01-02-2012 as COO	46	Business of Hotel Industry.

\*Employed for the part of the Financial Year.

**By order of the Board of Directors  
For Gokuldham Real Estate Development Company Pvt. Ltd.**

**Sd/-  
Vinod Goenka  
Director**

**Sd/-  
Shonit Dalmia  
Director**

**Place: Mumbai  
Date : 24.05.2012**

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

**AUDITORS' REPORT**

**To the Members of Gokuldharm Real Estate Development Private Limited**

1. We have audited the attached Balance Sheet of **Gokuldharm Real Estate Development Private Limited** ('the Company') as at March 31, 2012 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 here-in-above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;





- (e) On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2012;
- (ii) In the case of the statement of Profit and Loss, of the Profit for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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



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

**Mumbai, Dated: 24 MAY 2012**

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

1. Fixed Assets
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed Assets have been physically verified by the management as of the year-end. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
  - (c) No fixed assets have been disposed off during the year.
  
2. Inventories
  - (a) The Company is in the business of real estate development and as up to the year-end the project undertaken for development and construction is in progress. The inventory consists of units under construction and building materials. As explained to us, the building materials and units under construction have been physically verified by the management at reasonable intervals. The verification in respect of units under construction is based on the stage of completion of the project.
  - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business. As explained to us, no material discrepancies were noticed on such physical verification as compared to the book records.
  - (c) The Company is maintaining proper records of inventory in respect of units under construction and of building materials.
  
3. In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:
  - (a) The Company has granted unsecured loan to its holding company and 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 was Rs. 29,00,00,000 /- and the year-end balance is Rs. 4,70,00,000/-.
  - (b) The said loans are with interest and repayable on demand. Since the loans are repayable on demand, the question of overdue amount does not arise.



- (c) According to the information and explanations given to us, the rate of interest and the other terms and conditions of the said loans, are prima facie not prejudicial to the interest of the Company.
- (d) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and inventory and for the sale of flats. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said areas.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of a contract or arrangement referred to in section 301 of the Companies Act, 1956 that needed to be entered into the register required to be maintained under the said section have been so entered.
- (b) One transaction is in excess of rupees five lakhs and the said transactions has been made at a price which is 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. A firm of Chartered Accountants has been appointed by the management to carry out the function of internal audit, which in our opinion, commensurates with the size of the Company and the nature of its business.
8. For the year under reference, the Companies (Cost Accounting Records) Rules, 2011 are applicable to the Company in relation to its construction activities. Based on our examination of books of account and other relevant records, in our opinion, prima facie, the said books and records gives information in relation to utilisation of materials, labour and other items of costs as referable to its said construction activity.
9. Statutory Dues
- (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, the Company except for delays in depositing the Value Added Tax and Service Tax for the financial year concerned, is regular in depositing the other undisputed statutory dues including Provident Fund, Employees' State Insurance and Other applicable Statutory Dues with the appropriate authorities. According to the information and explanations given to us and according to the books and records as produced before us, no undisputed amounts payable in respect of the said applicable statutory dues were in



arrears as at March 31, 2012 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no disputed dues of Income – tax / Value Added tax / Service Tax/Custom duty / Excise duty / Cess.
10. The Company does not have any accumulated losses. The Company has not incurred cash losses in the financial year concerned and in the immediately preceding financial year.
  11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bank.
  12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the requirements of Clause 4(xii) of the Order are not applicable.
  13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the requirements of Clause 4(xiii) of the Order are not applicable.
  14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the requirements of Clause 4(xiv) of the Order are not applicable.
  15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the requirements of Clause 4(xv) of the Order are not applicable.
  16. During the year, the Company has not any new 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, no funds have been raised on short – term basis and hence, the question of utilizing the same does not arise.
  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:- **24 MAY 2012**

**GOKULDHAM REAL ESTATE DEVELOPMENT CO. PVT.LTD.**

**BALANCE SHEET AS AT 31ST MARCH 2012**

(Amount in Rs.)

Particulars		Note No	As at 31.03.12	As at 31.03.11
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a)	Share Capital	3	50,000,000	50,000,000
(b)	Reserves and Surplus	4	1,180,216,639	781,808,777
<b>2 Non-current liabilities</b>				
(a)	Long-term borrowings	5	-	144,233,129
(b)	Other Long term liabilities	6	80,064,681	48,666,609
(c)	Long-term provisions	7	205,074,093	80,953,891
<b>3 Current liabilities</b>				
(a)	Trade payables	8	237,590,277	102,483,417
(b)	Other current liabilities	9	1,499,257,526	2,463,700,203
(c)	Short-term provisions	10	919,257	-
<b>TOTAL</b>			<b>3,253,122,473</b>	<b>3,671,846,026</b>
<b>II. ASSETS</b>				
<b>1 Non-current assets</b>				
(a)	Fixed Assets	11		
(i)	Tangible assets		1,779,126	2,097,789
(ii)	Intangible assets		50,270	83,783
(b)	Non-current investments	12	1,055,607,261	5,902,380
(c)	Deferred tax assets	13	3,910,158	1,312,234
(d)	Long-term loans and advances	14	195,212,634	1,812,634
<b>2 Current assets</b>				
(a)	Inventories	15	1,471,649,459	1,789,276,849
(b)	Trade receivables	16	137,134,841	118,134,418
(c)	Cash and bank balances	17	66,477,124	194,177,648
(d)	Short-term loans and advances	18	194,860,938	1,529,482,861
(e)	Other current assets	19	126,440,662	29,565,430
<b>TOTAL</b>			<b>3,253,122,473</b>	<b>3,671,846,026</b>

See accompanying notes forming part of financial statements

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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



For and Behalf of Board of Directors

*(Signature)*  
(Vinod Goenka)  
Director

*(Signature)*  
(Shonit Dalmia)  
Director

Place : Mumbai  
Date : 24<sup>th</sup> May 2012

*(Signature)*  
(Ratilal K. Bharadva)  
Company Secretary

**GOKULDHAM REAL ESTATE DEVELOPMENT CO PVT.LTD.**

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

(Amount in Rs.)

Particulars		Note No.	For the Year Ended 31.03.12	For the Year Ended 31.03.11
1	Revenue from operations	20	1,799,930,277	2,896,940,950
2	Other Income	21	157,989,604	87,857,246
3	<b>Total Revenue</b>		<b>1,957,919,881</b>	<b>2,984,798,196</b>
4	Expenses:			
	Project Expenses	22	933,129,056	1,306,682,630
	Changes in inventories of Project work-in-progress	23	317,627,390	595,658,314
	Employee benefits expenses	24	32,781,079	13,646,940
	Finance costs	25	-	144,826,940
	Depreciation and amortization expense	26	722,170	1,194,427
	Other expenses	27	67,508,160	125,539,974
	<b>Total expenses</b>		<b>1,351,767,855</b>	<b>2,187,549,225</b>
5	<b>Profit before Tax</b>		<b>606,152,026</b>	<b>797,248,971</b>
6	Tax expense:			
	(1) Current tax		(210,342,088)	(305,219,662)
	(2) Deferred tax		2,597,924	652,859
7	<b>Profit for the year</b>		<b>398,407,862</b>	<b>492,682,168</b>
	Earnings per equity share: Basic and Diluted		796.82	985.36

See accompanying notes forming part of financial statements

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In terms of our report of even date attached

For M.A PARIKH & CO.  
Chartered Accountants



*C. Ghelani*

PARTNER

Name : Chintan Ghelani  
Membership No. : 132791

Place : Mumbai  
Date : 24<sup>th</sup> May 2012

For and Behalf of Board of Directors

*(Signature)*  
( Vinod Goenka )  
Director

*(Signature)*  
( Shonit Dalmia )  
Director

*(Signature)*  
( Ratilal K. Bharadva )  
Company Secretary

**GOKULDHAM REAL ESTATE DEVELOPMENT CO PVT.LTD.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

(Amount in Rs.)

	For the Year Ended 31.03.12	For the Year Ended 31.03.11
<b>(A) Cash Flow From Operating Activities:</b>		
Profit before tax	606,152,026	797,248,971
<b>Adjustments for:</b>		
Depreciation and amortization expense	722,170	1,194,427
Interest and Finance Charges	58,817,236	220,791,398
Provision for Gratuity	1,817,693	987,860
Provision for Leave Encashment	5,559,417	1,010,787
<b>Operating Profit before Working Capital Changes</b>	<b>673,068,542</b>	<b>1,021,233,443</b>
<b>Working Capital Changes:</b>		
Trade Receivables	(19,000,423)	215,061,208
Advances	(126,784,165)	301,909,246
Other Current Assets	(96,875,232)	26,211,825
Inventories	317,627,390	595,658,314
Current Liabilities	(384,228,777)	815,225,316
<b>Cash Generated from Operations</b>	<b>363,807,336</b>	<b>2,975,299,352</b>
Taxes paid	(92,673,651)	(294,841,860)
<b>Net Cash from Operating Activities</b>	<b>271,133,685</b>	<b>2,680,457,492</b>
<b>(B) Cash Flow From Investing Activities:</b>		
Loans	1,268,000,000	(1,375,189,232)
Purchase of Investments	(1,050,000,000)	(6,558,200)
Purchase of Fixed Assets	(74,875)	(192,716)
<b>Net Cash from Investing Activities</b>	<b>217,925,125</b>	<b>(1,381,940,148)</b>
<b>(C) Cash Flow From Financing Activities:</b>		
Repayment of Long Term Borrowings	(557,942,098)	(560,616,777)
Redemption of Preference Shares	-	(400,000,000)
Interest and Finance Charges	(58,817,236)	(220,791,398)
<b>Net Cash (used in) Financing Activities</b>	<b>(616,759,334)</b>	<b>(1,181,408,175)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(127,700,524)</b>	<b>117,109,169</b>
Add: Cash and Cash Equivalents (Opening)	194,177,648	77,068,479
<b>Cash and Cash Equivalents (Closing)</b>	<b>66,477,124</b>	<b>194,177,648</b>
<b>(D) Cash and Cash Equivalents includes:</b>		
Cash on hand	82,844	69,656
Cheques on Hand	-	187,500
Bank Balances	66,394,280	193,920,492
	<b>66,477,124</b>	<b>194,177,648</b>

For M. A. PARIKH & CO.  
Chartered Accountants

*C. Ghelani*



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

Place : Mumbai  
Date : 24<sup>th</sup> May 2012

For and on behalf of Board of Directors

*(Signature)*  
( Vinod Goenka )  
Director

*(Signature)*  
( Sigit Dalmia )  
Director

*(Signature)*

( Ratilal K. Bharadva )  
Company Secretary



**GOKULDHAM REAL ESATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**Notes Forming Part of Financial Statements**

**1 NATURE OF OPERATIONS**

The Company, a subsidiary of D B Realty Limited, is engaged in the business of development and construction of complexes. In furtherance thereof, it has undertaken development and construction of residential complex on the land bearing Cts No. 157/7(P) and 157/8(P) of Village Dindoshi, Goregaon (East), Mumbai 400 063.

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation of Financial Statements**

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

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria's set out in the Schedule VI to the Companies Act, 1956.

**2.2 Use of Estimates**

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

**2.3 Fixed Assets and Depreciation**

**Tangible Assets:**

Fixed Assets are capitalized at cost of acquisition, net of accumulated depreciation. Cost includes cost incurred to bring the assets to their present location and condition. Depreciation on fixed assets has been provided for on written down value method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

**Intangible Assets:**

Intangibles represent computer software and is stated at its cost of acquisition, net of accumulated amortization. It is amortized by allocating the cost of the asset as an expense over its useful life as estimated by the management.

**2.4 Investment**

(a) Immovable Property held as non current investment is valued at cost less accumulated depreciation. Depreciation is provided for on written down value method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

(b) Other non current investment is carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of investment.

**2.5 Inventories**

Project Work- In- Progress represents expenditure incurred in relation to development and construction of the Project. Direct expenses and construction overheads are taken as the cost of the Project. It is valued at lower of cost or net realizable value. Building materials are valued at cost.

**2.6 Revenue Recognition**

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

**2.7 Other Income**

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

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

**2.8 Borrowing Cost**

Borrowing costs which have a direct nexus with the Project, being a qualifying asset, are allocated to the cost of the Project. Other borrowing costs are expensed out as period cost.



**GOKULDHAM REAL ESATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**Notes Forming Part of Financial Statements**

**2.9 Foreign currency transactions and translations**

Foreign currency transaction is initially recorded at the rate of exchange prevailing on the date of the transaction. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date and the resulting gains/ losses on such translation are recognized in the Statement of Profit and Loss.

**2.10 Employee Benefits:**

Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits and are recognized in the period in which the employee renders the related service.

Post employment benefits:

Contribution to the provident fund, which is a defined contribution scheme, is recognized as an expense in the Statement of Profit & Loss in the period in which the contribution is due.

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

**2.11 Operating lease**

Lease rentals under operating lease agreements are charged off to the Statement of Profit & Loss in accordance with the terms of the lease agreement.

**2.12 Taxes on Income**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between 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 a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

**2.13 Provision and Contingent Liabilities**

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

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

**2.14 Earnings per Share**

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating dilute earnings per share, the net profit or loss for the period attributable to equity shareholders and weightage average number of shares outstanding for the period is adjusted for the effects of all dilutive potential equity shares.

**2.15 Cash Flow Statement**

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and present the cash flows by operating, investing and financing activities of the Company.

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



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
Notes Forming Part of Financial Statements

(Amount in Rs.)

**3 Share Capital**

Particulars	Number	As at 31 March	Number	As at 31 March
		2012		2011
<b>Authorised</b>				
Equity Shares of Rs.100/- each	500,000	50,000,000	500,000	50,000,000
0.1% Redeemable Cumulative preference shares of Rs. 100/- each	4,000,000	400,000,000	4,000,000	400,000,000
	<b>4,500,000</b>	<b>450,000,000</b>	<b>4,500,000</b>	<b>450,000,000</b>
<b>Issued</b>				
Equity Shares of Rs.100/- each fully paid-up	500,000	50,000,000	500,000	50,000,000
<b>Total</b>	<b>500,000</b>	<b>50,000,000</b>	<b>500,000</b>	<b>50,000,000</b>
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs.100/- each fully paid-up	500,000	50,000,000	500,000	50,000,000
<b>Total</b>	<b>500,000</b>	<b>50,000,000</b>	<b>500,000</b>	<b>50,000,000</b>

**3.1 Reconciliation of number of Preference Shares**

Particulars	As at 31 March	As at 31 March
	2012	2011
	Number	Number
Outstanding at the beginning of the year (Refer note here-below)	-	4,000,000
Less: Shares Redeemed	-	4,000,000
Outstanding at the end of the year	-	-

**Note:**

- The Company had issued 40 lacs 0.1% Redeemable Cumulative Preference Shares of Rs.100/- each fully paid up amounting to Rs.40 Crores. The said Preference Shares were at the discretion of the Board of Directors redeemable at par fully or partially after expiry of 12 years from the date of allotment, i.e. 21st November, 2006, but not later than 20 years from the date of allotment.
- The Company at its Extra Ordinary General Meeting held on 25th October,2010 had modified the terms of redemption whereby it granted power to its Board of Directors to redeem the said Preference Shares after expiry of 3 years from the date of allotment.
- Consequent to above, the Board of Directors at their Meeting held on 3rd November, 2010 decided to redeem the said Preference Shares without declaring any dividend thereon including the unprovided cumulative dividend as upto 31st March, 2010 and the same was duly accepted by each of the Preference Shareholder and accordingly, the said Preference Shares stand redeemed during the year ended 31st March, 2011.
- In view of the redemption made not out of the proceeds of fresh issue of capital during the year ended 31st March, 2011, an amount equivalent to Rs.40 Crores was transferred from the balance standing to the credit of Profit & Loss Account to Capital Redemption Reserve Account in compliance of the provisions of Section 80(1)(d) of the Companies Act, 1956.

3.2 There is no movement in the number of equity shares during the year ended 31st March, 2012 as well as during the year ended 31st March, 2011

**3.3 Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 100 per share

3.4 3,74,990 Equity Shares (Previous Year 3,74,990) are held by D B Realty Limited, the holding company.

3.5 Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Company.

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
D B Realty Ltd.	374,990	74.998%	374,990	74.998%
Konark Realtech Pvt.Ltd.	125,000	25.000%	125,000	25.000%
<b>Total</b>	<b>499,990</b>	<b>99.998%</b>	<b>499,990</b>	<b>99.998%</b>



**GOKULDHAM REAL ESATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**Notes Forming Part of Financial Statements**

(Amount in Rs.)

**4 Reserves & Surplus**

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Capital Redemption Reserve		
Balance as at the beginning of the year	400,000,000	
Add : Amount transferred from Statement of Profit and Loss (Refer Note no.3.1)	-	400,000,000
Balance as at the end of the year	400,000,000	400,000,000
(b) Surplus as per Statement of Profit & Loss		
Balance as at the beginning of the year	381,808,777	289,126,609
Add: Profit For the year	398,407,862	492,682,168
	780,216,639	781,808,777
Less: Appropriation		
Transferred to Capital Redemption Reserve	-	(400,000,000)
Balance as at the end of the year	780,216,639	381,808,777
<b>Total</b>	<b>1,180,216,639</b>	<b>781,808,777</b>

**5 Long Term Borrowing**

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Term Loan</b>		
Kotak Mahindra Bank	-	144,233,129
<b>Total</b>	<b>-</b>	<b>144,233,129</b>

**5.1 Nature of Security**

First charge on Pari Passu basis:

- (i) By way of Equitable mortgage of Land and Building (Under Construction)
- (ii) On all the fixed and current assets of the Company; and
- (iii) On the escrow of receivables from the Project.

**5.2 Guarantees**

D B Realty Limited, the holding company and Conwood Construction and Developers Private Limited, an associate company, have given corporate guarantee to the Bank securing the repayment of the loan.

**5.3 Terms of Repayment**

- (a) Repayable over a period of 24 months from the date of disbursement.
- (b) Upto 12 months 40% of sums received from allottees against sale of flats.
- (c) Thereafter, higher of the equated monthly instalment of the principal amount outstanding as at the end of 12 month or 40% of sums received from allottees against sale of flats for each month.

**6 Other Long Term Liabilities**

Particulars	As at 31 March 2012	As at 31 March 2011
Trade Payables (Refer Note below and Note No.33)	80,064,681	48,666,609
<b>Total</b>	<b>80,064,681</b>	<b>48,666,609</b>

Represents amount retained as per the terms of the contract(s) and are due for payment after a period of 12 months from the year-end.



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**Notes Forming Part of Financial Statements**

(Amount in Rs.)

**7 Long Term Provisions**

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Provision for employee benefits		
Gratuity (unfunded) (Refer Note below)	3,823,312	2,043,752
Leave Encashment (unfunded) (Refer Note below)	6,722,023	2,043,730
	10,545,335	4,087,482
(b) Provision for Income Tax (Net of Payment made thereagainst)	194,528,758	76,866,409
<b>Total</b>	<b>205,074,093</b>	<b>80,953,891</b>

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

**8 Trade Payables**

Particulars	As at 31 March 2012	As at 31 March 2011
Sundry Creditors (Refer Note No.33)	237,590,277	102,483,417
<b>Total</b>	<b>237,590,277</b>	<b>102,483,417</b>

**9 Other Current Liabilities**

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Current maturities of long term borrowings (Refer Note No.5)	144,233,129	557,942,098
(b) Interest accrued but not due on borrowings	2,623,894	9,500,625
(c) Advances received from Customers	1,273,479,040	1,866,654,451
(d) Amount Refundable on Cancellation of Flats	22,678,116	2,572,300
(e) Statutory dues including Provident Fund and Tax Deducted at Source	38,020,265	23,903,005
(f) Employees' Benefits Payable	5,147,753	3,127,724
(g) Other Payables	13,075,329	-
<b>Total</b>	<b>1,499,257,526</b>	<b>2,463,700,203</b>

**10 Short Term Provisions**

Particulars	As at 31 March 2012	As at 31 March 2011
Provision for employee benefits		
Gratuity (unfunded)	38,133	-
Leave Encashment (unfunded)	881,124	-
<b>Total</b>	<b>919,257</b>	<b>-</b>



**GOKULDHAM REAL ESATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
Notes Forming Part of Financial Statements

**11 Fixed Assets**

(Amount in Rs.)

	Fixed Assets	Gross Block			Accumulated Depreciation /Amortization			Net Block	
		Balance as at 1 April 2011	Additions	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	Balance as at 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011
a	<b>Tangible Assets</b>								
	Furniture and Fixtures	1,300,890	-	1,300,890	742,823	101,010	843,833	457,057	558,067
	Office equipment	2,202,939	73,150	2,276,089	991,069	173,965	1,165,034	1,111,055	1,211,870
	Vehicle	109,690	-	109,690	8,325	26,243	34,568	75,122	101,365
	Computer	886,425	1,725	888,150	659,938	92,320	752,258	135,892	226,487
	<b>Total</b>	<b>4,499,944</b>	<b>74,875</b>	<b>4,574,819</b>	<b>2,402,155</b>	<b>393,538</b>	<b>2,795,693</b>	<b>1,779,126</b>	<b>2,097,789</b>
	<b>Previous Year</b>	<b>39,084,865</b>	<b>192,716</b>	<b>39,277,581</b>	<b>36,697,040</b>	<b>482,752</b>	<b>37,179,792</b>	<b>2,097,789</b>	<b>-</b>
b	<b>Intangible Assets</b>								
	Computer software	246,222	-	246,222	162,439	33,513	195,952	50,270	83,783
	<b>Total</b>	<b>246,222</b>	<b>-</b>	<b>246,222</b>	<b>162,439</b>	<b>33,513</b>	<b>195,952</b>	<b>50,270</b>	<b>83,783</b>
	<b>Previous Year</b>	<b>246,222</b>	<b>-</b>	<b>246,222</b>	<b>106,584</b>	<b>55,855</b>	<b>162,439</b>	<b>83,783</b>	<b>-</b>



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**Notes Forming Part of Financial Statements**

(Amount in Rs.)

**12 Non- Current Investments**

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Investment in Property (at cost less accumulated depreciation)		
Cost of Immovable Property (Flat)	6,558,200	6,558,200
Less: Accumulated Depreciation	(950,939)	(655,820)
	5,607,261	5,902,380
(b) Non Trade Investment - (Unquoted - valued at cost)		
In <u>10,50,000</u> (Previous Year-Nil) Redeemable Optionally Convertible Cumulative Preference Shares of Rs.10 each fully paid-up of DB MIG Realtors & Builders Private Limited	1,050,000,000	
	1,050,000,000	
<b>Total</b>	<b>1,055,607,261</b>	<b>5,902,380</b>

**13 Deferred Tax Assets**

Particulars	As at 31 March 2012	As at 31 March 2011
<u>Deferred Tax Asset:</u>		
Difference between book and tax depreciation	13,800	
Disallowances under section 40(A)(7)/43B of the Act	3,896,358	1,326,183
	3,910,158	1,326,183
<u>Less: Deferred Tax (Liability)</u>		
Difference between book and tax depreciation		(13,949)
<b>Total</b>	<b>3,910,158</b>	<b>1,312,234</b>

**14 Long-Term loans and advances**

Particulars	As at 31 March 2012	As at 31 March 2011
(Unsecured and Considered good)		
Advance towards subscription of Redeemable Optionally Convertible Cumulative Preference Shares of Rs. 10 each fully paid up of DB MIG Realtors & Builders Private Limited	193,400,000	
Security Deposits	1,812,634	1,812,634
<b>Total</b>	<b>195,212,634</b>	<b>1,812,634</b>

**15 Inventories**

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Project Work-in-Progress	1,328,819,134	1,702,509,368
(b) Materials at site	142,830,325	86,767,481
<b>Total</b>	<b>1,471,649,459</b>	<b>1,789,276,849</b>

**16 Trade Receivables**

Particulars	As at 31 March 2012	As at 31 March 2011
(Unsecured and Considered good)		
- Outstanding for a period more than six months from the date they are due for payment	29,941,924	27,842,052
- Others	107,192,917	90,292,366
<b>Total</b>	<b>137,134,841</b>	<b>118,134,418</b>

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



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**Notes Forming Part of Financial Statements**

(Amount in Rs.)

**17 Cash and bank balances**

Particulars	As at 31 March 2012	As at 31 March 2011
Cash and Cash Equivalents		
(a) Cash on hand	82,844	69,656
(b) Bank Balances in Current Accounts	66,394,280	165,267,742
	66,477,124	165,337,398
Long Term		
Other bank balances		
Fixed Deposits with maturity more than 3 months but less than 12 months		28,840,250
<b>Total</b>	<b>66,477,124</b>	<b>194,177,648</b>

**18 Short-term loans and advances**

Particulars	As at 31 March 2012	As at 31 March 2011
(Unsecured and Considered good)		
Loans:		
(a) Related parties (Refer to Note No.40)	77,000,000	1,120,000,000
(b) Other	23,500,000	248,500,000
Advance Recoverable in Cash or in Kind		
(a) Related party (Refer to Note No.40)	11,628,527	20,313,297
(b) Others (Refer to Note No.32)	82,618,042	140,566,775
Prepaid Expenses	74,369	56,701
Income Tax (Net of provision made thereagainst)	40,000	46,088
<b>Total</b>	<b>194,860,938</b>	<b>1,529,482,861</b>

**19 Other Current Assets**

Particulars	As at 31 March 2012	As at 31 March 2011
Unbilled Revenue	-	19,002,457
Interest accrued and due on:		
(a) Fixed Deposits with Banks	-	373,741
(b) Other Loans	126,440,662	10,189,232
<b>Total</b>	<b>126,440,662</b>	<b>29,565,430</b>

**20 Revenue From Operation**

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Sale of Flats	1,799,930,277	2,896,940,950
<b>Total</b>	<b>1,799,930,277</b>	<b>2,896,940,950</b>

**21 Other Income**

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Interest	153,221,222	60,714,358
Gain on sale of Investment	-	26,142,888
Liabilities Written Back to the extent no longer required	740,192	-
Amount Forfeited on cancellation of flats	3,756,938	1,000,000
Miscellaneous Income	271,252	-
<b>Total</b>	<b>157,989,604</b>	<b>87,857,246</b>





**GOKULDHAM REAL ESATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
**Notes Forming Part of Financial Statements**

(Amount in Rs.)

**22 Project Expenses**

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
Compensation for Acquiring Land/Development Rights	-	201,196,754
Direct Cost of Construction	825,425,112	991,095,475
<b>Construction Overheads:</b>		
- Salaries, Allowances and Bonus	38,840,024	27,597,586
- Contribution to Provident Fund and Other Allied Funds	209,336	252,342
- Staff Welfare and Other Amenities	4,420,657	1,460,586
- Gratuity	1,046,931	629,366
- Other Overheads	4,369,760	8,486,063
	874,311,820	1,230,718,172
Financial Costs (Refer Note No.25)	58,817,236	75,964,458
<b>Total</b>	<b>933,129,056</b>	<b>1,306,682,630</b>

**23 Changes in Inventories of Project Work-in-Progress**

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
Balance as of commencement of the year:		
- Project work in progress	1,789,276,849	2,384,935,163
<i>Less:</i>		
Balance as of end of the year:		
- Project work in progress	1,471,649,459	1,789,276,849
<b>Total</b>	<b>317,627,390</b>	<b>595,658,314</b>

**24 Employees Benefits Expenses**

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
- Salaries, Wages and Bonus	28,631,147	12,137,415
- Contribution to Provident Fund and Other Allied Funds	167,169	143,738
- Gratuity	836,046	358,494
- Staff Welfare and Other Amenities	3,146,717	1,007,293
<b>Total</b>	<b>32,781,079</b>	<b>13,646,940</b>

**25 Finance Costs**

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
(1) Interest on:		
(i) Long term borrowings	58,817,236	111,842,146
(ii) Short term borrowings	-	91,011,677
	58,817,236	202,853,823
(2) Other Financial Charges	-	17,937,575
	58,817,236	220,791,398
Less: Transferred to Project Expenses	58,817,236	75,964,458
<b>Total</b>	<b>-</b>	<b>144,826,940</b>

**26 Depreciation and amortization expenses**

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
On Tangible Assets	393,538	482,752
On Immovable Property held as Non-current Investments	295,119	655,820
Amortization of Intangible Assets	33,513	55,855
<b>Total</b>	<b>722,170</b>	<b>1,194,427</b>



GOKULDHAM REAL ESATE DEVELOPMENT COMPANY PRIVATE LIMITED  
Notes Forming Part of Financial Statements

(Amount in Rs.)

27 Other Expenses

Particulars	For the Year ended 31.03.12	For the Year ended 31.03.11
Rent, Rates & Taxes	4,893,190	3,946,178
Legal and Professional Charges	6,504,060	3,759,767
Donation	500	7,668,100
Advertisement and Sales Promotion	32,520,788	33,023,906
Commission & Brokerage	12,661,316	53,202,288
Communication Expenses	283,187	374,277
Conveyance and Travelling	7,097,281	18,992,909
Remuneration to Auditors'	792,700	833,316
Foreign Exchange Fluctuation Loss (net)	1,711,080	1,043,884
Miscellaneous Expenses	1,044,058	2,695,349
<b>Total</b>	<b>67,508,160</b>	<b>125,539,974</b>



**GOKULDHAM REAL ESATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**Notes Forming Part of Financial Statements**

28 The Company is a subsidiary of D B Realty Limited, which has become a "public company" w.e.f. 23.09.2009. Therefore, w.e.f. the said date, the Company has become a private company which is a subsidiary of a public company and accordingly, by virtue of provision of section 3(1)(iv)(c) of the Companies Act, 1956, the Company is a public company. The Company continues to use the word Private Limited as permitted by law.

29 During the year ended 31st March, 2011, the Management of the Company had revised the estimated project cost from Rs. 6,76,62,20,000/- to Rs. 7,55,73,05,067/-. As against the said revision, for the current year, the estimated project cost has been revised to Rs.7,91,32,50,000/-. On account of such revisions net profit of the respective years includes the impact of reversal of the profits recognised as upto 31st March, 2010/ 31st March, 2011.

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

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

**31 Contingent Liabilities not provided for**

(Amount in Rs.)

Particulars	As at 31.03.12	As at 31.03.11
Claims made against the Company not acknowledged as debt relating to service tax on lease rentals in respect of an office premise	-	1,149,764

**32 Advances (Refer Note No. 18)**

Includes Rs.69,86,650/- being claim made with Stamp duty authority for refund of Stamp Duty paid on execution of an agreement for purchase of Transferrable Development Rights , which was subsequently cancelled. The Company expects to recover the refund of the entire amount and review the recoverability aspect in the ensuing financial year.

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

(Amount in Rs.)

Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed 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 Statutory Auditors.



**GOKULDHAM REAL ESATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
Notes Forming Part of Financial Statements

**34 Break-up of Auditors' Remuneration:**

(Amount in Rs.)

Particulars	For the Year ended	For the Year ended
	31.03.2012	31.03.2011
- Audit Fees (including Service Tax)	786,520	551,500
- Taxation Matters (including Service Tax)	215,085	-
- Tax Audit (including Service Tax)	-	110,300
- Other Services (including Service Tax)	387,080	165,450
- Out of Pocket Expenses	-	6,066
<b>Total</b>	<b>1,388,685</b>	<b>833,316</b>

**35 Operating Lease:**

(Amount in Rs.)

Particulars	For the Year ended	For the Year ended
	31.03.2012	31.03.2011
Lease payments recognized in the Statement of Profit & Loss	4,873,870	3,946,178
Future Lease Payments		
(a) Not later than one year.	559,620	3,301,237
(b) Later than one year but not later than five years.	43,560	520,931
(c) Later than five years.	-	-
<b>Total of future lease payments</b>	<b>603,180</b>	<b>3,822,168</b>

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

**36 As per Accounting Standard-15 "Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard is given below:**

**Defined Contribution Plan:**

Contribution to Provident Fund recognized as expense for the year is as under:

(Amount in Rs.)

Particulars	For the Year ended	For the Year ended
	31.03.2012	31.03.2011
Employer's Contribution to Provident Fund and Allied Funds	376,505	396,080

**Defined Benefit Plan:**

The present value of obligation is determined based on actuarial valuation done by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

**I. Reconciliation of opening and closing balances of Defined Benefit obligation.**

(Amount in Rs.)

Particulars	Gratuity (Un-Funded)	
	For the Year ended	For the Year ended
	31.03.2012	31.03.2011
Defined Benefit obligation at the beginning of the year	2,043,752	1,055,892
Current Service Cost	2,139,011	490,970
Interest Cost	163,500	123,749
Actuarial (gain)/loss	(484,818)	373,141
<b>Defined Benefit obligation at the end of the year</b>	<b>3,861,445</b>	<b>2,043,752</b>



**GOKULDHAM REAL ESATE DEVELOPMENT COMPANY PRIVATE LIMITED**

Notes Forming Part of Financial Statements

**II. Expense recognized during the year:**

(Amount in Rs.)

Particulars	Gratuity (Un-Funded)	
	For the Year ended	For the Year ended
	31.03.2012	31.03.2011
Current Service Cost	2,139,011	490,970
Interest Cost	163,500	123,749
Actuarial (gain)/loss	(484,818)	373,141
<b>Net Cost</b>	<b>1,817,693</b>	<b>987,860</b>

**III. Actuarial assumptions**

(Amount in Rs.)

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

**Notes:**

- 1 The obligation towards Gratuity is unfunded and therefore, the following disclosures are not given:
  - a. Reconciliation of Opening and Closing Balances of fair value of plan assets.
  - b. Details of Investments.
- 2 The obligation of Leave Encashment is provided for on actuarial basis done by an independent valuer and the same is unfunded. The amount recognised in the Statement of Profit & Loss for the year is Rs.60,25,787/- (Previous Year Rs. 11,18,757/-).

**37 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.

**38 Expenditure in foreign currency**

(Amount in Rs.)

Particulars	For the Year ended	For the Year ended
	31.03.2012	31.03.2011
	- Travelling	-

**39 Value of Imports on CIF basis in respect of:**

(Amount in Rs.)

Particulars	For the Year ended	For the Year ended
	31.03.2012	31.03.2011
	Doors, Windows & Grills	64,621,544
Elevator / Escalator	-	105,074,244
<b>Total</b>	<b>64,621,544</b>	<b>151,421,594</b>



**GOKULDHAM REAL ESATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
Notes Forming Part of Financial Statements

40 Related Party Disclosure

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

A. List of Related Parties with whom transactions have taken place and their relationship:

a) **Holding Company**

D B Realty Limited

b) **Fellow Subsidiary Company**

Neelkamal Realtors Suburban Private Limite  
Nine Paradise Erectors Pvt. Ltd.  
Real Gem Buildtech Pvt. Ltd.  
DB MIG Realtors & Builders Pvt. Ltd.

c) **Enterprises over which Director(s) exercises Significant Influence (Associated Enterprises)**

Conwood Construction & Developers Private Limited  
Eon Aviation Pvt.Ltd.  
Eversmile Construction Co. Private Limited  
Upvan Developers  
K G Enterprise  
Majestic Infracon Pvt. Ltd.  
Pony Infrastructure & Contractors Ltd.  
New Grid Buildcon Pvt. Ltd.  
BD & P Hotels (I) Private Limited  
Nihar Construction Pvt. Ltd.

d) **Jointly Controlled Entity of Holding Company/Fellow Subsidiary (Joint Control Entity)**

Dynamix Realty  
Suraksha DB Realty  
DBS Realty

e) **Key Management Personnel (KMP)**

Vinod Goenka  
Sonit Dalmia  
Ishaq Balwa (upto 31.01.2012)  
Salim Balwa (w.e.f 1.02.2012)

f) **Relative of the Key Managerial Personnel (Relative of KMP)**

Khadiza Balwa  
Rafiq Balwa

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

(Amount in Rs.)

Description	Holding Company	Fellow Subsidiary	Associated Enterprises	Joint Control Entity	Relative of KMP	KMP
<b>Loans Taken</b>						
Opening Balance	(276,297,644)	-	-	-	-	-
Taken during the year	(1,301,483,955)	-	-	-	-	-
Interest Expenses	(91,011,677)	-	-	-	-	-
Repaid during the year, (including interest)	-	-	-	-	-	-
Closing Balance	(1,668,793,276)	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Loans Given</b>						
Opening Balance	170,045,615	800,591,781	160,209,316	-	-	-
	(-)	(-)	(3,500,000)	(-)	(-)	(-)
Granted during the year	7,500,000	-	-	-	-	-
	(197,485,955)	(800,000,000)	(150,000,000)	(-)	(-)	(-)
Interest Receivable	12,521,885	96,154,341	23,094,512	-	-	-
	(326,027)	(657,534)	(7,454,795)	(-)	(-)	(-)
Repaid during the year, (including interest)	178,797,804	809,615,434	75,309,451	-	-	-
	(27,764,367)	(65,753)	(745,479)	(-)	(-)	(-)
Closing Balance	11,269,696	87,130,688	107,994,377	(-)	(-)	(-)
	(170,045,615)	(800,591,781)	(160,209,316)	(-)	(-)	(-)
<b>Charges for use of premises by the Company/Reimbursement of expenses incurred on behalf of the Company</b>						
Transaction during the year	(2,537,346)	(21,569)	(4,570,375)	(-)	(-)	(-)
Closing Balance	(-)	(-)	(258,619)	(-)	(-)	(-)



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
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Reimbursement of expenses incurred by the Company on behalf of parties						
Transaction during the year	72,950	-	-	9,170,230	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Closing Balance	-	-	7,930	-	-	-
	(-)	(-)	(95,318)	(7,930)	(-)	(-)

Compensation for obtaining sub-development rights of the land						
Compensation for the year	-	(-)	(201,196,754)	(-)	(-)	(-)
Closing Balance payable thereagainst	(-)	(-)	20,000,000	(-)	(-)	(-)
Business Promotion expenses	(-)	(-)	(20,000,000)	(-)	(-)	(-)
	(-)	(-)	81,328	(-)	(-)	(-)
Advance granted against Business promotion	(-)	(-)	(92,517)	(-)	(-)	(-)
	(-)	(-)	-	(-)	(-)	(-)
Closing Balance	(-)	(-)	(1,000,000)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)	(-)

Contractor charges						
Transaction during the year	-	-	206,252,867	-	-	-
	(-)	(-)	(211,003,504)	(-)	(-)	(-)
Closing Balance	-	-	59,027,748	-	-	-
	(-)	(-)	(27,333,171)	(-)	(-)	(-)
Mobilization Advance	-	-	-	-	-	-
Opening Balance	(-)	(-)	20,313,297	(-)	(-)	(-)
Granted during the year	(-)	(-)	(-)	(-)	(-)	(-)
Adjusted	(-)	(-)	(30,000,000)	(-)	(-)	(-)
	(-)	(-)	8,684,770	(-)	(-)	(-)
Closing Balance	(-)	(-)	(9,686,703)	(-)	(-)	(-)
	(-)	(-)	11,628,527	(-)	(-)	(-)
	(-)	(-)	(20,313,297)	(-)	(-)	(-)

Sale of Flat						
Sale	-	-	10,960,633	-	-	23,751,494
	(-)	(-)	(9,107,854)	(-)	(-)	(-)
Advance received Outstanding at year-end	-	-	1,539,367	-	-	(32,850)
	(-)	(-)	(3,392,146)	(-)	(-)	(-)

Professional fees						
Transaction during the year	-	(-)	(-)	(-)	(140,000)	(-)
	(-)	(-)	(-)	(-)	(-)	(-)
Closing Balance	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

Managerial remuneration						
Transaction during the year	-	(-)	(-)	-	-	46,200,000
	(-)	(-)	(-)	(-)	(-)	(22,500,000)
Closing Balance	-	-	-	-	-	2,740,040
	(-)	(-)	(-)	(-)	(-)	(1,728,000)

Hire Charges						
Transaction during the year	-	(-)	9,208,255	-	-	-
	(-)	(-)	(19,379,710)	(-)	(-)	(-)
Advance given and adjusted before year end	-	-	-	-	-	-
	(-)	(-)	(5,000,000)	(-)	(-)	(-)
Closing Balance	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

Advance payment for purchase of Shares						
Advance Paid	-	1,243,400,000	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Allotted	-	1,050,000,000	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Closing Balance	-	193,400,000	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

Investment in Preference Shares						
Purchase during the year	-	1,050,000,000	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Closing Balance	-	1,050,000,000	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)



**GOKULDHAM REAL ESATE DEVELOPMENT COMPANY PRIVATE LIMITED**  
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Reimbursement of Statutory Obligation paid on behalf of the Company						
Incurring during the year			9,839,015	418,298		
	(-)	(-)	(-)	(-)	(-)	(-)
Adjusted during the year			9,839,015	418,298		
	(-)	(-)	(-)	(-)	(-)	(-)
Closing Balance						
	(-)	(-)	(-)	(-)	(-)	(-)

Amount receivable against sale of flat						
Receivable		16,400,000				
	(-)	(-)	(-)	(-)	(-)	(-)
Received		16,400,000				
	(-)	(-)	(-)	(-)	(-)	(-)
Closing Balance						
	(-)	(-)	(-)	(-)	(-)	(-)

Previous year figures are denoted in brackets.

Note: The aforesaid related parties are as identified by the Company and relied upon by the Statutory Auditors.

**41 Earnings Per Share:**

The Profit/ (Loss) considered in ascertaining the Company's Earnings Per Share comprises the net profit/ (loss) after tax. The number of shares used in computing Basic and Diluted Earnings Per share is the weighted average number of shares outstanding during the year.

(Amount in Rupees)

Particulars	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Profit after Tax as per the Statement of Profit & Loss	398,407,862	492,682,168
Weighted Number of Shares outstanding during the year	500,000	500,000
Basic & Diluted Earnings per Share	796.82	985.36
Face value per Equity Share	100	100

**42 Previous Year Figures:**

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

Signatures to Notes 1 to 42

In terms of our report of even date attached.

For M. A. PARIKH & CO.  
Chartered Accountants

*C. Ghelani*



Partner  
Name : Chintan Ghelani  
Membership No. : 132791

Place: Mumbai  
Date : 24<sup>th</sup> May 2012

For and on behalf of Board of Directors

*(Signature)*  
(Vinod Goenka)  
Director

*(Signature)*  
(Shonit Dalmia)  
Director

*(Signature)*  
(Ratilal K. Bharadva)  
Company Secretary