

**M/S. NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE  
LIMITED**

**ANNUAL AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

**MEHTA CHOKSHI & SHAH**

Chartered Accountants

Maker Bhavan, 214, 2<sup>nd</sup> Floor,

New Marine Lines, Mumbai 400 020

Tel. No. : 2205 7309 \* 2208 8743 \* 66334067

Fax : 2205 5432 \* Email : [chetanshah@cames.in](mailto:chetanshah@cames.in)

Suburb Off.- A-101, "Aadeshwar", S.V.P.Road, (Mandpeshwar Road), Borivali (West), Mumbai-400092



## NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of Neelkamal Shantinagar Properties Private Limited will be held on Saturday, 20<sup>th</sup> September, 2014 at 12.30 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 31<sup>st</sup> March, 2014, statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajiv Agarwal who retires by rotation, and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors and to fix their remuneration.

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai (Reg. No.106201W), the retiring Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company from time to time.”

### SPECIAL BUSINESS

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

**“RESOLVED THAT** Mr. Ebrahim Balwa (holding DIN 05350198), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 2<sup>nd</sup> December, 2013, in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

**By Order of the Board**  
**For Neelkamal Shantinagar Properties Private Limited**

Sd/-  
Director

**Place: Mumbai**

**Date : May 21, 2014**

**Regd Office : DB House, Gen. A. K. Vaidya Marg,  
Goregaon (East), Mumbai - 400063**

#### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY.** The proxy in order to be effective must be deposited in writing at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. **Members / proxies should bring the attendance slip duly filled in for attending the meeting**
3. **The Explanatory Statements pursuant to section 102 of the Companies Act, 2013 relating to the aforesaid Special Business is annexed.**

#### **NEELKAMAL SHANTINAGAR PROPERTIES PVT. LTD.**

**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.co.in

CIN: U45200MH2005PTC155150

**EXPLANATORY STATEMENT FORMING PART OF THE ACCOMPANYING NOTICE PURSUANT TO THE PROVISION OF SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO.4**

Mr. Ebrahim Balwa was appointed as Additional Director at Board Meeting held on 02<sup>nd</sup> December, 2013 under Section 161(1) of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956) read with Articles of Association of the Company. He holds office only up to the date of Annual General Meeting of the Company. A notice has been received from a member proposing him as a candidate for the office of Director of the Company

The Board considers that the appointment of Mr. Ebrahim Balwa as a Director of the Company would be beneficial to the Company. Accordingly, the Board of Directors recommends his appointment as a Director of the Company whose period of office is liable to determination by retirement of directors by rotation

Except Mr. Ebrahim Balwa being an appointee, none of the Directors of the Company and their relatives is concerned or interested or otherwise, in the resolution set out at Item No. 4.

**By order of the Board  
For Neelkamal Shantinagar Properties Private Limited**

**Sd/-  
Director**

**Place: Mumbai  
Date : May 21, 2014**

**Regd Office : DB House, Gen. A. K. Vaidya Marg,  
Goregaon (East), Mumbai - 400063**

## DIRECTORS' REPORT

To  
The Members  
Neelkamal Shantinagar Properties Private Limited

Your Directors are pleased to present the 9<sup>th</sup> Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2014

### OPERATION

Your Company along with Shankala Realtors Pvt. Ltd. has formed a Joint Venture viz. Shree Shantinagar Venture for development and construction of a residential complex at Lower Parel, Mumbai. The said Deed was modified by a supplemental deed executed during the year by which the Company would be eligible for 100% of the share of profit on providing certain area of Free Sale Premises to the other member of the Joint Venture and payment of specified amount.

### FINANCIAL RESULTS:

The Company has consolidated the financial statements of the Joint Venture, 'Shree Shantinagar Venture' in which your Company has 50% share of Profit/ Loss and has presented the consolidated financial statement along with the standalone financial statement.

Particulars	F.Y. 2013-14		F Y 2012-13	
	Standalone	Consolidated	Standalone	Consolidated
Gross Income	-	-	-	-
**Less: Expenditure	62,71,644	62,45,303	27,56,385	27,56,385
Loss before extra- Ordinary Item and Tax	(62,71,644)	(62,45,303)	(27,56,385)	(27,56,385)
Less : Prior Period Expense	-	26,340	17,500	17,500
Loss before Tax	(62,71,644)	(62,71,643)	(27,73,885)	(27,73,885)
Less : Tax Expense	-	-	-	-
Profit/( Loss ) after taxation	(62,71,644)	(62,71,643)	(27,73,885)	(27,73,885)
Balance brought forward	(95,06,590)	(95,06,590)	(67,32,705)	(67,32,705)
Balance carried to Balance Sheet	(1,57,78,233)	(1,57,78,233)	(95,06,590)	(95,06,590)

\*\* including share of loss from Joint Venture

### DIVIDEND

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

### STATUS OF THE COMPANY:

The Company continues to be Wholly Owned Subsidiary Company of D B Realty Limited.

### **DIRECTORS:**

Mr. Ebrahim Balwa was appointed as Additional Director with effect from 2<sup>nd</sup> December, 2013 and he holds the office up to the date of the annual general meeting. The Company has received Notice in writing from a member proposing his appointment as Director of the Company.

Mr. Asif Balwa, Ms. Sunita Goenka and Mr. Salim Balwa ceased to be Directors with effect from 2<sup>nd</sup> December, 2013 and the Board places on record its appreciation for the guidance and services rendered by them during their tenure of Directorship.

Mr. Rajiv Agarwal, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) that in the preparation of the Accounts for the year ended on 31<sup>st</sup> March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the Accounts for the financial year ended on 31<sup>st</sup> March, 2014 on a going concern basis.

### **AUDITORS' REPORT**

With regard to the Auditors' observation in Para 10 of Annexure to the Auditors' Report that the accumulated losses exceed 50% of the networth of the Company and the Company has incurred cash losses during the current year, your Directors would like to state that the Joint Venture in which Company is a member follows the Percentage Completion Method in recognition of revenue on the development of the property in its real estate activity and hence expenses incurred including the share of loss from joint venture are debited to Profit and Loss account which shall be set off as and when income is recognized in the Joint Venture on achieving the threshold limits.

### **FIXED DEPOSIT**

During the year ended 31<sup>st</sup> March, 2014, 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 there under.

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

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

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

**STATUTORY AUDITORS:**

M/s. Mehta Chokshi & Shah, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting. They have confirmed their eligibility and willingness to accept office, if re-appointed.

You are requested to appoint the Auditors for the year 2014-15 and to fix their remuneration

**On behalf of the board of Directors  
For Neelkamal Shantinagar Properties Private Limited**

Sd/-  
Director

Sd/-  
Director

Mumbai,  
Date: May 21, 2014

*Mehta Chokshi & Shah*  
**CHARTERED ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

To the Members of NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**2. Managements' Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of



expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

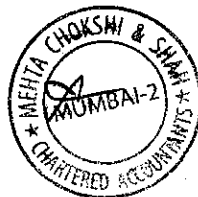
#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii. As required by section 227(3) of the Act, 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 purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



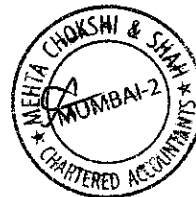


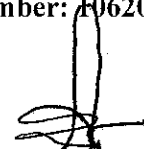
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013;
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Mehta Chokshi & Shah  
Chartered Accountants

Firm Registration Number: 106201W

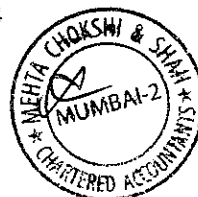
Place: Mumbai  
Date: 21<sup>st</sup> May, 2014



  
(A. R. Mehta)  
Partner  
M.No: 46088

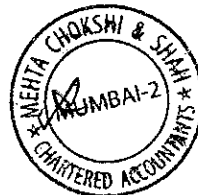
**ANNEXURE TO THE AUDITORS' REPORT**  
**(Referred to in paragraph 5(i) of our report of even date)**

1. Fixed Assets  
The Company does not have any Fixed Assets and therefore clauses 4(i)(a), 4(i)(b) and 4(i)(c) of the order are not applicable.
2. Inventories  
The company does not have any inventory and hence clause 4 (ii) (a), 4 (ii) (b) and 4 (ii) (c) of the order are not applicable.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:
  - (a) The Company has 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. Hence clause 4(iii)(a) to 4(iii)(d) of the order are not applicable.
  - (e) The Company has taken interest free unsecured loans, repayable on demand, from its holding company. The maximum balance outstanding at any time during the year is Rs. 41,22,14,316/- and the year-end balance of the said loans is Rs. 38,99,316/-.
  - (f) In our opinion, the terms on which the loans have been taken are prima facie not prejudicial to the interest of the Company.
  - (g) We are informed that the amounts of loans will be repaid by the Company as and when demanded and hence, the question of default in repayment thereof does not arise.
4. During the year, the company has not purchased any fixed assets/inventory nor it has made any sales, however to the best of our knowledge and belief and according to the information and explanations given to us the company has adequate internal control procedure which commensurate with its size and nature of business. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- ~~5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 have so been entered.~~  
(b) According to the information and the explanations given to us, where such transactions, are in excess of Rs.5 lacs in respect of each party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time



CHARTERED ACCOUNTANTS

6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The Company is not required to have an internal audit.
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 on the basis of our examination of the records of the Company, amounts in respect of undisputed statutory dues including Income Tax and applicable other statutory dues have been regularly deposited with the appropriate authorities and no undisputed amounts payable in respect of aforesaid statutory dues were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.  
  
Further as explained to us, the provisions for Investor Education and Protection, Provident Fund, Employees State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty are not applicable to the Company during the year.
  - (b) According to the information and explanations given to us, there are no disputed statutory dues of Income – tax and other applicable statutory dues and hence, the requirements of disclosure with respect to the amounts involved and the forums where the disputes are pending are not applicable.
10. *The Company's accumulated losses exceed fifty percent of the net worth of the company as at year end. Further, the company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.*
11. According to the information and explanations given to us there are no borrowings from financial institutions/banks/debenture holders, hence the question of any defaults in repayment of the dues to them does not arise.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the requirements of Clause 4(xii) of the Order are not applicable.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the requirements of Clause 4(xiii) of the Order are not applicable.



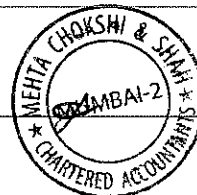
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the requirements of Clause 4(xiv) of the Order are not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the requirements of Clause 4(xv) of the Order are not applicable.
16. The Company has not availed of any term loan and therefore clause 4(xvi) of the said order is not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been utilized for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the requirements of Clause 4(xviii) of the Order are not applicable.
19. The Company has not issued any debentures. Therefore, the requirements of Clause 4(xix) of the Order are not applicable.
20. The Company has not raised any monies by way of Public Issue. Therefore, the requirements of Clause 4(xx) of the Order are not applicable.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For Mehta Chokshi & Shah  
Chartered Accountants

Firm Registration Number: 106201W

Place: Mumbai

Date: 21<sup>st</sup> May, 2014



  
(A. R. Mehta)  
Partner

M.No: 46088

**Neelkamal Shantinagar Properties Private Limited**

**Balance Sheet As At 31st March, 2014**

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	160,000	160,000
Reserves and Surplus	4	(15,778,233)	(9,506,590)
<b>Current Liabilities</b>			
Short-Term Borrowings	5	3,899,316	412,214,316
Trade Payables	6	58,097	69,242
Other Current Liabilities	7	540,348,814	1,480,482
<b>Total</b>		<b>528,687,993</b>	<b>404,417,450</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Non-Current Investments	8	527,563,825	403,260,543
Long-Term Loans and Advances	9	401,000	401,000
Other Non current Asset	10	651,973	651,973
<b>Current assets</b>			
Cash and Cash Equivalents	11	71,195	103,934
<b>Total</b>		<b>528,687,993</b>	<b>404,417,450</b>

Significant accounting policies and notes on Financial Statements 1 to 25

As per our attached report of even date

For and on Behalf of the Board

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

*Abhishek R. Mehta*  
Partner

Membership No. 46088



*Ebrahim Balwa*

(Ebrahim Balwa)  
Director

*Rajiv Agarwal*

(Rajiv Agarwal)  
Director

Place : Mumbai  
Date : 21.05.2014

Place : Mumbai  
Date : 21.05.2014

**Neelkamal Shantinagar Properties Private Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2014**

(Amount in Rupees)

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>Income :</b>			
Revenue from Operations		-	-
Other Income		-	-
<b>Total Income</b>		-	-
<b>Expenditure:</b>			
Other Expenses	12	344,615	128,062
Share of Loss From Joint Venture		5,927,029	2,628,323
<b>Total Expenditure</b>		<b>6,271,644</b>	<b>2,756,385</b>
<b>(Loss) Before Extraordinary Item and Tax</b>		<b>(6,271,644)</b>	<b>(2,756,385)</b>
<b>Less - Prior Period Expense</b>		-	17,500
<b>(Loss) Before Tax</b>		<b>(6,271,644)</b>	<b>(2,773,885)</b>
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
<b>(Loss) For The Year</b>		<b>(6,271,644)</b>	<b>(2,773,885)</b>
Earnings Per Equity Share:			
Basic and Diluted [ Refer Note No 16]		<b>(391.98)</b>	<b>(173.37)</b>

Significant accounting policies and notes on Financial Statements 1 to 25

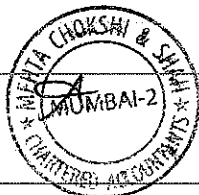
As per our attached report of even date

For and on Behalf of the Board

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

Partner

Membership No. : 46488



*(Signature)*

(Ebrahim Balwa)  
Director

*(Signature)*

(Rajiv Agarwal)  
Director

Place : Mumbai  
Date : 21.05.2014

Place : Mumbai  
Date : 21.05.2014


**Neelkamal Shantinagar Properties Private Limited**  
**Cash Flow Statement for the year ended 31st March, 2014**

(Amount in Rupees)

Particulars	For the period ended 31st March, 2014	For the period ended 31st March, 2013
<b>Cash Flow From Operating Activities:</b>		
Net loss before taxation and extraordinary items	(6,271,644)	(2,773,885)
<b>Adjustment for:</b>		
Share of loss from Joint Venture	5,927,029	2,628,323
<b>Operating Income before working Capital changes</b>	<b>(344,615)</b>	<b>(145,562)</b>
<b>Adjustment for Working Capital Changes:</b>		
Increase/(Decrease) in trade payables	(11,145)	(17,048)
Increase/(Decrease) in Current Liabilities	538,868,332	(1,171,648)
<b>Cash used in operations</b>	<b>538,512,572</b>	<b>(1,334,258)</b>
Income Tax paid		
<b>Net Cash Generated From Operating Activities</b>	<b>538,512,572</b>	<b>(1,334,258)</b>
<b>Cash Flow From Investing Activities:</b>		
Investment in Joint Venture (net)	(130,230,311)	(131,872,081)
<b>Net cash generated from Investing Activities</b>	<b>(130,230,311)</b>	<b>(131,872,081)</b>
<b>Cash Flow From Financing Activities:</b>		
Borrowings (Net)	(408,315,000)	133,225,000
<b>Net cash generated from financing Activities</b>	<b>(408,315,000)</b>	<b>133,225,000</b>
<b>Net Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(32,739)</b>	<b>18,661</b>
<b>Add: Cash and cash Equivalents (Opening)</b>	<b>103,934</b>	<b>85,274</b>
<b>Cash and cash equivalents (Closing)</b>	<b>71,195</b>	<b>103,934</b>
<b>Cash and cash Equivalents includes:</b>		
Cash on hand	7,843	40,582
Bank Balances	63,352	63,352
	<b>71,195</b>	<b>103,934</b>

As per our attached report of even date

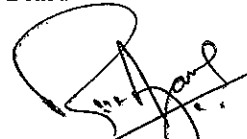
For Mahta Chokshi & Shah  
Chartered Accountants  
Firm Registration No. 106201W

  
Abhinav R. Mehta  
Partner  
Membership No. : 46088



For and on Behalf of the Board

  
(Ebrahim Balwa)  
Director

  
(Rajiv Agarwal)  
Director

Place : Mumbai  
Date : 21.05.2014

Place : Mumbai  
Date : 21.05.2014

# ***Neelkamal Shantinagar Properties Private Limited***

## **Notes Forming Part of Financial Statements**

### **1 Company Background**

Neelkamal Shantinagar Properties Private Limited ( The Company) established with an object of Real Estate Development. The Company has entered into a Joint Venture agreement with Shankala Realtors Private Limited for development and construction of a residential complex at Lower Parel, Mumbai in the name and style M/s. Shree Shantinagar Venture (AOP).

### **2 Significant Accounting Policies**

#### **2.1 Basis of preparation of Financial Statements:**

The Financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention on an accrual basis to comply in all material aspects the mandatory Accounting Standards notified under Companies Act, 1956 read with the General Circular No. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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

#### **2.3 Use of Estimates:**

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

#### **2.4 Borrowing Cost:**

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

#### **2.5 Taxes on Income:**

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

#### **2.6 Provisions:**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### **2.7 Contingent Liabilities:**

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

#### **2.8 Investment:**

- i Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long-term (Non Current) investments are carried at cost, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.





- ii As regards investments in partnership firms, the Company's share of Profit / Loss from investment in partnership firms is accounted for in respect of the year ended as on the balance sheet date, on the basis of the audited accounts of such partnership firms in accordance with Para 9.3 of Guidance Note to Revised Schedule VI issued by ICAI.
- iii As regards investments in LLPs, the Company's share of Profit / Loss from investment in LLPs is accounted for in respect of the year ended as on the balance sheet date, on the basis of the audited accounts of such LLPs in accordance with Para 9.4 of Guidance Note to Revised Schedule VI issued by ICAI.

#### 2.9 Cash Flow Statement

Cash Flow are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

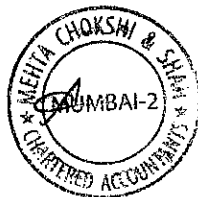
#### 2.10 Cash & Cash Equivalent

Cash and cash equivalent for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### 2.11 Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split. (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The period during which, number of dilutive potential equity shares change frequently, weighted average number of shares are computed based on a mean date in the quarter, as impact is immaterial on earning per share.



**Neelkamal Shantinagar Properties Private Limited**  
**Notes Forming Part of Financial Statements**

**3 Share Capital**

**3.1 Details of Authorised, Issued, Subscribed and Paid up Share Capital**

Particulars	As at 31st March,2014		As at 31st March,2013	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b> Equity Shares of Rs. 10/- each	50,000	500,000	50,000	500,000
	50,000	500,000	50,000	500,000
<b>Issued</b> Equity Shares of Rs. 10/- each	16,000	160,000	16,000	160,000
	16,000	160,000	16,000	160,000
<b>Subscribed &amp; Paid up</b> Equity Shares of Rs.10/- each fully paid	16,000	160,000	16,000	160,000
<b>Total</b>	<b>16,000</b>	<b>160,000</b>	<b>16,000</b>	<b>160,000</b>

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

**3.2 Reconciliation of the outstanding number of shares**

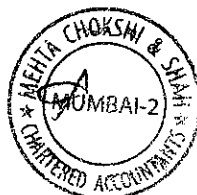
Particulars	Equity Shares		Equity Shares	
	As at 31st March,2014		As at 31st March,2013	
	Number	Amount in Rs.	Number	Amount in Rs.
<u>Shares outstanding at the beginning of the year</u>	16,000	160,000	16,000	160,000
<u>ADD: Shares Issued during the year</u>	-	-	-	-
<u>LESS: Shares bought back during the year</u>	-	-	-	-
Shares outstanding at the end of the year	16,000	160,000	16,000	160,000

**3.3 Details of number of shares held by Holding Company.**

16,000 Equity Shares (Previous year 16,000) are held by D B Realty Limited and its nominees, the holding company.

**3.4 The details of shareholders holding more than 5% shares.**

Name of Shareholder	As at 31st March,2014		As at 31st March,2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Share</b>				
D B Realty Limited and its nominees	16,000	100%	16,000	100%



**Neelkamal Shantinagar Properties Private Limited****Notes Forming Part of Financial Statements****4 Reserves & Surplus**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs	Amount in Rs
Surplus/(Deficit) in statement of profit & loss		
Opening balance	(9,506,590)	(6,732,705)
Add: (Loss) for the year	(6,271,644)	(2,773,885)
<b>Total</b>	<b>(15,778,233)</b>	<b>(9,506,590)</b>

**5 Short Term Borrowings**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs	Amount in Rs
Unsecured loan		
From holding company (Repayable on Demand)	3,899,316	412,214,316
<b>Total</b>	<b>3,899,316</b>	<b>412,214,316</b>

**6 Trade Payables**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs	Amount in Rs
Micro, Small and Medium Enterprise [Refer Note No.21]	-	-
Others	58,097	69,242
<b>Total</b>	<b>58,097</b>	<b>69,242</b>

**7 Other Current Liabilities**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs	Amount in Rs
Payable to Joint Venture ( wherein the Company is member)	540,000,000	-
Statutory Liabilities	3,975	3,483
Bank Overdraft	344,839	1,476,999
<b>Total</b>	<b>540,348,814</b>	<b>1,480,482</b>



**Neelkamal Shantinagar Properties Private Limited**  
**Notes Forming Part of Financial Statements**

**8 Non Current Investment**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs	Amount in Rs
<b>In Joint Venture</b>		
Shree Shantinagar Joint Venture [See Note No.20] (Towards 50% share in Profit/Loss) ( Previous Year 50%)	527,563,825	403,260,543
<b>Total</b>	<b>527,563,825</b>	<b>403,260,543</b>

**9 Long Term Loans & Advances**

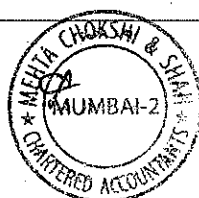
Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs	Amount in Rs
Security Deposits	1,000	1,000
Loan to others	400,000	400,000
<b>Total</b>	<b>401,000</b>	<b>401,000</b>

**10 Other Non Current assets**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs	Amount in Rs
TDS receivable AY 2009-10	651,973	651,973
<b>Total</b>	<b>651,973</b>	<b>651,973</b>

**11 Cash & Cash Equivalents**

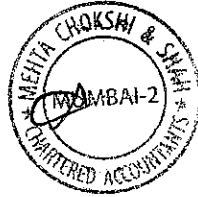
Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs	Amount in Rs
Cash in hand	7,843	40,582
Balances with banks	63,352	63,352
<b>Total</b>	<b>71,195</b>	<b>103,934</b>



**Neelkamal Shantinagar Properties Private Limited**  
**Notes Forming Part of Financial Statements**

**12 Other Expenses**

Particulars	For the period ended 31st March, 2014	For the period ended 31st March, 2013
	Amount in Rs	Amount in Rs
Payment to Auditors (Refer Note No. 17)	48,315	50,560
Legal & Professional Fees	175,841	6,318
Loss by theft	-	56,128
Business Promotion Expenses	108,000	-
Printing, Postage & Telephone Expenses	2,558	2,966
Miscellaneous Expenses	9,901	12,090
<b>Total</b>	<b>344,615</b>	<b>128,062</b>



## Neelkamal Shantinagar Properties Private Limited

### Notes Forming Part of Financial Statements

- 13 The Company is a subsidiary of D B Realty Limited, which has become a "Public company" w.e.f. 23rd September 2009. Therefore, the Company has become a private company which is a subsidiary of a public company and accordingly, by virtue of provision of section 3(1)(iv)(c) of the Companies Act, 1956, the Company is a public company. The Company continues to use the word "Private Limited" as permitted by law.
- 14 As at year end, the entire net worth of the company has been eroded. The losses represents, share of loss from joint venture and other administrative expenses. The management is of the view that the company will be able to recoup the losses once the revenue starts getting recognized in the joint venture on achieving the prescribed threshold limit of the total work involved.
- 15 In the absence of any timing difference, no provision for deferred tax needs to be made. In view of loss, no provision for current tax has been provided for.

16 **Earnings per Share:**

As per Accounting Standard-20 "Earning Per Share", the Company's EPS is as under

Particulars	As at 31st March, 2014	As at 31st March, 2013
Net (Loss) after tax as per Profit & Loss Account	(6,271,644)	(2,773,885)
Weighted average number of equity shares outstanding	16,000	16,000
Basic and Diluted Earnings per share	(391.98)	(173.37)
Face Value per Equity Share	10	10

17 **Breakup of Auditor's Remuneration:**

(Amount in Rupees)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
- Audit Fees	25,000	25,000
- Reimbursement of Expenses	-	2,244
- Certification Fees	18,000	18,000
- Service Tax	5,316	5,316
<b>Total</b>	<b>48,316</b>	<b>50,560</b>

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

The details of amount invested in AOP are as follows.

(Amount in Rupees)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Opening Balance	403,260,543	274,016,784
Add: Amount invested during the year	147,128,714	144,111,721
Less: Amount withdrawn	556,898,403	12,239,639
Less: Share of Loss	5,927,029	2,628,323
<b>Closing balance</b>	<b>(12,436,175)</b>	<b>403,260,543</b>



**19 Particular of Investments**

**19.1 Disclosure of financial interest in Venture.**

Name of Venture	Co venturer's Capital		F.Y 2013-14 & Onwards	F.Y 2012-13 & Before
	As at 31st March, 2014	As at 31st March, 2013		
<b>Shree Shantinagar Venture</b>				
<u>Name of Partners</u>				
Shankala Realtors Private Limited	156,829,235	157,700,243	0%	50%
Neelkamal Shantinagar Properties Private Limited	(6,509,146)	404,131,550	100%	50%
<b>Total</b>	<b>150,320,089</b>	<b>561,831,793</b>	<b>100%</b>	<b>100%</b>

**19.2** Company's share of interest in the assets, liabilities, incomes and expenses with respect to partnership and limited liability partnership firm on the basis of audited financial statements of partnership firms( as audited by other auditors) as at and for the year ended March 31,2014 are as under :

Name of Venture	Company's Share of			
	Assets	Liabilities	Income	Expenditure
Shree Shantinagar Venture	839,996,274	372,788,455	-	2,950,344
	442,799,668	161,883,772	-	1,757,316

Figures in the brackets denote figures belonging to the previous year

**20** Neelkamal Shantinagar Properties Pvt. Ltd. ("Neelkamal") and Shankala Properties Pvt. Ltd. ("Shankala") entered in an Agreement dated 28.06.2006 to form this Joint Venture ("JV"). Neelkamal and Shankala has now entered into a Supplemental Deed of Joint Venture dated 16.10.2012 whereby the members have agreed to carry out substantive modification to the terms and conditions of the functionality of the JV. One of modification is that Shankala will now share the free sale premises to be constructed by the JV and the entire control of the JV will now vest with Neelkamal. Further, it has been agreed that the JV will pay a sum of Rs. 35 crores in six equal monthly installments to Shankala from 16.10.2012 onwards. It has also been provided that in the event the JV fails to make the payment and/or give the agreed premises to Shankala the modifications as stipulated in the Supplemental Deed shall stand cancelled and both the members shall continue to be governed by the original deed of agreement dated 28.06.2006. Till date the JV has paid a sum of Rs. 10 crores only to Shankala. In this eventuality, it has been agreed by the members to continue to prepare the accounts based on the original terms of agreement and not to give effect to the modified Deed.

**21 Related Parties Disclosure:**

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

Name of the related party	Relationship
DB Realty Limited	Holding Company
Shree Shantinagar Venture	Enterprise Significantly influenced by the Company
Mr. Ebrahim Balwa	Key Management Personnel (Director)
Mr. Rajiv Agarwal	Key Management Personnel (Director)

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



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

Nature of Transaction	(Amount in Rupees)	
	With Holding Company	With Enterprise significantly influenced by the Company
<b>Loans Accepted</b>		
<u>DB Realty Limited</u>		
Opening balance	412,214,316	-
	(278,989,316)	(-)
Loans accepted during the year	134,335,000	-
	(137,414,731)	(-)
Repayment of Loan accepted	542,650,000	-
	(4,189,731)	(-)
Balance Outstanding as at 31 <sup>st</sup> March, 2014	3,899,316	-
	(412,214,316)	(-)
<b>Capital Account</b>		
<u>Shree Shantinagar Venture</u>		
Opening Balance	-	403,260,543
	(-)	(274,016,784)
Add: Amount invested during the year	-	147,128,714
	(-)	(137,756,428)
Less: Amount withdrawn	-	556,898,403
	(-)	(5,884,346)
Less: Share of Loss	-	5,927,029
	(-)	(2,628,323)
Closing balance as at 31 <sup>st</sup> March, 2014	-	(12,436,175)
	(-)	(403,260,543)

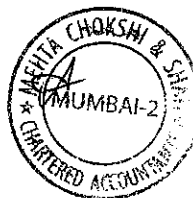
Figures in the brackets denote figures belonging to the previous year

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

Particulars	(Amount in Rupees)	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	-	-
Interest accrued on the amount due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (Other than interest) beyond the appointed date during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act for payments already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED.	-	-
<b>Total</b>	-	-

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.

23 Trade paybles in the Financial Statement are subject to confirmation. As per the representation of the management the same are good for payable/receivable.






- 24 Previous year figures have been re-grouped and re-classified wherever necessary to make them comparable with current year figures.
- 25 The amount in the Balance Sheet and Profit and Loss Account are rounded off to nearest rupee.

**Signatures to Notes to Financial Statements 1 to 25**

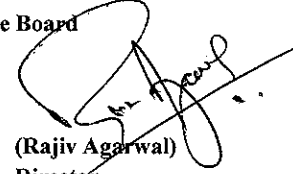
For Mehta Chokshi & Shah  
Chartered Accountants  
Firm Registration No. 106201W

  
Abhinav R Mehta  
PARTNER  
Membership No. : 44088



For and on Behalf of the Board

  
(Ebrahim Balwa)  
Director

  
(Rajiv Agarwal)  
Director

Place :Mumbai  
Date : 21.05.2014

Place :Mumbai  
Date : 21.05.2014