

ESTEEM PROPERTIES PRIVATE LIMITED

**ANNUAL REPORT
2009-2010**

ESTEEM PROPERTIES PRIVATE LIMITED

Reg. office : DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai – 400063

NOTICE

Dear Members,

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on 22nd day of June, 2010 at 10.30 a.m. at the Registered Office of the Company at DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai – 400063 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2010, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To re-appoint Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as an ordinary resolution:

"RESOLVED THAT M/s. M.A. Parikh & Co, Chartered Accountants, the Statutory Auditors of the Company, who are not disqualified to act as Auditors of the Company u/s.224 (1B) of the Companies Act 1956, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting on such remuneration, as may be determined by the Board of Directors, in consultation with the said Auditors plus reimbursement of out of pocket expenses, if any, to be incurred by them in connection with the said audit exclusive of other fees payable for other services, if any, to be rendered by them."

By order of the Board of Directors,
For Esteem Properties Private Limited


Chairman

Place: Mumbai
Date: 04.05.2010

Registered Office:

DB House,
Gen. A.K. Vaidya Marg,
Goregaon (East),
Mumbai – 400063

NOTES:

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

ESTEEM PROPERTIES PRIVATE LIMITED

Reg. office : DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai – 400063

DIRECTOR'S REPORT

Dear Member

Your Directors have pleasure in presenting the Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2010:

FINANCIAL RESULTS

During the year under review, the Company has executed a deed of exchange with Dyanmix Developers Pvt Ltd for exchanging the land interse between both the parties to facilitate the development of the project on hand.

DIVIDEND

In order to conserve the resources for future growth of the Company, your Directors do not recommend any dividend for the year under review.

FIXED DEPOSITS

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2010, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and the Directors had made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as it exists for the year ended 31st March, 2010 and of the loss of the company for that year;

ESTEEM PROPERTIES PRIVATE LIMITED

Reg. office : DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai – 400063

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

DIRECTORS:

Mr. Asif Y. Balwa and Mr. Rajiv B. Agarwal, are continuing as Directors of the Company.

Mr. Shahid U. Balwa has resigned as Director of the Company w.e.f. 10.04.2010

Mr. Vinodkumar Goenka has resigned as Director of the Company w.e.f. 04.05.2010

COMPLIANCE CERTIFICATE:

The Compliance Certificate received in accordance with the Provision of Section 383A read with the Companies (Compliance Certificate) Rules 2001. The Board has appointed M/s. V. Sundaram & Co. Company Secretary in Whole time Practice, for issuance of the Compliance Certificate in terms of the provisions of Section 383A(1) of the Companies Act, 1956, being annexed to the Report.

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.

PARTICULARS OF EMPLOYEES:

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

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

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

ESTEEM PROPERTIES PRIVATE LIMITED

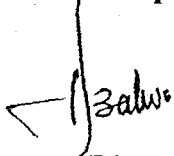
Reg. office : DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai – 400063


During the period under review, Foreign Exchange earning and outgo were Nil.

ACKNOWLEDGEMENT:

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

**By order of the Board of Directors,
For Esteem Properties Private Limited**


Director


Director

Place : Mumbai
Date : 04.05.2010

COMPLIANCE CERTIFICATE U/S 383A (1) OF COMPANIES ACT, 1956

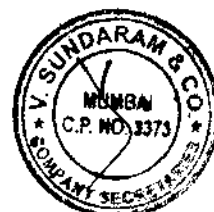
CIN: U99999MH1995PTC086668

Nominal Capital: Rs. 10 Lakhs

The Members
Esteem Properties Private Limited.
DB House, Gen.A.K Vaidya Marg
Goregoan (E)
Mumbai-400 063

We have examined the registers, records, books and papers of Esteem Properties Private Limited, (the Company), as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company and its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has, as per information given to us, duly filed the forms and returns as stated in **Annexure 'B'** to this certificate with the Registrar of Companies.
3. The Company being a Private Limited Company has the minimum prescribed paid-up capital and its maximum number of members was 2 excluding its present and past employees and during the year the Company has not invited public to subscribe for its shares and debentures and has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met twelve times on 02.04.09, 16.05.09, 21.05.09, 22.05.2009, 23.05.2010, 18.06.09, 13.07.09, 04.08.09, 08.10.09, 17.12.09, 22.12.09 and 06.02.10 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended 31st March 2009 was held on 15.09.2009 after giving due notice to the members of the Company and the resolution passed thereat were duly recorded in minutes book maintained for the purpose.
7. An Extra-ordinary General Meeting was held during the Financial Year.



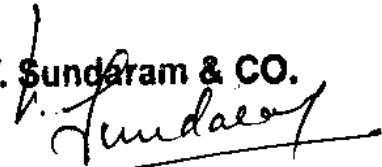
8. Section 295 of the Act is applicable to the company.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - (i) There were transfers of securities during the financial year.
 - (ii) The Company was not required to deposit any amount in a separate bank as no dividend was declared during the financial year.
 - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) The Company was not required to transfer any money to the Investor Education and Protection Fund during the financial year.
 - (v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was appointment of an additional director and resignation of a director during the financial year. The necessary forms have been filed.
15. The Company being a Private Company, provisions of section 269 of the Act with regard to the appointment of the Managing Director/ Whole-time Director/ Manager are not applicable.
16. The Company has not appointed any sole-selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has issued shares, during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/ debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.



23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has borrowed funds from banks and institutions and necessary resolutions under sections 293 (1) (a) & (d) of the Act have been passed.
25. The Company has made Inter corporate loans and guarantees and has made entries in the register of Loans & Investments.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or show-cause notices received by the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to deduct any contribution towards Provident Fund or ESIC during the financial year, as regulations pertaining to them were not applicable to the Company.

Place: Mumbai,
Dated: 04-05-2010

For V. Sundaram & CO.


V. Sundaram
Company Secretary
CP No.: 3373

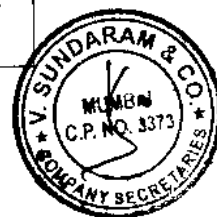
SECRETARIAL COMPLIANCE CERTIFICATE U/S 383A OF THE ACT**ESTEEM PROPERTIES PRIVATE LIMITED.****Annexure A****REGISTERS AND RECORDS**

- a) Register of members under section 150.
- b) Register and returns under section 163.
- c) Minutes book of general meeting and Board meetings.
- d) Books of accounts under section 209.
- e) Register of Directors, Managing Director, Manager and Secretary under section 303.
- e) Fixed assets register
- f) Register of Directors' shareholding under section 307.
- g) Register of loans and investments.

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010

| Form No. | Section | Filing Date | Purpose | Status |
|-------------|---|-------------|-------------------------------------|----------|
| 23 AC & ACA | 220 | 14-10-2009 | Balance Sheet and Profit & Loss A/c | Approved |
| 20 B | 159 | 14-10-2009 | Annual Return | Approved |
| 32 | 303(2), 264(2), 266(1)(a), 266(1)(b)(iii) | 07-08-2009 | Appointment of Additional Directors | Approved |
| 32 | 303(2), 264(2), 266(1)(a), 266(1)(b)(iii) | 13-11-2009 | Change of designation | Approved |
| 32 | 303(2), 264(2), 266(1)(a), 266(1)(b)(iii) | 26-05-2009 | Resignation | Approved |
| 2 | 75(1) | 05-06-2009 | Allotment of shares | Approved |
| 5 | 95, 97, 94A(2), 81(4) | 02-05-2009 | Increase in Authorised Capital | Approved |
| 23 | 192 | 30-04-2009 | Special Resolution | Approved |
| 23 | 192 | 13-11-2009 | Special Resolution | Approved |
| 8 | 125, 127, 130, 132, 135 | 04-09-2009 | Creation of Charges | Approved |
| 8 | 125, 127, 130, 132, 135 | 17-03-2010 | Creation of Charges | Approved |



Annexure A**REGISTERS AND RECORDS**

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Annexure B

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|-------------|---|-------------|-------------------------------------|----------|
| 23 AC & ACA | 220 | 14-10-2009 | Balance Sheet and Profit & Loss A/c | Approved |
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| 5 | 95, 97, 94A(2), 81(4) | 02-05-2009 | Increase in Authorised Capital | Approved |
| 23 | 192 | 30-04-2009 | Special Resolution | Approved |
| 23 | 192 | 13-11-2009 | Special Resolution | Approved |
| 8 | 125, 127, 130, 132, 135 | 04-09-2009 | Creation of Charges | Approved |
| 8 | 125, 127, 130, 132, 135 | 17-03-2010 | Creation of Charges | Approved |




| | | | | |
|----|-----------|------------|-------------------------|----------|
| 17 | 138 & 600 | 27-01-2010 | Satisfaction of Charges | Approved |
|----|-----------|------------|-------------------------|----------|

Form 66 was not filed during the previous year as the capital was less than Rs. 10 Lakhs

Place: Mumbai

Dated: 04-05-2010

For V. Sundaram & CO.



V. Sundaram
Company Secretary
CP No.: 3372

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of Esteem Properties Private Limited

1. We have audited the attached Balance Sheet of Esteem Properties Private Limited ('the Company') as at March 31, 2010 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 here-in-above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



- (e) On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2010 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2010;
- (ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For M.A.Parikh & Co.
Chartered Accountants
Firm registration number: 107556W



Dhaval B. Selwadia
Partner
Membership No. 100023

Mumbai, Dated: 04 MAY 2010

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

1. **Fixed Assets**
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed Assets have been physically verified by the management as of the year-end. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
 - (c) The nature of activities of the Company is such that the disposal of the fixed assets does not affect the going concern assumption of the Company.
2. **Inventories**

The Company is in the business of real estate development. As upto the year end, the activities of purchasing of construction materials have not yet commenced. Therefore, the requirements of Clause 4(ii) of the Order are not applicable.
3. **Loans**
 - (a) The Company had granted interest free unsecured loans to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The said loans, which were repayable on demand, have been received back during the year. The maximum balance outstanding at any time during the year is Rs. 17,535,464/- . According to the information and explanations given to us, the term and condition of the said loans were prima facie not prejudicial to the interest of the Company.
 - (b) The Company has taken unsecured loans from three companies and a party covered in the register maintained under section 301 of the Companies Act, 1956. The said loans are without/ with interest, wherever applicable and are repayable on demand. The maximum balance outstanding at any time during the year is Rs. 1,275,506,799/- and the year-end balance of the loans outstanding from two companies was Rs. 1,275,506,799/-. According to the information and explanations given to us, the rate of interest, wherever applicable and other term and condition of the said loans is prima facie not prejudicial to the interest of the Company. Since the loans and interest thereon are repayable on demand, the question of repayment being regular does not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, we have not observed any major weaknesses in internal control.



5. In our opinion and according to the information and explanations given to us, the particulars of a contract or an arrangement referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section. The transaction made in pursuance of such contract or arrangement is made at a price which is reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The Company's paid-up capital and reserves at the commencement of the financial year concerned did not exceed Rs. 50 lakhs. Further, the Company's average annual turnover for the three consecutive preceding financial years did not exceed Rs. 5 crores. Therefore, the requirements of Clause 4(vii), with respect to internal audit system, are not applicable.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the activities carried on by the Company.
9. **Statutory Dues**
 - (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Income Tax and Other applicable Statutory Dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues were in arrears as at March 31, 2010 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no disputed dues of Income - tax / Value Added tax / Wealth tax / Service tax / Custom duty / Excise duty / Cess and hence, the requirements of disclosure with respect to the amounts involved and the forums where the disputes are pending are not applicable.
10. The accumulated losses of the Company at the end of the financial year are more than 50% of its net worth. The Company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.
11. 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. The Company has not issued any debentures.
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 obtained any term loan. Therefore, the requirements of Clause 4(xvi) of the Order are not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short - term basis 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. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, no fraud on or by the Company has been noticed or reported during the year.

For M.A.Parikh & Co.
Chartered Accountants
Firm registration number: 107556W



Dhaval B. Selwadia

Dhaval B. Selwadia
Partner
Membership No. 100023

Mumbai, Dated:- 04 MAY 2010

ESTEEM PROPERTIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

| Schedules | Rs. | As at | As at |
|---|--|----------------------|--------------------|
| | | 31/03/2010 | 31/03/2009 |
| | | Rs. | Rs. |
| SOURCES OF FUNDS: | | | |
| <u>Shareholders' Funds</u> | | | |
| | Share Capital | 1,000,000 | 100,000 |
| <u>Loans Funds</u> | | | |
| | Secured Loans | 323,898 | 204,927 |
| | Unsecured Loans | 1,275,506,799 | 607,859,603 |
| | | 1,275,830,697 | 608,064,530 |
| | TOTAL RUPEES | 1,276,830,697 | 608,164,530 |
| <u>APPLICATION OF FUNDS:</u> | | | |
| <u>Fixed Assets</u> | | | |
| | Gross Block | 1,228,145 | 4,025,159 |
| | Less: Accumulated Depreciation | 196,401 | 2,874,311 |
| | Net Block | 1,031,744 | 1,150,848 |
| <u>Current Assets, Loans & Advances</u> | | | |
| | Inventories | 1,057,510,564 | 568,333,345 |
| | Cash and Bank Balances | 1,574,738 | 1,140,012 |
| | Loans & Advances | 400,128,184 | 28,197,098 |
| | | 1,459,213,486 | 597,670,450 |
| <u>Less: Current Liabilities & Provisions</u> | | | |
| | Current Liabilities | 206,420,245 | 8,798,546 |
| | Provisions | 19,364 | 87,967 |
| | | 206,439,609 | 8,886,513 |
| | Net Current Assets | 1,252,773,877 | 588,803,937 |
| | Deficit as per annexed Profit and Loss Account | 23,025,076 | 18,209,745 |
| | TOTAL RUPEES | 1,276,830,697 | 608,164,530 |

Significant Accounting Policies and Notes to Accounts

13

In terms of our report of even date attached

For M.A.PARIKH & CO.
Chartered Accountants

S. Selwadia
PARTNER

NAME: DHANA B. SELWADIA

Membership No 100023

Place: Mumbai

Dated: 04 MAY 2010



For and on Behalf of Directors

[Signature]
[Signature]

DIRECTORS

ESTEEM PROPERTIES PRIVATE LIMITED

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

| Schedules | | For the Year Ended 31.03.2010 Rs. | For the Year Ended 31.03.2009 Rs. |
|---------------------|--|---|---|
| INCOME: | | | |
| | Sale of Land (Refer Note No. C 3 of Schedule 13) | 51,968,488 | - |
| | Profit on Sale of fixed assets | 1,133,082 | - |
| | TOTAL RUPEES | 53,101,570 | - |
| EXPENDITURE: | | | |
| 10 | Project Expenses | 538,645,581 | 53,135,900 |
| 11 | (Increase) / Decrease in Inventories | (489,177,219) | (53,497,048) |
| 12 | Establishment Expenses | 8,326,647 | 12,385,243 |
| 4 | Depreciation | 121,892 | 361,147 |
| | TOTAL RUPEES | 57,916,901 | 12,385,242 |
| | (Loss) Before Tax | (4,815,331) | (12,385,242) |
| | Prior Year Tax Adjustment | - | 11,893 |
| | <u>Less: Provision for Tax</u> | - | - |
| | Fringe Benefit Tax | - | 82,500 |
| | (Loss) After Tax | (4,815,331) | (12,479,635) |
| | Balance of Loss Brought Forward | (18,209,745) | (5,730,110) |
| | Balance Carried to Balance Sheet | (23,025,076) | (18,209,745) |
| | Basic and Diluted Earning per Equity Share | (551) | (12,480) |
| | Face Value per Equity Share | 100 | 100 |

Significant Accounting Policies and Notes to Accounts

13

In terms of our report of even date attached

For M.A.PARIKH & CO.
Chartered Accountants

B. Schwadia

PARTNER

NAME IDHANAVAL B. SELWADIA

Membership No. 100023

Place: Mumbai

Dated: 04 MAY 2010



For and on Behalf of Directors

[Signature]

DIRECTORS

ESTEEM PROPERTIES PRIVATE LIMITED

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

| | For the Year Ended 31.03.10 | | For the Year Ended 31.03.09 | |
|--|-----------------------------|---------------|-----------------------------|--------------|
| | Rs. | Rs. | Rs. | Rs. |
| (A) Cash Flow From Operating Activities: | | | | |
| Profit/(Loss) before taxation and extraordinary items | | (4,815,331) | | (12,385,242) |
| Adjustments for: | | | | |
| Depreciation | 121,892 | | 361,147 | |
| Financial Charges | 252,499,084 | | 44,237 | |
| Profit on sale of Fixed Assets | (1,133,082) | | - | |
| Provision for Leave encashment | 12,473 | | - | |
| Provision for Gratuity | (61,076) | 251,439,291 | 36,598 | 441,982 |
| Operating Income before working capital changes | | 246,623,960 | | (11,943,260) |
| Working Capital Changes: | | | | |
| Inventories | (489,177,219) | | (52,896,912) | |
| Advances | (399,410,588) | | (620,527) | |
| Current Liabilities | 178,295,284 | (710,292,529) | 5,750,587 | (47,766,872) |
| Net Cash Flow From Operating Activities | | (463,668,563) | | (59,710,132) |
| Less: Taxes paid | | (5,000) | | (94,081) |
| Net Cash Flow From Operating Activities | | (468,673,563) | | (59,804,213) |
| (B) Cash Flow From Investing Activities: | | | | |
| Loans Granted (Net) | 27,484,497 | | (9,997,544) | |
| Purchase of Fixed Assets | (869,706) | | (36,900) | |
| Sale of Fixed Assets | 2,000,000 | | - | |
| Net Cash used in Investing Activities | | 28,614,791 | | (10,034,444) |
| (C) Cash Flow From Financing Activities: | | | | |
| Financial Charges | (36,968) | | (44,237) | |
| Borrowings (Net) | 434,630,466 | | 70,459,773 | |
| Issue of share capital | 900,000 | | - | |
| Net Cash Generated from Financing Activities | | 435,493,498 | | 70,415,536 |
| Net Increase in Cash and Cash Equivalents | | 434,726 | | 576,879 |
| Add: Cash and Cash Equivalents (Opening) | | 1,140,012 | | 563,133 |
| Cash and Cash Equivalents (Closing) | | 1,574,738 | | 1,140,012 |
| (D) Cash and Cash Equivalents includes: | | | | |
| Cash on hand | | 1,061 | | 201,868 |
| Bank Balances | | 1,573,687 | | 938,144 |
| | | 1,574,738 | | 1,140,012 |

In terms of our report of even date attached

For M.A. PARIKH & CO.
Chartered Accountants

Dhaval B. Selwa

Partner

NAME: DHAVAL B. SELWA

Membership No- 100023

Place: Mumbai

Date: 04 MAY 2010



For and on Behalf of Directors

[Signature]

DIRECTORS

ESTEEM PROPERTIES PRIVATE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE:1

SHARE CAPITAL:
AUTHORISED

10,000 (Previous Year 5,000) Equity Shares of Rs.100/- each

TOTAL RUPEES

ISSUED, SUBSCRIBED & PAID UP:

10,000 (Previous Year 1,000) Equity Shares of Rs.100/- each fully paid up
 (All of the above equity shares are held by the holding company D B Realty Limited
 and by its nominee, Previous Year : 750 Equity Shares)

TOTAL RUPEES

SCHEDULE:2

SECURED LOANS:

Car Loan
 (Secured Against Hypothecation of Car)

TOTAL RUPEES

SCHEDULE:3

UNSECURED LOANS:

Holding Company (include interest accrued and due- Rs.233,135,701/-, Previous Year: Rs.Nil)
 Others

TOTAL RUPEES

| As at 31.03.10 Rs. | As at 31.03.09 Rs. |
|-----------------------|-----------------------|
| 1,000,000 | 500,000 |
| 1,000,000 | 500,000 |
| 1,000,000 | 100,000 |
| 1,000,000 | 100,000 |
| 323,898 | 204,927 |
| 323,898 | 204,927 |
| 1,260,498,372 | 480,563,171 |
| 15,008,427 | 127,296,432 |
| 1,275,506,799 | 607,859,603 |



ESTEEM PROPERTIES PRIVATE LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

SCHEDULE : 4

FIXED ASSETS (AT COST LESS DEPRECIATION)

| Particulars | Gross Block | | | Depreciation | | | | Net Block | | |
|----------------------|--------------------------|------------------|------------------|--------------------------|--------------------------|---------------------------------|------------------|--------------------------|--------------------------|--------------------------|
| | As at 01.04.09 Rs. | Additions Rs. | Deletions Rs. | As at 31.03.10 Rs. | As at 01.04.09 Rs. | Provided For the Year Rs. | Deletions Rs. | As at 31.03.10 Rs. | As at 31.03.10 Rs. | As at 31.03.09 Rs. |
| Motor Cars | 3,666,720 | 861,268 | 3,666,720 | 861,268 | 2,764,609 | 71,872 | 2,799,802 | 36,679 | 824,589 | 902,111 |
| Computers | 58,500 | - | - | 58,500 | 31,733 | 10,707 | - | 42,440 | 16,060 | 26,767 |
| Office Equipments | 299,939 | - | - | 299,939 | 77,969 | 30,876 | - | 108,845 | 191,094 | 221,970 |
| Furniture & Fixtures | - | 8,438 | - | 8,438 | - | 8,438 | - | 8,438 | - | - |
| Total Rupees | 4,025,159 | 869,706 | 3,666,720 | 1,228,145 | 2,874,311 | 121,892 | 2,799,802 | 196,401 | 1,031,744 | 1,150,848 |
| | 3,988,259 | 36,900 | - | 4,025,159 | 2,513,164 | 361,147 | - | 2,874,311 | 1,150,848 | - |



ESTEEM PROPERTIES PRIVATE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE:5

INVENTORIES:

(At cost, taken valued and certified by a Director)

Project Work in Progress

TOTAL RUPEES

SCHEDULE:6

CASH & BANK BALANCES:

Cash on hand

Balance with Scheduled Banks in

· Current Accounts

TOTAL RUPEES

SCHEDULE:7

LOANS AND ADVANCES:

(Unsecured, Considered Good)

Loans

Advances recoverable in cash or in kind or for value to be received

Tax Payments (Net of provision made thereagainst)

TOTAL RUPEES

SCHEDULE:8

CURRENT LIABILITIES:

Sundry Creditors

· Micro Enterprises and Small Enterprises (Refer Note No.C.6 of Schedule 13)

· Others

· Due to Holding Company (Refer Note No.C.2 of Schedule 13)

Other Liabilities

TOTAL RUPEES

SCHEDULE:9

PROVISIONS:

Income tax (Net of Tax Payments)

Gratuity

Leave encashment

TOTAL RUPEES

SCHEDULE:10

PROJECT EXPENSES:

Land Cost including Stamp Duty

Direct Cost of Construction

Recovery of loss on Sale of Shares by the Holding Company

(Refer Note No. C.2 of Schedule 13)

Construction Overheads

· Salaries, Wages and Bonus

· Staff Welfare and Other Amenities

· Other Construction Overheads

Interest:

· On loan from Holding Company (Refer Note No. C.4 of Schedule 13)

· On Car Loan

TOTAL RUPEES

| As at 31.03.10 | As at 31.03.09 |
|---------------------------|---------------------------|
| Rs. | Rs. |
| 1,057,510,564 | 568,333,345 |
| 1,057,510,564 | 568,333,345 |
| 1,051 | 201,868 |
| 1,573,687 | 938,144 |
| 1,574,738 | 1,140,012 |
| 50,967 | 27,535,464 |
| 400,031,115 | 620,527 |
| 46,102 | 41,102 |
| 400,128,184 | 28,197,093 |
| 6,820,182 | 7,979,285 |
| 6,820,182 | 7,979,285 |
| 199,279,073 | - |
| 320,990 | 819,261 |
| 206,420,245 | 8,798,546 |
| 6,891 | 67,967 |
| 12,473 | - |
| 19,364 | 67,967 |
| For the Year Ended | For the Year Ended |
| 31.03.10 | 31.03.09 |
| Rs. | Rs. |
| 80,319,888 | 53,000 |
| 4,475,766 | 6,168,924 |
| 179,952,658 | - |
| 348,499 | 766,548 |
| 17,014 | 187,565 |
| 21,032,682 | 45,915,626 |
| 252,462,116 | - |
| 36,968 | 44,237 |
| 538,645,681 | 53,135,900 |



ESTEEM PROPERTIES PRIVATE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

**SCHEDULE:11
(INCREASE) / DECREASE IN INVENTORIES**

Balance as of commencement of the year:
 - Project work in progress
Less:
 Expenses treated as Period Cost

Less:
 Balance as of end of the year:
 - Project work in progress
TOTAL RUPEES

| | For the Year Ended 31.03.10 Rs. | For the Year Ended 31.03.09 Rs. |
|--|---------------------------------------|---------------------------------------|
| | | |
| | 568,333,345 | 515,436,432 |
| | - | 600,135 |
| | 568,333,345 | 514,836,297 |
| | 1,057,510,564 | 568,333,345 |
| | (489,177,219) | (53,497,048) |
| | | |
| | | |
| | 3,757,011 | 5,977,143 |
| | 6,730 | 4,539,087 |
| | - | 229,567 |
| | 181,764 | 511,304 |
| | - | 12,891 |
| | 573,223 | 422,674 |
| | 21,423 | 24,030 |
| | 55,150 | 58,899 |
| | 3,731,346 | 21,405 |
| | - | 588,243 |
| | 8,326,647 | 12,886,243 |

**SCHEDULE:12
ESTABLISHMENT EXPENSES**

Rent, Rates & Taxes
 Legal and Professional charges
 Donation
 Advertisement and Business Promotion
 Conveyance, Travelling & Vehicle expenses
 Electricity Charges
 Water Charges
 Auditors' Remuneration (Audit Fees, including Service Tax)
 Miscellaneous expenses
 Pervious Year Adjustments

TOTAL RUPEES



SCHEDULE 13

NOTES TO ACCOUNTS:

A 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 a Commercial Complex at Sahar, Mumbai. The development and construction rights in respect thereof have been acquired.

B STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation of Financial Statements

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

2 Use of Estimates

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

3 Fixed Assets and Depreciation

Fixed Assets are capitalized at cost of acquisition inclusive of expenses incidental thereto relevant in bringing the relevant asset to its present location and condition. Depreciation on fixed assets has been provided on written down value method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

4 Inventories

Project Work- In- Progress represents cost 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.

5 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.

6 Impairment of Assets:

Management periodically assesses using internal sources whether there is an indication that an asset may be impaired. The impairment occurs where the carrying value exceeds the recoverable amount. The impairment loss to be expensed out is determined as the excess of carrying amount over the higher of the assets net selling price or present value of future cash value expected to arise from the continuing use of the assets and its eventual disposal.

7 Revenue Recognition

Revenue from construction and development of the Project is recognized on the basis of percentage of Completion method. The initial revenue shall be recognized after the work has progressed to the extent of 30% of the total work involved, however 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.

8 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 year in which the employee renders the related service.

Provision for gratuity and leave encashment is made on the basis of actuarial valuation done by an independent valuer



9 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.

10 Operating Lease

Lease rentals under an operating lease in respect of an Office Premise are charged off to the Profit & Loss Account in accordance with the terms of the lease agreement.

11 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.

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



C OTHER NOTES

- 1 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.
- 2 During the year, the Company executed Consent Terms with Air Inn Private Limited (Air Inn), whereby a portion of land admeasuring about 5,128.09 square meters has been transferred to Air Inn in lieu of settlement of its claim on the Company, the implications thereof are not translated in these accounts. The Company in principle, had agreed to bear the loss resulted in the hands of holding company on account of transfer of its shares in Air Inn to other shareholders of Air Inn, being transferred to facilitate the settlement of Air Inn's claim and to expediate the development activity in the hands of the Company. Accordingly, the holding company has recovered such loss of Rs.17,99,52,658/- from the Company and the same has been allocated to Project Expenses as in the opinion of the Company it represents additional cost incurred towards the settlement of claim of Air Inn. Further, in view of the amount not being paid as upto the year end, the holding company has charged interest of Rs. 19,326,415 on such recovery.
- 3 During the year, the Company has executed a deed of exchange with Dynamix Developers Private Limited for exchanging the land inter-se between both the parties to facilitate the development of the Project on hand. In these accounts necessary entries for transfer and acquisition of land have been accounted for based on the market value adopted for payment of stamp duty. Pending ascertainment of direct cost attributable to the land transferred, the cost of Rs. 49,590,254/- referable to the land transferred, has been determined by pro-rating the amount allocated to project work-in-progress based on the ratio of total area of the land to area of land transferred and the same has been charged off to the Profit & Loss Account as period cost by adjusting the value of closing project work-in-progress. Necessary adjustment entries shall be passed in the event of ascertainment of direct cost referable to the land so transferred.
- 4 **Charge of interest on unsecured loan granted by the Holding Company**
During the year, the holding company has charged interest of Rs.25,24,62,116/- on loans granted to the Company. The interest amount is inclusive of Rs.13,68,11,916/- for and upto year ended 31st March, 2009.

5 **Contingent Liabilities not provided for**

| Particulars | (Amount in Rupees) | |
|---|-------------------------------|-------------------------------|
| | Year ended 31.03.10 Rs. | Year ended 31.03.09 Rs. |
| The Company, as per terms of Consent Terms entered into with Air Inn, is liable to reimburse to Air Inn the liability that may devolve upon it on account of suit pending against it in the Hon'ble High Court of Judicature of Bombay. | 15,000,000 | - |
| Claim made against the Company not acknowledged as debt relating to Service Tax on lease rentals in respect of an Office Premises. | 717,049 | 333,602 |

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

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| | Rs. | Rs. |
| 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 Act | - | - |

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



7 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 requirement of AS-17 Segment Reporting are not applicable.

8 Related Party Disclosures

List of Related Parties where control exists and related parties with whom transactions have taken place and relationships

| |
|--|
| Name of the Related Party |
| Holding Company: D B Realty Limited |
| Fellow Subsidiary: Air Inn Private Limited (Upto 22nd May, 2009) |
| Director having significant influence over the Company and his Relative (Upto 22nd May, 2009) (Associated Parties): Mr. Tanveer Merchant Mr. Mohammed Hussain Merchant |
| Jointly Controlled Enterprise of Holding Company (Jointly Controlled Enterprise): M/s. Dynamix Realty |
| Enterprises over which Director(s) exercises Significant Influence: (Associated Enterprises): K. G. Enterprise Dynamix Developers Private Limited Dynamix Balwas Realty Ventures Private Limited |



Transactions during the year

| Description of Transactions | Holding Company | Fellow Subsidiary Company | Associated Enterprises | Associated Parties | Jointly Controlled Enterprise |
|---|--------------------------------|---------------------------|--------------------------|-----------------------------|-------------------------------|
| Loans Taken | | | | | |
| Opening Balance | 480,563,171 (505,742,500) | - (-) | - (-) | 127,296,432 (26,696,432) | - (-) |
| Taken during the year | 592,800,000 (67,320,671) | 15,008,427 (-) | 17,100,000 (-) | 250,000 (100,600,000) | - (-) |
| Repaid during the year | 46,000,500 (97,001,135) | - (-) | 17,100,000 (-) | 127,546,432 (-) | - (-) |
| Recovery of Interest | 233,135,701 (-) | - (-) | - (-) | - (-) | - (-) |
| Closing Balance | 1,260,498,372 (480,563,171) | 15,008,427 (-) | - (-) | - (127,296,432) | - (-) |
| Loans Granted | | | | | |
| Opening Balance | - (-) | 15,035,464 (23,500) | 2,500,000 (-) | - (-) | - (-) |
| Granted during the year | - (-) | (15,011,964) (-) | (2,500,000) (-) | 50,967 (-) | - (-) |
| Repaid during the year | - (-) | 15,035,464 (-) | 2,500,000 (-) | - (-) | - (-) |
| Closing Balance | - (-) | - (15,035,464) | - (2,500,000) | 50,967 (-) | - (-) |
| Recovery of loss on sale of Shares by the Holding Company and charge of interest thereon | | | | | |
| Recovery of loss on sale of shares | 179,952,658 (-) | - (-) | - (-) | - (-) | - (-) |
| Interest recovered on non-payment of recovery of loss on sale of equity shares. | 19,326,415 (-) | - (-) | - (-) | - (-) | - (-) |
| Closing Balance as of year end | 199,279,073 (-) | - (-) | - (-) | - (-) | - (-) |
| Reimbursement of Expenditure incurred on behalf of the Company: | | | | | |
| Transaction during the year | - (4,886,200) | - (-) | - (-) | - (-) | - (-) |
| Closing Balance as of year end | 4,886,200 (4,886,200) | - (-) | - (-) | - (-) | - (-) |
| Sale of Land | | | | | |
| Transaction during the year | - (-) | - (-) | 51,968,488 (-) | - (-) | - (-) |
| Closing Balance as of year end | - (-) | - (-) | - (-) | - (-) | - (-) |
| Expenditure incurred by the Company on behalf of Others | | | | | |
| Transaction during the year | - (-) | - (-) | - (-) | - (-) | 53,000 (-) |
| Closing Balance as of year end | - (-) | - (-) | - (-) | - (-) | 53,000 (-) |
| Charges for use of premises by the Company | | | | | |
| Transaction during the year | - (-) | - (-) | 4,729,928 (6,464,764) | - (-) | - (-) |
| Closing Balance as of year end | - (-) | - (-) | 161,442 (465,544) | - (-) | - (-) |
| Previous year figures are denoted in Bracket | | | | | |

Notes:

1.The aforesaid related parties are as identified by the Company and relied upon by the Auditors.

2.In respect of the land undertaken for development and construction, there is charge by way of equitable mortgage on part of the land admeasuring 18000 sq. mtrs. in favour of IL & FS Financial services Limited for securing term loan given to Dynamix Realty , a firm in which the holding company is a partner.



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

Defined Benefit Plan

The present value of obligation is determined based on an 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.

Gratuity Unfunded
(Amount in Rupees)

| Particulars | Gratuity Unfunded (Amount in Rupees) | |
|---|---|---|
| | For the Year ended 31st March, 2010 | For the Year ended 31st March, 2009 |
| Defined Benefit obligation at the beginning of the year | 67,967 | 31,369 |
| Current Service Cost | 36,496 | 33,722 |
| Interest Cost | 8,096 | 5,207 |
| Actuarial (gain)/loss | (105,668) | (2,331) |
| Defined Benefit obligation at the end of the year | 6,891 | 67,967 |

II Expense recognized in the Profit & Loss Account.

Gratuity Unfunded
(Amount in Rupees)

| Particulars | Gratuity Unfunded (Amount in Rupees) | |
|-----------------------|---|---|
| | For the Year ended 31st March, 2010 | For the Year ended 31st March, 2009 |
| Current Service Cost | 36,496 | 33,722 |
| Interest Cost | 8,096 | 5,207 |
| Actuarial (gain)/loss | (105,668) | (2,331) |
| Net Cost | (61,076) | 36,598 |

III Actuarial Assumptions

Gratuity Unfunded

| Particulars | Gratuity Unfunded | |
|------------------------------|---|---|
| | For the Year ended 31st March, 2010 | For the Year ended 31st March, 2009 |
| Discount Rate | 8.00% | 7.75% |
| Rate of Escalation in Salary | 10.00% | 10.00% |

Notes:

- 1 The obligation for 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 an actuarial valuation done by an independent valuer and the same is unfunded. The amount recognised in the Profit and Loss Account for the year is Rs. 12,473/- (Previous Year Rs. NIL)



10 Operating Lease:

(Amount in Rupees)

| Particulars | For the Year ended 31st March, 2010 | For the Year ended 31st March, 2009 |
|--|-------------------------------------|-------------------------------------|
| Lease payments recognized in the profit and loss account | 3,757,011 | 5,977,143 |
| Future Lease Payments | | |
| a Not later than one year. | 3,856,178 | 5,149,680 |
| b Later than one year but not later than five years. | 3,466,300 | 11,850,461 |
| c Later than five years. | | |
| Total of Future Lease Payments | 7,322,478 | 17,000,141 |

Note:

There are no exceptional/restrictive covenants in the lease agreement

11 Earnings Per Share:

The Loss considered in ascertaining the Company's Earnings Per Share comprises net 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.

| Particulars | Year Ended 31.03.2010 | Year Ended 31.03.2009 |
|---|-----------------------|-----------------------|
| Net Profit/(Loss) after tax as per Profit & Loss Account | (4,815,331) | (12,479,635) |
| Weighted Average number of Shares outstanding during the year | 8,743 | 1,000 |
| Basic and Diluted Earnings Per Share | (551) | (12,480) |
| Face Value Per Equity Share | 100 | 100 |

12 As regards deferred tax, the Company will account for deferred tax when there is a reasonable/ virtual certainty for recognition thereof in realisation thereof, in accordance with Accounting Standard 22 dealing with "Accounting for taxes on income".

13 Management is of the view that the activities of the Company, being in the nature of construction and development of the Project, the requirements of Para No. 3(i)(a), 3(ii)(a), 4-C and 4-D(a) & (b) of Part II of Schedule VI to the Companies Act, 1956 are not applicable.

14 Previous year's figures have been rearranged and reclassified, wherever necessary, to conform with current year's presentation.

Signature to Schedule 1 to 13

In terms of our report of even date attached.

For M.A. PARIKH & CO.
Chartered Accountants


Partner

NAME: DHAWAL B SELWADIA

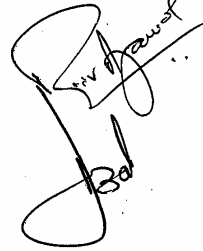
Membership No- 100023

Place: Mumbai

Date: 04 MAY 2010



For and on Behalf of Directors



Directors

ESTEEM PROPERTIES PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : 11-086668 State Code : 11
Balance Sheet Date : 31.03.2010

II. Capital raised during the year

Public Issue : NIL Right issue : NIL
Bonus Issue : NIL Private Placement : NIL

III Position of Mobilisation and Deployment of Funds (Rupees In Thousands)

Total Liabilities : 1,276,831 Total Asstes : 1,276,831

Sources of Funds

Paid-up Capital : 1,000 Resereves & Surplus : NIL
Secured Loans : 324 Unsecured Loans : 1,275,507

Application of Funds

Net Fixed Assets : 1,032 Investments : NIL
Net Current Assets : 1,252,774 Miscellaneous Expenditure : NIL
Deferred Tax Assets : NIL Accumulated Losses : 23,025

VI Performance of Company

Turnover : 53,102 Total Expenditure : 57,917
Loss Before Tax : (4,815) Loss After Tax : (4,815)
Earning Per Shares (In Rs.) : (551) Dividend Rate % : NA

V. Generic names of Three Principal Products/Services of Company:

Item Code No. (ITC Code) : Not Applicable
Product Description : Development and Construction of Real Estate

For and Behalf of Board of Directors

DIRECTORS



