

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

**ANNUAL REPORT**

**2009-2010**



## NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of Gokuldharm Real Estate Development Company Private Limited will be held on Tuesday, the 28<sup>th</sup> September, 2010 at 3.00 P.M at the Registered Office of the Company, at DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai 400063 to transact the following Business:

## AGENDA

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010 and Balance Sheet as at that date together with the Report of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ishaq Balwa, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors for the year 2010-2011 and fix their remuneration:

## SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Narayan Prasad Bajaj, who was appointed as Additional Director by the Board of Directors of the Company with effect from 27-07-2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under the section 257 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Mr. Shonit Prakashchand Dalmia, who was appointed as Additional Director by the Board of Directors of the Company with effect from 16-08-2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under the section 257 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

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## GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED

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



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

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

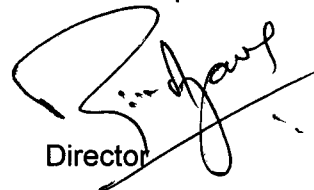
7. To Consider and if thought fit, to pass with or without Modification, the following Resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the applicable provisions, if any, of the Companies Act, 1956, the members in General meeting, do hereby approve, confirm and ratify the appointment of Mr. Ishaq Y. Balwa, a Director of the Company as Managing Director for a period of 3 years commencing from 27<sup>th</sup> July, 2010 and the Board of Directors shall have the liberty to fix remuneration, if any at appropriate time.

8. To Consider and if thought fit, to pass with or without Modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions, if any, of the Companies Act, 1956, the members in General meeting, do hereby approve, confirm and ratify the appointment of Mr. Rajiv Agarwal, a Director of the Company as Managing Director for the period from 01<sup>st</sup> March, 2010 to 26<sup>th</sup> July, 2010, though originally appointed for a period of 3 years commencing from 01<sup>st</sup> March, 2010, without remuneration and/or benefits and/or perquisites but ceased to be Managing Director by resignation on 27-07-2010 due to his preoccupations."

By Order of the Board  
For Gokuldham Real Estate Development Company Pvt. Ltd.

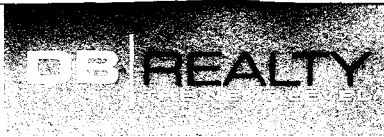


Director

Mumbai  
Date: 16-8-2010

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2) THE INSTRUMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 3) THE RELATIVE EXPLANATORY STATEMENT IN RESPECT OF ITEMS 4 to 8 IS ANNEXED HERETO.

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EXPLANATORY STATEMENT FORMING PART OF THE NOTICE DATED 27-07-2010

ITEM 4

Mr. Narayan Prasad Bajaj was appointed as Additional Director at Board Meeting held on 27-7-2010 and he holds his office up to the date of the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, proposing his appointment as a Director in the Annual General Meeting.

Your Directors recommend the resolution for your acceptance.

None of the Directors other than Mr. Narayan Prasad Bajaj is in any way concerned or interested in the said resolution.

ITEM 5

Mr. Shonit Prakashchand Dalmia was appointed as Additional Director at Board Meeting held on 16-08-2010 and he holds his office up to the date of the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, proposing his appointment as a Director in the Annual General Meeting.

Your Directors recommend the resolution for your acceptance.

None of the Directors other than Mr. Shonit Prakashchand Dalmia is in any way concerned or interested in the said resolution.

ITEM 6

As the provisions of Sections 293(1)(e) of the Companies Act, 1956 the Board of Directors of a public limited Company shall not, except with the consent of the members in a general meeting contribute to charitable and other funds not directly related to the business of the Company or the welfare of its employees in excess of Rupees Fifty thousand or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater. In order to enable the Board of Directors to contribute to charitable and other Funds, not directly related to the business of the Company or the welfare of its employees, if and when required up to a maximum of Rs. One crore in any year. The members approval is required for enabling the Company to contribute sum not exceeding Rupees One Crore only during the financial year for charitable and other causes per financial year.

The resolution vide item no. 6 is therefore recommended for approval of the members.

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

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ITEM 7

The Company has become a Public Company by virtue of being a subsidiary of D B Realty Limited, A Public Company with a Paid up Capital of Rs. 5 crores and above is required to appoint a Managing or Whole time Director in terms of the provisions of the Companies Act and hence your Board of Directors at the meeting held on 27<sup>th</sup> July, 2010 has decided to appoint Mr Ishaq Y. Balwa as Managing Director without any remuneration, which if any, may be decided at an appropriate time and the said appointment is subject to the approval of the Members in the General Meeting. The Directors recommend the resolution for your acceptance. None of the Directors other than Mr. Ishaq Y. Balwa is in any way concerned or interested in the said resolutions. Mr. Ishaq Y. Balwa may be deemed to be concerned or interested in the passing of the respective resolution, since it relate to his appointment.

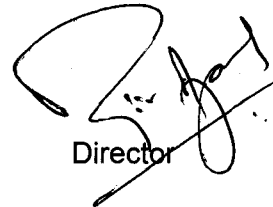
Approval of the members is sought by passing the Resolution appearing in Item 6 of the Notice.

ITEM 8

Mr. Rajiv Agarwal was appointed as Managing Director effective from 01-03-2010 to look after the day to day management of the affairs of the Company and carry out the implementation of the Company's project, subject to overall superintendence, control and direction of the Board of Directors of the Company and his appointment was is subject to the approval of members in General Meeting. However due to his preoccupations with the Group Companies activities, he could not continue as Managing Director and hence resigned as Managing Director on 27-07-2010 and he has not drawn any remuneration or perquisites/ benefits from the Company during his tenure of Directorship.

The resolution vide item no. 8 is therefore recommended for approval of the members

By Order of the Board  
For Gokuldharm Real Estate Development Company Pvt. Ltd.



Director

Mumbai  
Date: 16-8-2010



## DIRECTORS' REPORT

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

### FINANCIAL RESULTS:

The Company is following the percentage completion method in recognition of revenue and accordingly, revenue has been recognised in the Profit and Loss account, upon reaching the threshold limit in the ratio of construction costs incurred vis a vis the estimated cost of construction, since the last financial year.

Particulars	Amount (in Rs.)	
	Year ended March 31, 2010	Year ended March 31, 2009
Income by way of Revenue from Sale of Flats and Car Parking & Sale of TDR, on cancellation etc.	<b><u>159,96,88,728</u></b>	<b><u>108,85,16,002</u></b>
Profit before Depreciation	37,48,12,835	17,92,32,824
Less: Depreciation	1,22,21,941	1,83,55,090
Profit Before Tax	36,25,90,894	16,08,77,734
Less: Provision for Taxation		
Current Tax	13,54,00,000	3,62,43,000
Deferred Tax	( 42,06,401)	35,47,027
Fringe Benefit Tax	-	1,90,000
Profit / (Loss) after Tax	23,13,97,295	12,08,97,707
Balance / Deficit brought forward from Earlier year	5,77,29,314	( 6,31,68,393)
Balance carried to Balance Sheet	28,91,26,609	5,77,29,314

### DIVIDEND

In order to conserve resources for the completion of the Project and keeping in view the fund requirements, the Directors have not proposed any dividend on the Share Capital for the year.

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**STATUS OF THE COMPANY**

The Company continues to be a subsidiary company 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.

**FIXED DEPOSITS**

Your Company has not accepted any deposits from public.

**DIRECTORS RESPONSIBILITY STATEMENT:**

The Directors' State:

- (i) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2010, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and had made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as it exists for the year ended 31<sup>st</sup> March, 2010 and of the Profit 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 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. Rajiv Agarwal was appointed as Managing Director with effect from 1-3-2010 to look after the day to day management of the affairs of the Company and carry out the implementation of the Company's project, subject to overall superintendence, control and direction of the Board of Directors of the Company and his appointment is subject to the approval of members in General Meeting. However due to his preoccupations with the activities, he could not continue as Managing Director and hence resigned as Managing Director on 27-07-2010.

Mr. Ishaq Balwa was appointed as Managing Director of the Company on 27-07-2010 for a period of 3 years, and the remuneration to him will be decided by the Board at appropriate time. Mr. Ishaq Balwa retires by rotation at the ensuing annual general meeting and being eligible offer himself for reappointment.

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Mr. Shahid U. Balwa, Mr. Vinod K. Goenka and Mr. Prakashchand Dalmia resigned from the Board with effect from 10-04-2010, 04-05-2010 and 16-08-2010 respectively due to their preoccupations. The Board has placed on record its appreciation for their guidance given during their tenure with the Company.

Mr. Narayan P. Bajaj and Mr. Shonit Prakashchand Dalmia were appointed as Additional Directors with effect from 27-07-2010 and 16-08-2010 respectively and they hold their offices upto the date of ensuing Annual General Meeting. The Company has received Notices from Members pursuant to Section 257 of the Companies Act for their appointment as Directors subject to retirement by rotation.

The Company being an unlisted Material Subsidiary of D B Realty Limited, whose shares are listed for trading in Bombay Stock Exchange and the National Stock Exchange, your Board of Directors have coopted Mr. Karunchandra A. Srivastava as Independent Director under clause 49 of the Listing Agreement with effect from 14.09.2009 and subsequently, he was appointed as a Director liable to retire by rotation in the Annual General Meeting by the members on 30<sup>th</sup> September, 2009.

#### **AUDIT COMMITTEE**

The Board of Directors has constituted an Audit Committee consisting of Mr. Karunchandra Srivastava, Mr. Vinod Goenka and Mr. Rajiv Agarwal with the resignation of Mr. Vinod Goenka w.e.f. 04-05-2010. The Committee was reconstituted with the inclusion of Mr. Narayan P. Bajaj. Two thirds of the members of the Audit Committee comprises of persons other than Managing or Whole time Directors.

The Committee met regularly and interacted with the Statutory Auditors and the Group Internal Auditors to review the internal control systems, financial statements and also compliance of internal control systems.

#### **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.

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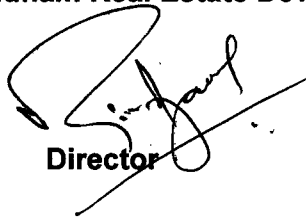
The Company has neither imported any technology nor carried on the business of export or import and therefore the disclosure requirements against technology absorption are not applicable.

During the year under review, Foreign Exchange earning was nil and cost of Shuttering Materials incurred in Foreign Currency was Rs. 99,48,154/-.

**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 Gokuldham Real Estate Development Company Pvt. Ltd.



Director



Director

Place: Mumbai  
Date : 16-08-2010

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

**AUDITORS' REPORT**

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

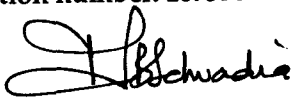
1. We have audited the attached Balance Sheet of Gokuldharm Real Estate Development Company Private Limited ('the Company') as at March 31, 2010 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are 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 Profit for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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



  
Dhaval B. Selwadia  
Partner  
Membership No. 100023

Mumbai, Dated: 12 MAY 2010

**ANNEXURE TO THE AUDITORS' REPORT**  
(Referred to in paragraph 4 of our report of even date)

1. **Fixed Assets**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management as of the year-end. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) No fixed assets have been disposed off during the year.

2. **Inventory**

The Company is in the business of real estate development and as upto the year end the project undertaken for the development and construction is in progress. The inventory consist of units the construction work in respect thereof is in progress and building materials. Normally, building materials purchased are issued to the contractors and as such no stock thereof was held as of year - end. As explained to us, the units which are under construction and development have been physically verified by the management at reasonable intervals. The said verification is based on the stage of completion of the Project. In our opinion and according to the information and explanations given to us, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. As explained to us, no discrepancies were noticed on such physical verification. The Company is maintaining proper records of inventory in respect of units under construction and of building materials.

3. **Loans**

- (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loans from a company 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. 451,418,804/- and the year-end balance of the said loans was Rs. 276,297,644/-. 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 amount of loan and interest thereon is 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 construction materials and fixed



assets and for the sale of flats and car parking. 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 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 transactions made in pursuance of such contract or arrangements 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 internal audit is done by a firm of Chartered Accountants. In our opinion having regard to the scope of work of internal audit, the same commensurates with the size of the Company and the nature of its business.
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 Provident Fund, Income Tax, Service 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 / Customs duty / Excise duty / Cess and hence, the requirements of disclosure with respect to the amounts involved and the forums where the disputes are pending are not applicable.
10. The Company does not have any accumulated losses and has not 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 term loans were applied the Company for the purpose for which the loans were obtained.
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:- 12 MAY 2010

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedules	Rs.	As at 31.03.2010	As at 31.03.2009
			Rs.	Rs.
<b>SOURCES OF FUNDS:</b>				
<b>Shareholders Funds</b>				
Share Capital	1	450,000,000		450,000,000
Reserves & Surplus	2	289,126,609		57,729,314
			739,126,609	507,729,314
<b>Loan Funds</b>				
Secured Loans	3	986,494,360		1,143,626,600
Unsecured Loans	4	276,297,644		361,418,804
			1,262,792,004	1,505,045,404
Deferred Tax Liability (Net)	5			3,547,027
<b>TOTAL RUPEES</b>			<b>2,001,918,613</b>	<b>2,016,321,745</b>
<b>APPLICATION OF FUNDS:</b>				
<b>Fixed Assets</b>				
Gross Block	6	39,331,087		39,119,787
Less: Accumulated Depreciation		36,803,624		24,581,683
Net Block			2,527,463	14,538,104
Deferred Tax Asset (Net)	5		659,375	
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
Inventories	7	2,384,935,163		2,166,009,847
Sundry Debtors	8	352,198,083		74,540,330
Cash and Bank Balances	9	77,068,479		24,890,617
Loans and Advances	10	494,744,219		700,183,385
		3,308,945,944		2,965,624,179
<b>Less: Current Liabilities &amp; Provisions</b>				
Current Liabilities	11	1,241,682,815		926,019,997
Provisions	12	68,531,354		37,820,541
		1,310,214,169		963,840,538
			1,998,731,775	2,001,783,641
<b>TOTAL RUPEES</b>			<b>2,001,918,613</b>	<b>2,016,321,745</b>

NOTES TO ACCOUNTS

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In terms of our report of even date attached

For M. A. PARIKH & CO.  
Chartered Accountants

*Dhaval B. Selwadia*

PARTNER

Name: DHAVAL B. SELWADIA  
Membership No.: 100023

Place : Mumbai

Dated : 12 MAY 2010



*[Handwritten signature]*

DIRECTORS

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

	Schedules	Rs.	For the Year ended	For the Year ended
			31.03.2010	31.03.2009
			Rs.	Rs.
<b>INCOME:</b>				
Revenue from Sale of Flats and Car Parking			1,506,211,266	1,084,986,327
Amount Forfeited on cancellation of Allotment			-	3,529,675
Sale of TDR			82,699,321	-
Interest Received from Allottees			10,778,141	-
<b>TOTAL RUPEES</b>			<b>1,599,688,728</b>	<b>1,088,516,002</b>
<b>EXPENDITURE:</b>				
Project Expenses	13		1,325,407,185	2,005,500,120
(Increase) / Decrease in Inventories	14		(218,925,316)	(1,150,313,566)
Purchase of TDR			67,509,650	-
Establishment Expenses	15		50,884,374	54,096,624
Depreciation			12,221,941	18,355,090
			<b>1,237,097,834</b>	<b>927,638,268</b>
Profit Before Tax			362,590,894	160,877,734
<u>Provision for Taxation</u>				
Current Tax		(135,400,000)		(36,243,000)
Deferred Tax		4,206,401		(3,547,027)
Fringe Benefit Tax		-		(190,000)
			<b>(131,193,599)</b>	<b>(39,980,027)</b>
Profit after Tax			231,397,295	120,897,707
Balance brought forward			57,729,314	(63,168,393)
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<b>289,126,609</b>	<b>57,729,314</b>
Basic and Diluted Earnings per Equity Share			461.99	252.72
Face Value per Equity Share			100	100

**NOTES TO ACCOUNTS**

16

In terms of our report of even date attached

For M. A. PARIKH & CO.  
Chartered Accountants

*H. Selwadia*

PARTNER

Name: DHAVAL B. SELWADIA

Membership No.: 100023

Dated : 12 MAY 2010



*[Handwritten signatures]*

DIRECTORS



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY 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.
<b>(A) Cash Flow From Operating Activities:</b>				
Profit before taxation and extraordinary items		362,590,894		160,877,734
		362,590,894		160,877,734
<b>Adjustments for:</b>				
Depreciation	12,221,941		18,355,090	
Interest and Finance Charges	201,976,987		103,224,945	
Provision for Gratuity	253,748		463,914	
Provision for Leave Encashment	261,368		360,296	
<b>Operating Income before Working Capital Changes</b>		<b>577,304,938</b>		<b>283,281,979</b>
<b>Working Capital Changes:</b>				
Debtors	(277,657,753)		(74,540,330)	
Loans and Advances	205,439,166		(129,130,195)	
Inventories	(218,925,316)		(1,150,313,566)	
Current Liabilities	315,662,818	24,518,915	53,495,245	(1,300,488,846)
<b>Cash used in operations</b>		<b>601,823,853</b>		<b>(1,017,206,867)</b>
Income Tax paid		(105,204,304)		(173,690)
<b>Net Cash Flow From Operating Activities</b>		<b>496,619,549</b>		<b>(1,017,380,557)</b>
<b>(B) Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets	(211,300)		(1,255,555)	
<b>Net Cash used in Investing Activities</b>		<b>(211,300)</b>		<b>(1,255,555)</b>
<b>(C) Cash Flow From Financing Activities:</b>				
Borrowings (Net)	(255,690,655)		979,747,952	
Interest and Finance Charges	(188,539,732)		(91,429,206)	
<b>Net Cash Generated from Financing Activities</b>		<b>(444,230,387)</b>		<b>888,318,746</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>52,177,862</b>		<b>(130,317,366)</b>
Add: Cash and Cash Equivalents (Opening)		24,890,617		155,207,983
<b>Cash and Cash Equivalents (Closing)</b>		<b>77,068,479</b>		<b>24,890,617</b>
<b>(D) Cash and Cash Equivalents includes:</b>				
Cash on hand		315		561,634
Cheques on Hand		300,000		125,000
Bank Balances		76,768,164		24,203,983
		<b>77,068,479</b>		<b>24,890,617</b>

For M. A. PARIKH & CO.  
Chartered Accountants

*[Signature]*

PARTNER

Name: DHAVAL B. SELWADIA  
Membership No.: 100023

Place : Mumbai

Dated :

12 MAY 2010



*[Signature]*

*[Signature]*

} DIRECTORS

**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>SCHEDULE: 1</b>		
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED:</b>		
500,000 Equity Shares of Rs.100/- each	50,000,000	50,000,000
4,000,000 0.1% Redeemable Cumulative Preference Shares of Rs.100/- each	400,000,000	400,000,000
	<b>450,000,000</b>	<b>450,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>		
500,000 (Previous Year 500,000) Equity Shares of Rs.100/- each, fully paid-up	50,000,000	50,000,000
4,000,000 (Previous Year 4,000,000) 0.1% Redeemable Cumulative Preference Shares of Rs.100/- each, fully paid-up	400,000,000	400,000,000
	<b>450,000,000</b>	<b>450,000,000</b>
<b>Notes:</b>		
(a) Of the above 374,990 Equity Shares and 3,000,000, 0.1% Redeemable Cumulative Preference Shares are held by the Holding Company, viz D B Realty Ltd.		
(b) Redeemable Cumulative Preference Shares are, at the discretion of the Board of Directors, redeemable at par fully or partially, after expiry of 12 years from the date of issue, i.e. 21.11.2006 but not later than 20 years from the date of issue.		
<b>TOTAL RUPEES</b>	<b>450,000,000</b>	<b>450,000,000</b>
<b>SCHEDULE: 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Surplus per annexed Profit & Loss Account	289,126,609	57,729,314
<b>TOTAL RUPEES</b>	<b>289,126,609</b>	<b>57,729,314</b>
<b>SCHEDULE: 3</b>		
<b>SECURED LOANS:</b>		
<b>Term Loans from Banks:</b>		
(i) State Bank of India	1,994,712	438,128,197
(ii) Bank of India	343,874,372	202,133,008
(iii) Allahabad Bank	337,258,921	453,138,340
(iv) Punjab National Bank	303,366,355	50,227,055
<b>Secured by:</b>		
(a) First charge on Pari Passu basis:		
(i) By way of Equitable mortgage of Land and Building (Under Construction).		
(ii) On all the fixed and current assets of the Company; and		
(iii) On the escrow of receivables from the Project.		
(b) Personal guarantee of some of the Directors		
Instalment of Loan due for repayment within a period of one year Rs.97,32,30,000/- (Previous year Rs. 67,00,00,000/-)		
<b>TOTAL RUPEES</b>	<b>986,494,360</b>	<b>1,143,626,600</b>
<b>SCHEDULE: 4</b>		
<b>UNSECURED LOAN:</b>		
From Holding Company	276,297,644	361,418,804
<b>TOTAL RUPEES</b>	<b>276,297,644</b>	<b>361,418,804</b>
<b>SCHEDULE: 5</b>		
<b>DEFERRED TAX ASSET/(LIABILITY) (NET)</b>		
<b>Deferred Tax Liability:</b>		
Difference between book and tax depreciation	(42,434)	(4,090,068)
<b>Less: Deferred Tax Asset:</b>		
Deduction under section 35D of the Act	7,950	8,134
Disallowances under Section 40A(7)/ 43B of the Act	693,859	534,907
<b>TOTAL RUPEES</b>	<b>659,375</b>	<b>(3,547,027)</b>



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

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 6**

**FIXED ASSETS(AT COST LESS DEPRECIATION)**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 31.03.2009 RS.	ADDITIONS RS.	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS.	PROVIDED FOR THE YEAR RS.	AS AT 31.03.2010 RS.	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS.
SAMPLE FLAT AND SALES OFFICE	34,777,637	-	34,777,637	23,171,922	11,605,715	34,777,637	-	11,605,715
FURNITURE & FIXTURES	1,300,890	-	1,300,890	468,900	150,590	619,490	681,400	831,990
OFFICE EQUIPMENTS	2,124,838	21,800	2,146,638	583,986	214,597	798,583	1,348,055	1,540,852
COMPUTERS	916,422	189,500	1,105,922	356,875	251,039	607,914	498,008	559,547
<b>TOTAL RUPEES</b>	<b>39,119,787</b>	<b>211,300</b>	<b>39,331,087</b>	<b>24,581,683</b>	<b>12,221,941</b>	<b>36,803,624</b>	<b>2,527,463</b>	<b>14,538,104</b>
PREVIOUS YEAR	20,272,416	18,847,371	39,119,787	6,226,593	18,355,090	24,581,683	14,538,104	-



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE: 7  
INVENTORIES**

(At cost, taken, valued and certified by a Director)  
Project Work In Progress

**TOTAL RUPEES**

**SCHEDULE: 8  
SUNDRY DEBTORS**

(Unsecured - Considered Good)  
- Outstanding for more than six months  
- Outstanding for less than six months

**TOTAL RUPEES**

**SCHEDULE: 9  
CASH AND BANK BALANCES:**

Cash on hand  
Cheques on Hand  
Balance with Scheduled Banks  
- in current accounts

**TOTAL RUPEES**

**SCHEDULE: 10  
LOANS AND ADVANCES:**

(Unsecured Considered Good)

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

**TOTAL RUPEES**

**SCHEDULE: 11  
CURRENT LIABILITIES:**

**Sundry Creditors**

- Micro Enterprises and Small Enterprises (Refer Note No.C.9 of Schedule 16)  
- Others

Advances received against Sale of Flats/Car Parking  
Other Liabilities

**TOTAL RUPEES**

**SCHEDULE: 12  
PROVISIONS:**

Gratuity  
Leave Encashment  
Tax Provisions (Net of Taxes Paid)

**TOTAL RUPEES**

As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
2,384,935,163	2,166,009,847
<b>2,384,935,163</b>	<b>2,166,009,847</b>
25,346,988	47,405,052
326,851,095	27,135,278
<b>352,198,083</b>	<b>74,540,330</b>
315	561,634
300,000	125,000
76,768,164	24,203,983
<b>77,068,479</b>	<b>24,890,617</b>
42,931,585	248,731,551
451,812,634	451,451,834
<b>494,744,219</b>	<b>700,183,385</b>
454,398,218	229,674,537
454,398,218	229,674,537
742,364,276	575,625,661
44,920,321	120,719,799
<b>1,241,682,815</b>	<b>926,019,997</b>
1,055,892	802,144
1,032,943	771,575
66,442,519	36,246,822
<b>68,531,354</b>	<b>37,820,541</b>



**GOKULDHAM REAL ESTATE DEVELOPMENT COMPANY PRIVATE LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE: 13**

**PROJECT EXPENSES:**

Compensation for Acquiring Land/Development Rights	
Direct Cost of Construction	
Construction Overhead	
- Salaries, Wages and Bonus	
- Contribution to Provident Fund and other Allied Funds	
- Staff Welfare And Other Amenities	
- Other Construction Overhead	
Interest and Finance Charges	
Interest on:	
- Term Loans	
- Other Loans	
- Temporary Overdraft	
Loan Processing/Documentation charges	
<b>TOTAL RUPEES</b>	

For the Year ended 31.03.2010 Rs.	For the Year ended 31.03.2009 Rs.
139,076,930	88,940,122
966,944,694	729,024,971
6,053,769	10,485,152
193,773	251,520
908,934	326,225
10,252,098	20,440,289
198,701,299	89,994,125
3,108,493	-
22,195	98,170
145,000	13,132,650
<b>1,325,407,185</b>	<b>2,005,500,120</b>

**SCHEDULE:14**

**(INCREASE) / DECREASE IN INVENTORIES**

Balance as of commencement of the period/year:	
- Project work in progress	
Less:	
- Construction Cost referable to Sample Flat & Sales Office Capitalised	
Less:	
Balance as of end of the period/year:	
- Project work in progress	
<b>TOTAL RUPEES</b>	

2,166,009,847	1,033,288,097
-	17,591,816
2,166,009,847	1,015,696,281
2,384,935,163	2,166,009,847
<b>(218,925,316)</b>	<b>(1,150,313,566)</b>

**SCHEDULE: 15**

**ESTABLISHMENT EXPENSES**

Payment to and Provision for Employees	
- Salaries and Allowances	
- Contribution to Provident Fund and Allied Funds	
- Staff Welfare and Other Amenities	
Rent	
Legal and Professional Charges	
Donations	
Advertisement and Publicity	
Printing, Stationery, Postage Telegrams and Telephone Expenses	
Conveyance and Travelling expenses	
Commission and Brokerage	
Remuneration to Auditors	
- Audit Fees (Including Service Tax)	
- Taxation	
- Out of Pocket Expenses	
Miscellaneous expenses	
<b>TOTAL RUPEES</b>	

4,249,399	5,618,304
140,317	134,424
814,754	544,821
3,761,670	5,977,147
3,286,260	958,713
4,102,751	2,017,348
13,113,478	19,576,837
281,929	184,415
537,853	396,791
18,102,809	17,632,585
554,230	330,578
-	27,500
12,127	10,181
1,926,797	686,980
<b>50,884,374</b>	<b>54,096,624</b>



## **16 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 residential complex on the land bearing Cts No. 157/7(P) and 157/8(P) of Village Dindoshi, Goregaon (East), Mumbai 400 063.

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

#### **3 Fixed Assets and Depreciation**

Fixed Assets are capitalized at cost of acquisition / construction and includes expenses incidental thereto. Depreciation on fixed assets other than sample flat and sales office 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 and in respect of sample flat and sales office over a period of 36 months , being its estimated useful life.

#### **4 Inventories**

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

#### **5 Impairment of Assets**

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

#### **6 Revenue Recognition**

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

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

#### **7 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.



## 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 period in which the employee renders the related service.

### Post employment benefits:

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

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

## 9 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.

## 10 Taxes on Income

Income tax expense comprises current tax, fringe benefit 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.

## 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 accepted 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 The Company has acquired sub-development rights from the developer vide agreement dated 1<sup>st</sup> July, 2005. Following are the principal terms of the said agreement:

(a) For obtaining sub-development rights, the Company to pay to the developer in aggregate 10% out of the proceeds received on sale of flats/car parking, as compensation and accordingly, has accounted such compensation of Rs.29,88,03,246/- (Previous Year Rs.15,97,26,316/-) as upto 31st March 2010.

(b) Placing of interest free security deposit of Rs. 45,00,00,000/- with the developer.

**3 Contingent Liabilities not provided for**

(Amount in Rupees)

Particulars	As at	As at
	31.03.10	31.03.09
	Rs.	Rs.
Claims made against the Company not acknowledged as debt relating to service tax on lease rentals in respect of an office premise	754,976	333,602

**4 Advances (Refer Schedule 10)**

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

**5 Re: Preference Shares:**

Arrears of dividend in respect of cumulative preference shares for the year amounts to Rs. 13,43,562/- (Previous Year Rs. 943,562/-). During the year, the Company has decided not to create any amount towards redemption reserve required in connection with redemption of preference shares.

6 Loans and advances, includes Rs.45,00,00,000/-, being interest free refundable deposit placed with a private company in which a director is interested for acquiring sub-development rights from the said company.

7 In the opinion of the Board of Directors, Current Assets, Loans and Advances are realizable in the ordinary course of business. Provisions are made for all known liabilities and the same are adequate.

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

(Amount in Rupees)

Particulars	For the Year	For the Year
	ended	ended
	31.03.2010	31.03.2009
- Audit Fees (including Service Tax)	554,230	314,355
- Taxation Matters	-	31,054
- Out of Pocket Expenses	12,127	22,850
<b>Total</b>	<b>566,357</b>	<b>368,259</b>





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

(Amount in Rupees)

Particulars	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date.	-	-
Interest accrued on the due to suppliers under MSMED Act on the above amount.	-	-
Payment made to suppliers (Other than interest) beyond the appointed date, during the year.	-	-
Interest paid to suppliers under MSMED Act (other than Section 16).	-	-
Interest paid to suppliers under MSMED Act (Section 16).	-	-
Interest due and payable to suppliers under MSMED Act for payments already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED.	-	-

Note: The above information is compiled by the Company on the basis of the information made available by vendors and the same has been relied upon by the Auditors.

10 Related Party Disclosure

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

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

- a) **Holding Company**  
D B Realty Limited
- b) **Fellow Subsidiary Company**  
Neelkamal Realtors Tower Pvt. Ltd.  
Neelkamal Realtors Suburban Private Limited
- c) **Enterprises over which Director(s) exercises Significant Influence (Associated Enterprises)**  
Conwood Construction & Developers Private Limited  
Conwood Construction Company Private Limited  
Eversmile Construction Co. Private Limited  
Dynamix Bapa Associates  
Upvan Developers  
Dynamix Developers  
Excon Developers Private Limited  
Neelkamal Realtors & Erectors Private Limited  
Neelkamal Realtors & Builders Private Limited  
K G Enterprise
- d) **Jointly Controlled Entity of Holding Company/Fellow Subsidiary (Joint Control Entity)**  
Dynamix Realty  
Suraksha DB Realty
- e) **Relative of the Key Managerial Personnel (KMP)**  
Ms. Sunita Bali



(Amount in Rupees)

Description	Holding Company	Fellow Subsidiary	Associated Enterprises	Joint Control Entity	Relative of KMP
<b>Loans Taken</b>					
Opening Balance	361,418,804 (136,000,000)	- (-)	- (-)	- (-)	- (-)
Taken during the year	458,517,141 (516,720,404)	- (-)	- (2,000,000)	- (-)	- (-)
Interest Expenses	3,108,493 (-)	- (-)	- (-)	- (-)	- (-)
Repaid during the year, (including interest)	546,746,794 (291,301,600)	- (-)	- (2,000,000)	- (-)	- (-)
Closing Balance	276,297,644 (361,418,804)	- (-)	- (-)	- (-)	- (-)
<b>Charges for use of premises by the Company/Reimbursement of expenses incurred on behalf of the Company</b>					
Transaction during the year	7,440,833 (88,866)	- (-)	4,463,273 (6,573,486)	- (-)	- (-)
Closing Balance	2,300,278 (88,866)	- (-)	267,874 (677,996)	- (-)	- (-)
<b>Reimbursement of expenses incurred by the Company on behalf of parties</b>					
Transaction during the year	- (-)	66,250 (314,608)	- (100,000)	7,930 (-)	- (-)
Closing Balance	- (-)	314,608 (314,608)	95,318 (95,318)	7,930 (-)	- (-)
<b>Compensation for obtaining sub-development rights of the land</b>					
Compensation for the year	- (-)	- (-)	139,076,930 (86,574,122)	- (-)	- (-)
Closing Balance payable thereagainst	- (-)	- (-)	298,803,246 (159,726,316)	- (-)	- (-)
<b>Outstanding deposit for sub-development rights</b>	- (-)	- (-)	450,000,000 (450,000,000)	- (-)	- (-)
<b>Outstanding advance payment for purchase of TDR</b>					
Opening Balance	- (-)	- (-)	13,500,000 (13,500,000)	165,378,096 (-)	- (-)
Advance Paid	- (-)	- (-)	57,509,650 (-)	600,000,000 (798,928,932)	- (-)
Purchase of TDR/Refund	- (-)	- (-)	67,509,650 (-)	765,378,096 (633,550,836)	- (-)
Closing Balance	- (-)	- (-)	3,500,000 (13,500,000)	- (165,378,096)	- (-)
<b>Sale of Flat</b>					
Sale	- (-)	- (-)	- (-)	- (-)	12,375,722 (-)
Closing Debtors	- (-)	- (-)	- (-)	- (-)	4,919,922 (-)

Previous year figures are denoted in brackets.

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



11 **Operating Lease:**

(Amount in Rupees)

Particulars	For the Year ended	For the Year ended
	31.03.2010	31.03.2009
Lease payments recognized in the Profit & Loss account	3,753,314	5,977,147
<b>Future Lease Payments</b>		
(a) Not later than one year.	4,041,157	5,149,680
(b) Later than one year but not later than five years.	3,466,298	11,850,461
(c) Later than five years.	-	-
<b>Total of future lease payments.</b>	<b>7,507,455</b>	<b>17,000,141</b>

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

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

**Defined Contribution Plan:**

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

(Amount in Rupees)

Particulars	For the Year ended	For the Year ended
	31.03.2010	31.03.2009
Employer's Contribution to Provident Fund and Allied Funds	334,090	385,944

**Defined Benefit Plan:**

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

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

(Amount in Rupees)

Particulars	Gratuity (Un-Funded)	
	For the Year ended	For the Year ended
	31.03.2010	31.03.2009
Defined Benefit obligation at the beginning of the year	802,144	338,230
Current Service Cost	464,749	528,661
Interest Cost	98,184	69,351
Actuarial (gain)/loss	(309,185)	(134,098)
<b>Defined Benefit obligation at the end of the year</b>	<b>1,055,892</b>	<b>802,144</b>

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

(Amount in Rupees)

Particulars	Gratuity (Un-Funded)	
	For the Year ended	For the Year ended
	31.03.2010	31.03.2009
Current Service Cost	464,749	528,661
Interest Cost	98,184	69,351
Actuarial (gain)/loss	(309,185)	(134,098)
<b>Net Cost</b>	<b>253,748</b>	<b>463,914</b>



III. Actuarial assumptions

(Amount in Rupees)

Particulars	Gratuity (Un-Funded)	
	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Discount Rate	8.00%	7.75%
Rate of Escalation in Salary	10.00%	10.00%

**Notes:**

1 The obligation towards Gratuity is unfunded and therefore, the following disclosures are not given:

- a. Reconciliation of Opening and Closing Balances of fair value of plan assets.
- b. Details of Investments.

2. The obligation of Leave Encashment is provided for on actuarial basis done by an independent valuer and the same is unfunded. The amount recognised in the Profit & Loss Account for the year is Rs.4,32,295/- (Previous Year Rs. 360,296/-)

13 **Segment Reporting:**

Keeping in view the object of the Company as that of developing and constructing the Project, it has only one reportable segment and hence separate disclosure requirements of AS-17 Segment Reporting are not applicable.

14 Additional information required to be given pursuant to Part II of Schedule VI to the Companies

(Amount in Rupees)

Particulars	For the Year ended 31.03.2010	For the Year ended 31.03.2009
<b>Expenditure in foreign currency</b>		
Travelling	-	158,321
Shuttering Materials	9,948,154	-

15 **Earnings Per Share:**

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

(Amount in Rupees)

Particulars	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Net Profit after tax as per Profit & Loss Account	231,397,295	120,897,707
<b>Adjustments:</b>		
a. Depreciation for the year ended 31 <sup>st</sup> March 2008 on Sample Flat and Sales Office included in the previous year's depreciation	-	5,863,938
b. Cumulative Preference Share Dividend not declared for the year	(400,000)	(400,000)
Net Profit after Adjustments	230,997,295	126,361,645
Weighted Number of Shares outstanding during the year	500,000	500,000
Basic & Diluted Earnings per Share	461.99	252.72
Face value per Equity Share	100	100



16 **Quantitative Information**

Quantitative Information	Unit	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Opening Stock of TDR	Square Meter	-	-
Purchase of TDR	Square Meter	6,271.80	-
Sale of TDR	Square Meter	6,271.80	-
Closing Stock	Square Meter	-	-

17 **Applicability of "The Maharashtra Value Added Tax Act, 2002" (the Act):**

Keeping in view the following aspects, the Management has decided not to make provision for "Value Added Tax" which a "Dealer" is liable to pay under the Act, on sale of units of a premise under construction, by the enterprise engaged in the business of construction, as per the Circular dated 29<sup>th</sup> August, 2007, issued by the Sales Tax Authority:

(i) Interim Order of December, 2007 passed by the Hon. High Court of Bombay to the writ petition filed inter-alia pleading for non-applicability of the ratio laid down in the decision of the Apex Court in the matter of K. Raheja Development Corporation to the transaction for sale of flats under the Maharashtra Ownership Flats Act, 1963, directing the Members of the Maharashtra Chamber of Housing Industry not to register as "Dealer" and that no order of assessment be passed subject to compliance of procedural formalities.

(ii) Pending final outcome to the writ filed.

(iii) In any view of the matter, in the event the said liability is crystallised, the Company shall be able to recover the attributable amount from the allottees.

18 Sundry Debtors include Rs. 3,46,51,309/- for which progressive payments are not due from the Allottees as per the terms and conditions of Sale.

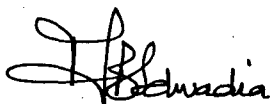
19 The Management is of the view that the activities of the Company, being in the nature of construction and development of the Project, the requirements of Paragraphs 3(i)(a), 3(ii)(a), 4-C and 4-D(a) & (b) of Part II of Schedule VI to the Companies Act, 1956 are not applicable.

20 Previous year's figures have been rearranged and reclassified, wherever necessary to conform with current year's presentation. Further, during the year ended 31.03.2009 the Company had recognized revenue upon reaching the minimum threshold limit and therefore, the operations of the last year includes the impact of work done as upto 31st March, 2008.

Signatures to Schedules 1 to 16

In terms of our report of even date attached.

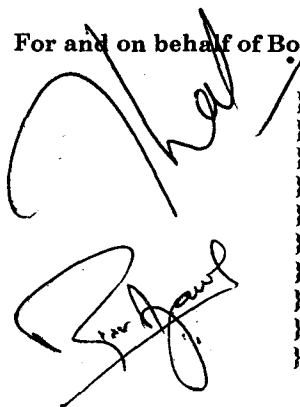
For M. A. PARIKH & CO.  
Chartered Accountants



Partner  
Name: DHAVAL B. SELWA  
Membership No.: 100023  
Place: Mumbai  
Dated: 12 MAY 2010



For and on behalf of Board of Directors



Directors

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No. : U45201MH2004PTC144704 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 : 2,001,919 Total Assests : 2,001,919

#### Sources of Funds

Paid-up Capital : 450,000 Reserves & Surplus : 289,127  
Secured Loans : 986,494 Unsecured Loans : 276,298

Deferred Tax Liabilities :

#### Application of Funds

Net Fixed Assets : 2,527 Investments : NIL  
Net Current Assets : 1,998,732 Miscellaneous Expenditure : NIL  
Deferred Tax Assets : 659 Accumulated Losses : NIL

### VI Performance of Company

Turnover : 1,599,689 Total Expenditure : 1,237,098  
Profit Before Tax : 362,591 Profit After Tax : 231,397  
Earning Per Shares (In Rs.) : 462 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

