

**NEELKAMAL SHANTINAGAR PROPERTIES PVT. LTD.**

**ANNUAL AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

**MEHTA CHOKSHI & SHAH**

Chartered Accountants

229, Bokadia Mansion,

Princess Street, Mumbai 400 002

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

Fax : 2205 5432 \* Email : [camcs@vsnl.com](mailto:camcs@vsnl.com)



## NOTICE

**NOTICE** is hereby given that the Sixth Annual General Meeting of the Members of Neelkamal Shantinagar Properties Private Limited will be held on Tuesday, 20<sup>th</sup> September, 2011 at 11.00 A.M. at the Registered Office of the Company at DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063 to transact the following business:

### AGENDA

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2011, the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors there on
2. To appoint a Director in place of Mr. Rajiv Agarwal, who retires by rotation.
3. To re-appoint M/s Mehta Chokshi & Shah Chartered Accountants ((Reg. No.106201W) the retiring auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors.

### SPECIAL BUSINESS

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

“RESOLVED THAT Mrs. Sunita Bali, who was appointed as Additional Director by the Board of Directors of the Company with effect from 8<sup>th</sup> March, 2011 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 section 257 of the Act from a member proposing her 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(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Salim Balwa who was appointed as Additional Director by the Board of Directors of the Company with effect from 8<sup>th</sup> March, 2011 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 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.”

**BY ORDER OF THE BOARD  
NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED**

  
**SUNITA BALI  
DIRECTOR**

**MUMBAI,  
DATE: 30.05.2011**

**NOTES:**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2) THE INSTRUMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 3) THE RELATIVE EXPLANATORY STATEMENT IN RESPECT OF ITEMS 4 & 5 IS ANNEXED HERETO.

**EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE ANNUAL  
GENERAL MEETING OF THE COMPANY PURSUANT TO SECTION 173(2)  
OF THE COMPANIES ACT, 1956**

**ITEM NO. 4**

Mrs. Sunita Bali was appointed as Additional Director at Board Meeting held on 8<sup>th</sup> March, 2011 and she holds her 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 from a member proposing her as Director pursuant to the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the resolution for your acceptance.

None of the Directors other than Mrs. Sunita Bali is in any way concerned or interested in the said resolution.

**ITEM NO. 5**

Mr. Salim Balwa was appointed as Additional Director at Board Meeting held on 8<sup>th</sup> March, 2011 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 from a member proposing him as Director pursuant to the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the resolution for your acceptance.

None of the Directors other than Mr. Salim Balwa is in any way concerned or interested in the said resolution.

**BY ORDER OF THE BOARD  
NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED**

  
**SUNITA BALI  
DIRECTOR**

**MUMBAI,  
DATE: 30.05.2011**



## DIRECTORS' REPORT

To  
The Members  
Neelkamal Shantinagar Properties Private Limited

Your Directors hereby present their Annual Report together with the Audited Accounts of the Company for the Year ended on 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS

The Company has undertaken a project for development and construction of Residential and Commercial Complex at Lower Parel, Mumbai and has entered into a Joint Venture with Shankala Realtors Pvt Ltd with equal share in Profit / Loss in the name and style M/s Shanti Nagar Venture (AOP)

During the year under review, the Company has earned Rs. 798/- by writing back the Sundry balances and incurred the total expenditure of Rs.35,23,587/- comprising of administrative and other expenses of Rs.74,141/- and Rs.34,49,446,- towards share of loss from Shree Shantinagar Venture. This has resulted in a loss of Rs. 35,22,789/- Adding thereto the deficit brought forward from the previous year, the net deficit of Rs. 65,24,516 /-has been carried to the Balance Sheet.

The Project related expenses incurred as on 31<sup>st</sup> March, 2011 has been carried under 'Inventories' in the consolidated Balance Sheet. The Company will recoup the losses on recognition of Revenue after achieving the threshold limit in accordance with the 'Percentage Completion Method' followed by the Company.

### DIVIDEND

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

### STATUS OF THE COMPANY:

The Company continues to be Wholly Owned Subsidiary Company of D B Realty Limited and accordingly, by virtue of provision of section 3(1)(iv)(c) of the Companies Act, 1956, the Company is Public Company.

### DIRECTORS:

Mrs. Sunita Bali & Mr. Salim Balwa were appointed as Additional Directors with effect from 8<sup>th</sup> March, 2011 and they hold their offices up to the date of the annual general meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received Notices in writing from Members proposing their appointment as Directors subject to retirement by rotation.

Mr. Rajiv Agarwal retires by rotation at the ensuing annual general meeting

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Accounts for the year ended on 31<sup>st</sup> March, 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the Accounts for the financial year ended on 31<sup>st</sup> March, 2011 on a going concern basis.

**FIXED DEPOSIT**

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

**PARTICULARS OF EMPLOYEES**

The Company did not employ during the year any employee whose particulars are required to be furnished pursuant to Section 217(2A) of the Companies Act, 1956 and the Rules made there under.

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

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

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

**AUDITORS**

M/s. Mehta Chokshi & Shah, Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

You are requested to appoint the Auditors for the year 2011-2012 and fix their remuneration.

**ON BEHALF OF THE BOARD OF DIRECTORS  
For NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED**

  
**SUNITA BALI  
DIRECTOR**

  
**SALIM BALWA  
DIRECTOR**

**MUMBAI,  
DATE: 30.05.2011**

# *Mehta Chokshi & Shah*

## **CHARTERED ACCOUNTANTS**

### **AUDITORS' REPORT**

**To the Members of Neelkamal Shantinagar Properties Private Limited**

1. We have audited the attached Balance Sheet of **Neelkamal Shantinagar Properties Private Limited** ('the Company') as at March 31, 2011 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 here-in-above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.



BOKADIA MANSION, 2ND FLOOR, 229, PRINCESS STREET, MUMBAI-400 002.

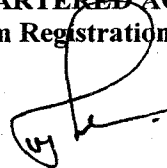
TEL. : 2205 7309 • 2208 8743 • 6633 4067 • Fax : 2205 5432 • Email : camcs@vsnl.com

A-101, "AADESHWAR" S. V. P. ROAD, (MANDPESHWAR ROAD), BORIVALI (W), MUMBAI - 400 092.

Tel. 2893 0501 • Telefax : 2893 0503

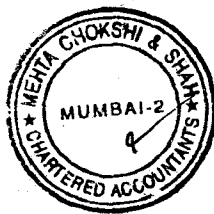
- (e) In respect of the directors, on the basis of written representations received from the them as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2011;
- (ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**FOR MEHTA CHOKSHI & SHAH  
CHARTERED ACCOUNTANTS.  
Firm Registration number: 106201W**



**C.M. SHAH  
PARTNER  
M.NO.: 47178**

**PLACE: MUMBAI  
DATED: 30 MAY 2011**





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

1. Fixed Assets

The Company does not have any Fixed Assets and therefore clause 4(i)(a), 4(i)(b) and 4(i)(c) of the order are not applicable.

2. Inventories

The Company does not have any Inventories and therefore clause 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the order are not applicable.

3. In respect of the loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(b) The Company has taken interest free unsecured loans, repayable on demand, from a company listed in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding at any time during the year is Rs. 416,289,316/- and the year-end balance of the said loans is Rs. 261,289,316/-.

(c) In our opinion, the terms on which the loans have been taken are prima facie not prejudicial to the interest of the Company. We are informed that the amounts of loans were repaid by the Company as and when demanded and hence, the question of default in repayment thereof 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 and inventory and for the sale of flats. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said areas.

5. a. To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 have so been entered.



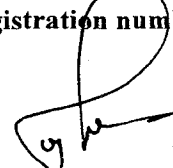
- b. According to the information and the explanations given to us, where such transactions, are in excess of Rs. 5 lacs in respect of each party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time to the prices at which similar transactions have been made with other parties or as available with the Company.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The Company is not required to have an internal audit system.
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**
- 9.1 According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts in respect of undisputed statutory dues including Income tax and applicable other statutory dues have been regularly deposited with the appropriate authorities.
- 9.2 According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.
- 9.3 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's accumulated loss exceeds fifty percent of the Net worth of the Company as at the year end. Further, the company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.
11. According to the information and explanations given to us there are no borrowings from financial institutions/banks/debenture holders, hence the question of any defaults in repayment of the dues to them does not arise.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the requirements of Clause 4(xii) of the Order are not applicable.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the requirements of Clause 4(xiii) of the Order are not applicable.



CHARTERED ACCOUNTANTS

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

**FOR MEHTA CHOKSHI & SHAH  
CHARTERED ACCOUNTANTS.  
Firm Registration number: 106201W**



**C.M. SHAH  
PARTNER  
M.NO.: 47178**

**PLACE: MUMBAI  
DATED: 30 MAY 2011**



**NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2011**

**SOURCES OF FUNDS :**

**SHAREHOLDERS' FUNDS**  
SHARE CAPITAL

**LOAN FUNDS**  
UNSECURED LOANS

**TOTAL RUPEES**

**APPLICATION OF FUNDS :**

**INVESTMENTS**

**In the capital of Joint Venture**  
SHREE SHANTINAGAR VENTURE (50% SHARE IN JOINT VENTURE)

**CURRENT ASSETS, LOANS AND ADVANCES**

CASH AND BANK BALANCES  
LOANS AND ADVANCES

**LESS : CURRENT LIABILITIES AND PROVISIONS :**

CURRENT LIABILITIES  
PROVISIONS

**NET CURRENT ASSETS**

**PROFIT AND LOSS ACCOUNT**

**TOTAL RUPEES**

SCHEDULE NUMBER	AS AT 31.03.2011		AS AT 31.03.2010
	RUPEES	RUPEES	RUPEES
1		160,000	160,000
2		261,289,316	90,189,316
		<b>261,449,316</b>	<b>90,349,316</b>
3	86,338		83,396
4	1,052,973		1,062,815
	<b>1,139,311</b>		<b>1,146,211</b>
5	359,572		30,143
6	-		10,640
	<b>359,572</b>		<b>40,783</b>
		779,739	1,105,428
		6,524,516	3,001,728
		<b>261,449,316</b>	<b>90,349,316</b>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE

9

AS PER OUR ATTACHED REPORT OF EVEN DATE  
FOR MEHTA CHOKSHI & SHAH  
CHARTERED ACCOUNTANTS

C.M. SHAH  
PARTNER  
M.No.47178

PLACE : MUMBAI  
DATED : 30 MAY 2011



FOR AND ON BEHALF OF BOARD OF DIRECTORS

(SUNITA BALI)  
DIRECTOR

(SALIM BALWA)  
DIRECTOR

PLACE : MUMBAI  
DATED : 30 MAY 2011

**NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED**

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

SCHEDULE NO.	YEAR ENDED MARCH 31ST, 2011	YEAR ENDED MARCH 31ST, 2010
	RUPEES	RUPEES
7	-	-
	798	-
	798	-
8	74,141	42,937
	3,449,446	410,271
	3,523,587	453,208
	(3,522,789)	(453,208)
	-	-
	(3,522,789)	(453,208)
	(3,001,727)	(2,548,520)
	(6,524,516)	(3,001,728)
	(220.17)	(28.33)
	16,000	16,000

**I. INCOME**

INTEREST INCOME (NET)  
SUNDRY BALANCES WRITTEN BACK  
TOTAL RUPEES

**II. EXPENDITURE**

ADMINISTRATIVE AND OTHER EXPENSES  
SHARE OF LOSS FROM JOINT VENTURE

TOTAL RUPEES

PROFIT/(LOSS) BEFORE TAX

PROVISION FOR FRINGE BENEFIT TAX

PROFIT/(LOSS) AFTER TAX

BALANCE AS OF EARLIER YEAR BROUGHT FORWARD

CARRIED FORWARD TO BALANCE SHEET

**EARNING PER SHARE (EPS):**

BASIC AND DILUTED  
NUMBER OF SHARES USED IN COMPUTING EPS (of Rs.10 each)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE

9

AS PER OUR ATTACHED REPORT OF EVEN DATE  
FOR MEHTA CHOKSHI & SHAH  
CHARTERED ACCOUNTANTS

C.M. SHAH  
PARTNER  
M.No.47178

PLACE : MUMBAI  
DATED: 30 MAY 2011



FOR AND ON BEHALF OF BOARD OF DIRECTORS

(SUNITA BALI)  
DIRECTOR

(SALIM BALWA)  
DIRECTOR

PLACE : MUMBAI  
DATED: 30 MAY 2011

**NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011**

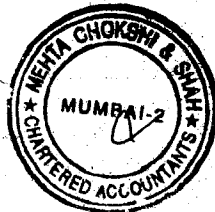
- (A) **Cash Flow From Operating Activities:**  
 Net loss before taxation and extraordinary items  
Adjustment for:  
 Share of loss from Joint Venture  
 Operating Income before working Capital changes
- Adjustment for Working Capital Changes:  
 (Increase)/Decrease in Loans and Advances  
 Increase/(Decrease) in Provisions  
 Increase/(Decrease) in Current Liabilities  
**Cash used in operations**  
 Income Tax paid  
**Net Cash Generated From Operating Activities**
- (B) **Cash Flow From Investing Activities:**  
 Investment in Joint Venture (net)  
**Net cash generated from Investing Activities**
- (C) **Cash Flow From Financing Activities:**  
 Borrowings (Net)  
**Net cash generated from financing Activities**
- Net Decrease in Cash and Cash Equivalents (A+B+C)**  
**Add: Cash and cash Equivalents (Opening)**  
**Cash and cash equivalents (Closing)**
- (D) **Cash and cash Equivalents includes:**  
 Cash on hand  
 Bank Balances

	For the Year ended 31.03.11	For the Year ended 31.03.10
	Rs.	Rs.
	Rs.	Rs.
	(3,522,789)	(453,208)
	3,449,446	410,271
	(73,343)	(42,937)
	9,842	(273,593)
	(10,640)	-
	329,429	(36,219,620)
	255,288	(36,536,150)
	-	-
	255,288	(36,536,150)
	(171,352,347)	(31,498,522)
	(171,352,347)	(31,498,522)
	171,100,000	67,020,594
	171,100,000	67,020,594
	2,941	(1,014,078)
	83,396	1,097,474
	86,338	83,396
	22,986	20,045
	63,352	63,351
	86,338	83,396

AS PER OUR ATTACHED REPORT OF EVEN DATE  
 FOR MEHTA CHOKSHI & SHAH  
 CHARTERED ACCOUNTANTS

C.M. SHAH  
 PARTNER  
 M.No.47178

Place: Mumbai  
 Date: **30 MAY 2011**



FOR AND ON BEHALF OF THE BOARD

(SUNITA BALI)  
 DIRECTOR

(SALIM BALWA)  
 DIRECTOR

Place: Mumbai  
 Date: **30 MAY 2011**

**NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED**

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011**

**SCHEDULE 1 :**

**SHARE CAPITAL :**  
**AUTHORISED :**

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

TOTAL

**ISSUED, SUBSCRIBED AND PAID UP :**

16,000 Equity Shares of Rs. 10/- each fully paid up  
(Out of the above 16,000 Equity Shares are held by the holding company D B Realty Limited)

TOTAL

**SCHEDULE 2 :**

**UNSECURED LOANS :**

From Holding Company

TOTAL

**SCHEDULE 3 :**

**CASH AND BANK BALANCES :**

Cash on Hand  
Balance with Schedule Bank

TOTAL

**SCHEDULE 4 :**

**LOANS AND ADVANCES :**

Loan Given  
Deposits  
Tax Deducted at Source  
Fringe Benefit Tax

TOTAL

**SCHEDULE 5 :**

**CURRENT LIABILITIES :**

Sundry Creditors  
Duties and Taxes  
Other Liabilities  
Balance due to Reconciliation

TOTAL

**SCHEDULE 6 :**

**PROVISIONS**

Provision for tax

TOTAL

	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
	500,000	500,000
TOTAL	500,000	500,000
	160,000	160,000
TOTAL	160,000	160,000
	261,289,316	90,189,316
TOTAL	261,289,316	90,189,316
	22,986	20,045
	63,352	63,351
TOTAL	86,338	83,396
	400,000	400,000
	1,000	1,000
	651,973	651,973
	-	9,842
TOTAL	1,052,973	1,062,815
	68,647	25,961
	4,743	
	716	2,758
	285,466	1,424
TOTAL	359,572	30,143
	-	10,640
TOTAL	-	10,640



*(Handwritten signature and scribble)*

**NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE 7 :**

**INTEREST INCOME (NET)**

Interest Income  
 Less: Interest charges

TOTAL

YEAR ENDED 31ST MARCH, 2011	YEAR ENDED 31ST MARCH, 2010
RUPEES	RUPEES
-	104,117
-	(104,117)
-	-

**SCHEDULE 8 :**

**ADMINISTRATIVE AND OTHER EXPENSES**

Salary expenses  
 Printing and Stationery  
 Miscellaneous expenses  
 Telephone expenses  
 Legal and Professional charges  
 Auditor's Remuneration  
 Bank charges  
 Repair & Maintanance

TOTAL

YEAR ENDED 31ST MARCH, 2011	YEAR ENDED 31ST MARCH, 2010
RUPEES	RUPEES
6,000	-
682	1,924
210	446
2,979	2,722
15,518	6,280
47,429	27,575
1,323	682
-	3,308
74,141	42,937



*(Handwritten signature)*



**NEELKAMAL SHANTINAGAR PROPERTIES PRIVATE LIMITED**

**SCHEDULE 9:**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

The Company being a subsidiary of DB Realty Limited has become a "Public Company" with effect from 23<sup>rd</sup> September, 2009

**(A) 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 the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee, Accounting standards, under the Companies (Accounting Standard Rules), 2006 referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

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

**3. Use of Estimates:**

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

**4. Borrowing Cost:**

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



Handwritten signature and a vertical line.

**5. Taxes on Income:**

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

**6. Provisions:**

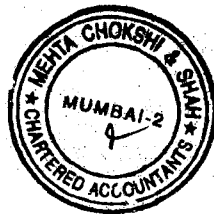
A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined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

**7. Contingent Liabilities:**

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

**8. Investment:**

Investment is initially recognized at cost and subsequently adjusted by share of loss (if any) attributable to the company.



Handwritten signature and a long vertical line.

**(B) NOTES TO THE ACCOUNTS:**

1. The losses represents, share of loss from joint venture and other administrative expenses. The management is of the view that the company will be able to recoup the losses once the revenue starts getting recognized in the joint venture on achieving the prescribed threshold limit of the total work involved.
2. In the absence of any timing difference, no provision for deferred tax needs to be made. In view of loss, no provision for current tax has been provided for.
3. **Earnings per Share:**  
As per Accounting Standard-20 "Earning Per Share", the Company's EPS is as under

(Amount in Rupees)

	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2010
Net Profit/(Loss) after tax as per Profit & Loss Account	(35,22,789)	(4,53,208)
Weighted average number of equity shares outstanding	16,000	16,000
Basic and Diluted Earnings per share	(220.17)	(28.33)
Face Value per Equity Share	10	10

**4. Breakup of Auditors Remuneration:**

(Amount in Rupees)

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
- Audit Fees	25,000	25,000
- Others	Nil	Nil
- Certification Fees	18,000	Nil
- Service Tax	4,429	2,575
<b>Total</b>	<b>47,429</b>	<b>27,575</b>



*(Handwritten signature)*

5. The Company has entered into a 50: 50 Joint Venture agreement with Shankala Realtors Private Limited for development and construction of a residential complex at Lower Parel, Mumbai in the name and style M/s. Shree Shantinagar Venture (AOP).

The details of amount invested in AOP are as follows.

(Amount in Rupees)

Particulars	For the year ended 31.03.11	For the year ended 31.03.10
Opening Balance	86,242,160	55,153,909
Add: Amount invested during the year/period	442,311,218	52,898,522
Less: Amount withdrawn	270,958,871	21,400,000
Less: Share of Loss	3,449,446	410,271
Closing balance	254,145,061	86,242,160

6. **Related Parties Disclosure:**

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

<u>Name of the related party</u>	<u>Relationship</u>
DB Realty Limited	Holding Company
Neelkamal Central Apartment Private Limited	Associated Enterprise
Pony Infrastructure & Contractors Limited	Associated Enterprise
Mr. Shahid Balwa	Key Management Personnel (Director)
Mr. Vinod Goenka	Key Management Personnel (Director)

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



Handwritten signatures of the auditors.

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

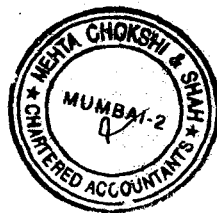
(Amount in Rupees)

Nature of Transaction	With Holding Company	With Associated Enterprise
Loans accepted opening balance	90,189,316 (23,168,722)	- (-)
Loans accepted during the year	466,600,000 (88,501,118)	- (-)
Repayment of Loan accepted	295,500,000 (21,480,524)	- (-)
Loans Granted opening balance	-	-
Loans Granted	- (-)	98,000,000 (-)
Repayment of Loans Granted	- (-)	98,000,000 (-)
<u>Balance Outstanding as at 31<sup>st</sup> March, 2011</u>		
Loans accepted	261,289,316 (90,189,316)	- (-)

Figures in the brackets denote figures belonging to the previous year

7. The management is of the view that the activities of the Company being in the nature of construction, the provisions of Paragraphs 3(ii) and 4C of Part II of Schedule IV to the Companies Act, 1956 are not applicable.
8. As per the information provided by the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.



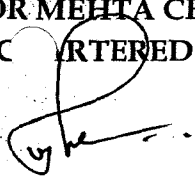
*(Handwritten mark)*

*(Handwritten signature)*

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

**Signatures to Schedules 1 to 9**

AS PER OUR ATTACHED REPORT OF  
DATE  
FOR MEHTA CHOKSHI & SHAH  
CHARTERED ACCOUNTANTS

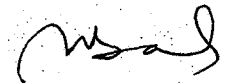


M.M. SHAH  
PARTNER  
A.No.47178

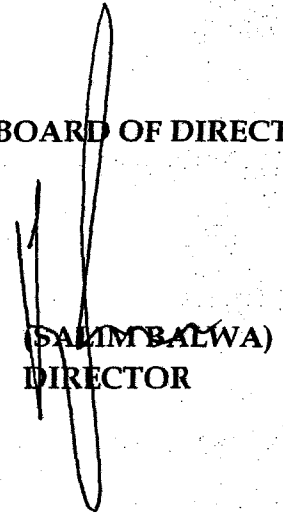
PLACE : MUMBAI  
DATED : 30 MAY 2011



FOR AND ON BEHALF OF BOARD OF DIRECT



(SUNITA BALI)  
DIRECTOR



(SALIM BALWA)  
DIRECTOR

PLACE : MUMBAI  
DATED : 30 MAY 2011