

NEELKAMAL REALTORS TOWER PRIVATE LIMITED

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31st MARCH, 2011

DELOITTE HASKINS & SELLS

Chartered Accountants
12, Dr. Annie Besant Road,
Opp. Shiv Sagar Estate,
Worli, Mumbai - 400 018
Tel No.: 6667 9000 Fax: 6667 9100



NOTICE

Dear Members,

NOTICE is hereby given that the 5th Annual General Meeting of the members of Neelkamal Realtors Tower Pvt. Ltd. will be held on Tuesday, 20th day of September, 2011 at 3.30 P.M. at the Registered Office of the Company at DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai, Maharashtra - 400063, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2011, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To appoint Director in place of Mr. Asif Balwa, who retires by rotation, does not offers himself for re-appointment.
3. To appoint Director in place of Mr. Saleh Afimiwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Haribhakti & Co, Chartered Accountants, Mumbai (Reg No. 103523W) as Statutory Auditors, in place of Ms/s. Deloitte Haskins & Sells, Chartered Accountants (Reg. No. 117366W), the retiring auditors of the Company, who have not offered themselves for re-appointment, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Mohammed Balwa, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

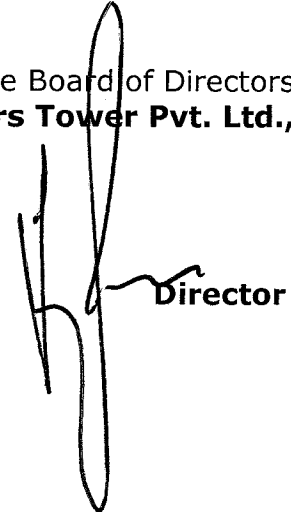
NOTES :

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

than 48 hours before the commencement of the meeting. A blank proxy form is annexed to the notice.

3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos.4 and 5 of the notice is annexed hereto.

On behalf of the Board of Directors
for Neelkamal Realtors Tower Pvt. Ltd.,



Director

Place: Mumbai
Date : 24.08.2011

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

REALTY

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4

M/s. Deloitte Haskins & Sells, retiring Auditors of the Company have stated in a letter dated 22nd August, 2011, that they are not offering themselves for re-appointment at the ensuing Annual General Meeting. It is therefore proposed to appoint M/s. Haribhakti & Co., Chartered Accountants, Mumbai in the ensuing Annual General Meeting, as Statutory Auditors, to hold office from the conclusion of the said Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors. M/s. Haribhakti & Co., Chartered Accountants, Mumbai have confirmed in writing to the Company of their eligibility to be appointed as Statutory Auditors. Members are requested to pass necessary resolution in this regard.

Item No. 5

Mr. Asif Balwa, Director, who retires by rotation, does not offer himself for re-appointment.

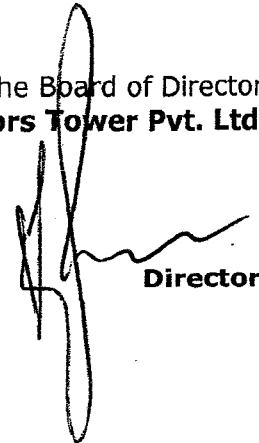
However, your directors propose to appoint Mr. Mohammed Balwa as Director of the Company in his place.

Your Board recommends his appointment as Director of the Company.

The resolution vide item no. 5 is therefore proposed for approval of the members.

None of the directors except Mr. Mohammed Balwa shall be deemed to be concerned or interested in the said resolution.

On behalf of the Board of Directors
for Neelkamal Realtors Tower Pvt. Ltd.,



Director

Place: Mumbai
Date : 24.08.2011

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

NEELKAMAL REALTORS TOWER PVT. LTD.

Regd. Office : DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063. • Tel.: 91-22-4077 8800 • Fax: 91-22-2841 5550 / 2842 1667
E-mail: info@dbg.co.in • Website: www.dbrealty.co.in

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 5th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2011:

FINANCIAL RESULTS & OVERALL BUSINESS

The Company is executing the Project 'Orchid Height', Jacob Circle, Mumbai and during the year under review, total 135 nos. of flats have been booked by the customers with total area of approx. 4,78,312 sq. ft. and the Company has received total amounts of Rs. 178.76 crores against it.

During the year under review, the Company has not recognized the revenue, since the threshold limit of 30%, on the basis of Percentage Completion method is not achieved so far. Therefore, the company has shown a loss of Rs. 80,535,729/- during the year towards administrative and other indirect expenses.

DIVIDEND

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

FIXED DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2011, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and the Directors had made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as it exists for the year ended 31st March, 2011 and of the loss of the company for that year;
- (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. Vinod K. Goenka and Mr. Salim Balwa are continuing as Directors of the Company.

During the period, your Company received a letter from IIRF Holdings VII Limited withdrawing the nomination of Dr. Archana Hingorani from the Board of the company and proposing the name of Mr. Vinod Thomas as nominee director in her place, accordingly, Mr. Vinod Thomas has been appointed as nominee director representing IIRF Holdings VII Limited w.e.f. 04th November, 2010.

With effect from 29th January, 2011, Mr. Mohammed Balwa and Mr. Nabil Patel were appointed as Alternate Directors to Mr. Asif Balwa and Mr. Vinod Goenka respectively.

Mr. Asif Balwa, Director, who retires by rotation, does not offer himself for re-appointment subject to approval of members in the ensuing Annual General Meeting. However, your directors propose to appoint Mr. Mohammed Balwa as Director of the Company in his place.

Mr. Saleh Afimiwala, Director, retires by rotation and being eligible, offers himself for re-appointment subject to approval of Members in the ensuing Annual General Meeting. The Board recommends his re-appointment as Director of the Company.

Audit Report:

The Statutory Auditors in their Report have drawn attention of the members to certain notes to the Financial Statements in the Annexure to the Auditors' Report. While the said notes are themselves self explanatory, your Directors offer the following clarifications and further explanations on the same:

1. With regard to the observation of the Auditors in Para (v) relating to the strengthening of the internal controls for tenancy payments/compensation, and also Project contracting including proper documentation, it may be noted that such payments are made in accordance with the decisions taken in the competitive business environment and the payments are continuously monitored and documented. The internal control systems continuously evolve in a rapid business environment and implemented with a view to achieve efficiency and cost effectiveness. As observed by the Auditors, there is no continuing failure to correct major weakness in internal controls.
2. In Para (vi) (ii) of the Report, the Auditors have referred to certain transactions in respect construction contract given to Pony Infrastructure and Contractors Limited, your directors would like to reiterate that comparable quotations for additional scope of work were not available and the additional work entrusted to the said entity entailed various additional jobs viz. co-ordination for design development, liaisoning with all statutory authorities, handling all the local problems and assisting for tenant settlement works etc., which are not undertaken by a civil contractor and by awarding such a contract for such specialized activities, your Company has benefited by appointment of one agency with specialized skills and expertise at economical costs, in the best business interests of the Company. In their best judgment, your Directors would like to reiterate that comparative quotations for carrying out all such specialized activities would involve multiple agencies and hence not be available with one agency. As regards aircraft / helicopter hire charges paid to a party, your directors are of the view that the services as per

REALTY

specifications to be rendered to the Company were of unique and specialized nature at competitive prices and hence, in their best judgment these charges, in relation to the services rendered and availed were reasonable.

3. In Para (ix) (a) of the Report, the Auditors have referred that the Company has been generally regular in depositing statutory with appropriate authority during the year except Tax Deducted at Source (TDS) amounting to Rs. 386,250/-. Your Directors have to reiterate that the said TDS was pertaining to remuneration paid to Mr. Salim Balwa in the month of May, 2011 for the entire year. The Company has paid TDS with penalty and there is no liability outstanding in this regard.

AUDITORS:

M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company, hold office upto the conclusion of the forthcoming Annual General Meeting. Members are requested to appoint Auditors of the current year at the Annual General Meeting.'

PARTICULARS OF EMPLOYEES:

During the year under review, there was no employee 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.

During the year under review, Foreign Exchange earning and outgo were NIL.

ACKNOWLEDGEMENT:

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

On behalf of the Board of Directors
for Neelkama Realtors Tower Pvt. Ltd.,

Place: Mumbai
Date : 29.05.2011

Director

Director

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Deloitte Haskins & Sells

Chartered Accountants
12, Dr. Annie Besant Road
Opp. Shiv Sagar Estate
Worli, Mumbai - 400 018
India

Tel: +91 (22) 6667 9000
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AUDITORS' REPORT TO THE MEMBERS OF NeelKamal Realtors Tower Private Limited

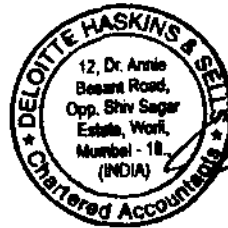
1. We have audited the attached Balance Sheet of NeelKamal Realtors Tower Private Limited (the "Company") as at March 31, 2011 and the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the 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 (Auditors' Report) Order, 2003 (CARO) issued by the Central Government 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 above, we report as follows:
 - i) 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.
 - ii) 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.
 - iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - v) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the companies act, 1956 in the manner so required and give a true and fair view in conformity with 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 of the company for the year ended on that date,
 - (iii) in the case of Cash Flow statement , of the cash flows of the company for the year ended on that date,



Deloitte Haskins & Sells

5. On the basis of written representations received from the directors as of March 31, 2011 and taken on record by the Board of Directors, other than Mr. Asif Balwa whose written representations are not on record none of those directors is disqualified as of 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. In respect of Mr. Asif Balwa, we are unable to comment on the status in the absence of such representation.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)




R. D. Kamat
Partner

(Membership No. 36822)

Mumbai, dated May 29, 2011.

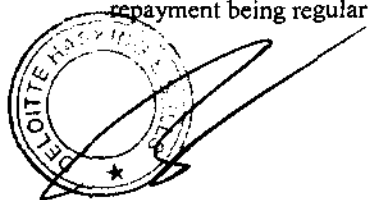
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ANNEXURE TO THE AUDITORS' REPORT

Re: NeelKamal Realtors Tower Private Limited

(Referred to in Paragraph 3 of our report of even date)

- i) Having regard to the nature of the Company's business/activities/result, clauses 4(viii), 4(xiii), 4(xiv) of CARO are not applicable.
- ii)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As informed to us, some of the fixed assets were physically verified during the year by the management in accordance with its programme which is reasonable. No material discrepancies were noticed by the management on such verification.
 - (c) The Company has not made any substantial disposal of fixed assets.
- iii)
 - (a) Inventories comprise of payments for acquisition of tenancy rights, related compensation, contract payments and other expenditure on construction and development of the project of the Company. As explained to us, site visit was carried out during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, keeping in view the nature of inventory, the procedures of physical verification by way of site visits by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of information and explanations provided to us and based on our audit procedure, the inventory records have been kept properly except in respect of payments to tenants where the Company needs to improve on its documentation (Refer note no.20 to Schedule 15(B)). As explained to us, no material discrepancies were noticed on physical verification of inventory/project site by the management.
- iv) In respect of the loans, secured or unsecured, granted or taken by the Company to or from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us;
 - (a) The Company has granted loan to its Holding Company. The maximum amount outstanding during the year was Rs. 268,500,000 and the year end balance of the loan granted is Rs. Nil.
 - (b) The rate of interest and other terms and conditions during the year is, in our opinion, prima facie, not prejudicial to the interest of the Company.
 - (c) The loan to Holding Company has been repaid during the year and hence, the question of overdue amount does not arise.
 - (d) During the year, the Company has taken unsecured loan from the Holding Company. The maximum amount outstanding during the year was Rs. 40,000,000 and the year-end balance of the loan taken was Rs. 71,44,948
 - (e) The rate of interest and other terms and conditions of such loan is, in our opinion, prima facie, not prejudicial to the interest of the Company.
 - (f) Since the said loan is repayable on demand and there is no repayment schedule, the question of repayment being regular does not arise.



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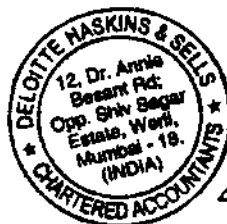
- v) In our opinion, and according to the information and explanations given to us, there is an internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. As regards inventory, the Company needs to strengthen internal controls for (a) tenancy payments/compensation- Refer note no.20 to Schedule 15(B) and (b) project contracting (including proper documentation for machinery/mobilisation advances) to be commensurate with the size of the Company and the nature of its business. As regards booking of flats (revenue), we are represented that the flats are booked with different specifications (Bare shell, fully constructed etc) at different points in time on terms agreed to on case-case basis with parties and hence pricing is not comparable. We have relied on this explanation. Further, the Company has received payments from parties on the basis of request for allotment for flats and it is in the process of formalizing the documentation in this regard. The system of obtaining independent confirmation of balance requires to be given more emphasis. The activities of the Company do not involve sale of services. We have not observed any continuing failure to correct major weaknesses in internal controls.
- vi) In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- a) The transactions that needed to be entered into the register have been so entered,
 - b) Where each of such transactions (excluding loans reported under paragraph (iii) above) is in excess of Rs 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of (1) pricing of a construction contract of Rs. 6,655,070,026 approved by the Board of Directors to Pony Infrastructure and Contractors Limited (DBIL) considering that the said party has sub-contracted the same to another (unrelated) party at a lower price.(Refer note no. 1A(ii) to Schedule 15) and (2) aircraft/ helicopter hire charges paid to a party as no quotes in this regard are furnished to us from any other third party.
- vii) According to information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
- viii) A firm of Chartered Accountants has been appointed by the management for carrying out the internal audit. In our opinion, the function needs to be strengthened as regards coverage and periodicity of reporting so as to be commensurate with the size of the Company and the nature of its business.
- ix) According to information and explanations given to us, in respect of statutory and other dues:
- (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues, as applicable, with the appropriate authorities during the year except Tax Deducted at Source (TDS) amounting to Rs.386,250.
 - (b) No undisputed amounts payable in respect of aforesaid were in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable
 - (c) There are no dues of sales tax/income tax/customs duty/ wealth tax/ excise duty/service tax and cess, which have not been deposited as on March 31, 2011 on account of any dispute except stated as under:



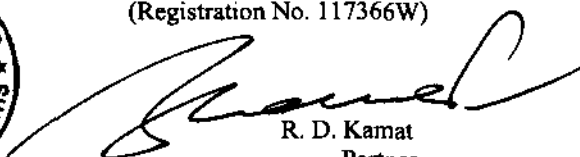
Deloitte Haskins & Sells

Name of statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	Unascertained (Refer note no. 2 to Schedule 15 (B))	1 st July 2010 to 31 st March 2011	High Court, Mumbai

- x) The accumulated losses of the Company are less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not borrowed any sums from any financial institution or through debentures.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and any other securities and hence the maintenance of adequate records for this purpose does not arise.
- xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company in earlier years of Rs. 1,500,000,000, for loans taken by its Holding Company from banks or financial institutions, are prima facie not prejudicial to the interest of the Company as the Holding Company has also provided corporate guarantees for the business of the Company amounting to Rs. 2,000,000,000.
- xiv) According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained.
- xv) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xvi) According to the information and explanations given to us, the Company has not made any allotment of shares during the year.
- xvii) As per the information and explanation given to us, the Company has not issued any debentures during the year.
- xviii) The Company has not raised any money by way of public issue during the year.
- xix) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.



For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

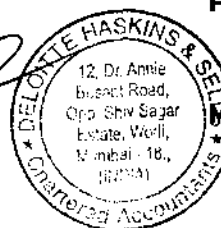

R. D. Kamat
Partner
(Membership No. 36822)

NEELKAMAL REALTORS TOWER PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULES NO.	AS AT 31ST MARCH, 2011 (RUPEES)	AS AT 31ST MARCH, 2010 (RUPEES)
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	1	32,887,250	32,887,250
RESERVES & SURPLUS	2	1,066,012,033	1,066,012,033
		1,098,899,283	1,098,899,283
LOAN FUNDS			
SECURED LOANS	3	358,577,018	715,653,082
UNSECURED LOANS	4	62,644,948	-
		421,221,966	715,653,082
TOTAL		1,520,121,249	1,814,552,365
APPLICATION OF FUNDS :			
FIXED ASSET (At Cost) :			
GROSS BLOCK	5	8,962,872	6,485,191
LESS: DEPRECIATION		3,608,988	2,211,454
NET BLOCK		5,353,884	4,273,737
CAPITAL WORK IN PROGRESS (INCLUDING CAPITAL ADVANCES)		94,083,941	30,000,000
		99,437,825	34,273,737
CURRENT ASSETS, LOANS & ADVANCES			
INVENTORIES	6	2,410,265,719	1,495,615,842
CASH AND BANK BALANCES	7	17,395,799	133,363,110
OTHER CURRENT ASSETS(including Interest accrued but not due) (Refer Note 4 of Schedule15(B))		72,686,931	-
LOANS AND ADVANCES	8	1,271,057,834	597,105,883
		3,771,406,283	2,226,084,835
LESS : CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES	9	2,489,583,141	506,992,683
PROVISIONS	10	4,568,202	1,706,279
		2,494,151,343	508,698,962
NET CURRENT ASSETS		1,277,254,940	1,717,385,873
PROFIT & LOSS ACCOUNT-DEBIT BALANCE		143,428,484	62,892,755
TOTAL		1,520,121,249	1,814,552,365
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	15		

IN TERMS OF OUR REPORT ATTACHED
For DELOITTE HASKINS & SELLS
Chartered Accountants

R.D. KAMAT
Partner



For and on behalf of Board

Mohammed Balwa,
Alternate Director

Salah Afimjiwalla
Nominee Director

Nabil Patel
Alternate Director

Vinod Thomas
Nominee Director

Aalhad Mahabadi
Company Secretary

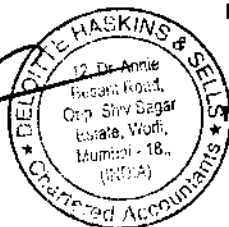
Mumbai Dated: May 29, 2011

NEELKAMAL REALTORS TOWER PRIVATE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULES NO.	FOR THE YEAR ENDED 31ST MARCH, 2011 (RUPEES)	FOR THE YEAR ENDED 31ST MARCH, 2010 (RUPEES)
INCOME			
INTEREST RECEIVED	11	5,950,058	-
EXCHANGE DIFFERENCE (NET)		20,630	-
TOTAL		5,970,688	-
EXPENDITURE			
PROJECT EXPENSES INCURRED DURING THE YEAR-ORCHID HEIGHT	12	929,162,275	882,814,838
PROJECT EXPENSES INCURRED DURING THE YEAR-SAKSERIA	12	-	7,072,030
		929,162,275	889,886,868
(INCREASE)/DECREASE IN INVENTORIES	13	(930,374,711)	(889,946,259)
ESTABLISHMENT EXPENSES	14	78,637,911	40,802,198
INTEREST AND FINANCE CHARGES		7,684,118	447,558
DEPRECIATION/AMORTISATION		1,397,535	1,377,590
TOTAL		86,507,128	42,567,956
(LOSS) BEFORE TAX		(80,536,440)	(42,567,956)
LESS: PROVISION FOR TAX			
For Earlier Year		711	-
For Current Year		-	-
For Deferred Tax (Refer Note 16 of Schedule 15(B))		-	-
(LOSS) AFTER TAX		(80,535,729)	(42,567,956)
(DEFICIT) BROUGHT FORWARD FROM EARLIER YEAR		(62,892,755)	(20,324,799)
BALANCE CARRIED FORWARD TO BALANCE SHEET		(143,428,484)	(62,892,755)
Loss Per Share			
Basic/Diluted (Refer Note 12 of Schedule 15(B))		(40.41)	(21.36)
Face Value Per Share		10	10
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	15		

IN TERMS OF OUR REPORT ATTACHED
For DELOITTE HASKINS & SELLS
Chartered Accountants

R.D. KAMAT
Partner



For and on behalf of Board

Mohammed Salwa
Alternate Director

Saleh Arif Walla
Nominee Director

Nabil Patel
Alternate Director

Vinod Thomas
Nominee Director

Aalhad Mahabadi
Company Secretary

Mumbai Dated: May 29, 2011

NEELKAMAL REALTORS TOWER PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

		FOR THE YEAR ENDED 31ST MARCH, 2011 (Rupees)	FOR THE YEAR ENDED 31ST MARCH, 2010 (Rupees)
PARTICULARS			
A	Cash Flow From Operating Activities:		
	Profit / (Loss) Before Tax	(80,536,440)	(42,567,956)
	Adjustment for		
	Depreciation	1,397,535	1,318,199
	Interest expense	7,684,118	447,558
	Interest Income	(5,950,058)	-
	Exchange gain/loss	(20,630)	-
	Working Capital Adjustments		
	Inventories	(917,946,563)	(887,253,092)
	Loans and advances	(746,293,628)	138,089,542
	Current liabilities	1,970,065,097	475,360,259
	Provisions	2,861,923	637,051
	Changes in Deposits under Lien	(1,125,268)	-
	Cash form/(used in) operations	230,136,086	(313,968,439)
	Less: Taxes paid	(323,912)	(38,131)
	Net cash from/(used in) operating activities	229,812,174	(314,006,570)
B	Cash Flow From Investing Activities:		
	Fixed asset purchased	(55,248,698)	(30,507,620)
	Interest received	5,950,058	-
	Net Cash Used In Investing Activities	(49,298,640)	(30,507,620)
C	Cash Flow From Financing Activities:		
	Proceeds from unsecured borrowing	62,644,948	709,187,629
	Interest paid on Loan borrowed	(7,684,118)	(231,960,000)
	Repayment of secured Loan	(352,566,942)	(421,303)
	Net Cash (used in)/from financing activities	(297,606,112)	476,806,326
	Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(117,092,578)	132,292,137
	Add: Cash and Cash Equivalents (Opening)	133,363,110	1,070,973
	Cash and Cash Equivalents (Closing)	16,270,532	133,363,110

Notes to Cash Flow

1 Reconciliation of Cash and Cash Equivalents

Cash and Bank Balance (as per schedule 7)
Less: Fixed Deposit under Lien
Cash and Cash Equivalent - Closing

17,395,799
1,125,268
16,270,531

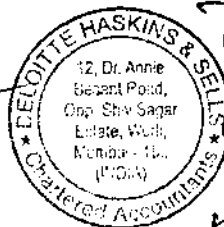
133,363,110
-
133,363,110

2 The Cash flow Statement has been prepared under the indirect method as set out in accounting standards (AS3) Cash flow statement as notified by the companies (Accounting Standards) Rules,2006

3 Corresponding figure of previous year have been regrouped wherever necessary.

IN TERMS OF OUR REPORT ATTACHED
For DELOITTE HASKINS & SELLS
Chartered Accountants

R.D. KAMAT
Partner



For and on behalf of Board

Mohammed Balwa
Alternate Director

Salah Alimwalla
Nominee Director

Nabil Patel
Alternate Director

Vinod Thomas
Nominee Director

Aalhad Mahabul
Company Secretary

Mumbai Dated: May 29,2011

NEELKAMAL REALTORS TOWER PRIVATE LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011.

PARTICULARS	AS AT 31.03.2011 (RUPEES)	AS AT 31.03.2010 (RUPEES)
SCHEDULE 1:		
SHARE CAPITAL :		
AUTHORISED :		
22,50,000 Equity shares of Rs 10/- each	22,500,000	22,500,000
17,50,000 0.001/0.002% Cumulative Redeemable Optionally Convertible Preference Shares of Rs.10/- Each	17,500,000	17,500,000
Total	40,000,000	40,000,000
ISSUED, SUBSCRIBED & PAID UP :		
Equity Shares		
19,92,807 Equity Shares of Rs. 10/- each fully paid up (Previous Year 19,92,807) (Out of the above 10,10,807 shares are held by holding company D B Realty Ltd)	19,928,070	19,928,070
Preference Shares		
6,60,918 - 0.002% Cumulative Redeemable Optionally (Previous Year 6,60,918) Convertible Preference Shares of Rs.10/- each fully paid up. (Held by holding company D B Realty Ltd) (The Preference Shares are convertible in equity shares in the ratio of 1:1 at any time at the option of shareholder, till the redemption date of shares i.e 6 years from the date of issue.)	6,609,180	6,609,180
6,35,000 - 0.001% Cumulative Redeemable Optionally (Previous Year 6,35,000) Convertible Preference Shares of Rs.10/- each fully paid up. (The Preference Shares are convertible in equity shares in the ratio of 1:1 at any time at the option of shareholder, till the redemption date of shares i.e 6 years from the date of issue.) (Refer note 5 to Schedule 15(B))	6,350,000	6,350,000
Total	32,887,250	32,887,250
SCHEDULE 2:		
RESERVES & SURPLUS		
Securities Premium Account	1,086,012,033	1,086,012,033
Total	1,086,012,033	1,086,012,033
SCHEDULE 3:		
SECURED LOANS :		
Loans From Banks :		
(i) Term Loan (Including Interest Accrued And Due of Rs.4,509,122/- {P.Y. Rs.2,633,775/-} (Refer Note (I) Below)	355,147,658	712,477,770
(ii) Vehicle Loan (Refer Note (II) Below)	3,429,360	3,175,312
Total	358,577,018	715,653,082

Notes:

(I) The term loan is secured against :

(i) First pari passu charge by way of Equitable Mortgage of leasehold rights in respect of all that pieces and parcels of land of Byculla Division CS no.1906 admeasuring 19434.10 Square Meters and structure constructed or to be constructed thereon.

(ii) First pari passu charge on project current assets i.e Raw Materials like construction material, work-in-progress etc

(iii) First pari passu charge on all Bank accounts like Project Implementation account and Escrow account

(iii) Exclusive Charge by way of 50.72% shareholding of the company held by D B Realty Limited

(iv) Personal Guarantee of Mr Shahid Balwa and Mr Vinod Goenka

(v) Corporate Guarantee of D B Realty Limited

(I) Vehicle loan are secured by hypothecation of vehicles purchased.



NEELKAMAL REALTORS TOWER PRIVATE LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011.

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
	(RUPEES)	(RUPEES)
SCHEDULE 4:		
UNSECURED LOANS : (Short Term)		
From Holding Company - DB Realty Limited	7,144,948	-
From Others- Intercompany Deposit (Interest free)	55,500,000	-
Total	62,644,948	-



NEELKAMAL REALTORS TOWER PRIVATE LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 5 : FIXED ASSETS

(In Rupees)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK	
	AS ON	ADDITION	DEDUCTION/ADJUSTMENT	AS ON	AS ON	FOR	DEDUCTION/ADJUSTMENT	AS ON	WDV AS ON	WDV AS ON
	01-04-2010	DURING THE YEAR	DURING THE YEAR	31-03-2011	01-04-2010	THE YEAR#		31-03-2011	31-03-2011	31-03-2010
TANGIBLE ASSETS :										
AIR-CONDITIONER	171,950	-	-	171,950	19,741	21,172	-	40,913	131,037	152,209
FURNITURE & FIXTURE	47,508	32,715	-	80,223	13,961	38,787	-	52,748	27,475	33,547
COMPUTERS & RELATED EQUIPMENT	440,600	313,150	-	753,750	132,842	162,545	-	295,387	458,363	307,758
OFFICE EQUIPMENTS	104,455	608,500	-	712,955	15,010	64,141	-	79,151	633,804	89,445
MOTOR CAR	5,720,678	1,523,316	-	7,243,994	2,029,899	1,110,890	-	3,140,789	4,103,205	3,690,779
Sub Total	6,485,191	2,477,681	-	8,962,872	2,211,453	1,397,535	-	3,608,988	5,353,884	4,273,737
PREVIOUS YEAR	5,977,571	537,520	29,900	6,485,191	833,864	1,391,655	14,065	2,211,454		
Capital Work in Progress (Including Capital Advances of Rs. 16,814,871 (Previous Year Rs. 30,000,000))									94,083,941	30,000,000
Total Fixed Assets									99,437,825	34,273,737

Depreciation inventorised during the year Rs. 1,212,436 (Previous year Rs. 59,391)



NEELKAMAL REALTORS TOWER PRIVATE LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011.

PARTICULARS	AS AT 31.03.2011 (RUPEES)	AS AT 31.03.2010 (RUPEES)
SCHEDULE 6:		
INVENTORIES (Refer Note 1A, 1B and 20 of Schedule 15(B))		
PROJECT WORK IN PROGRESS (As taken, valued and certified by the Management)		
Project - "Orchid Heights - Rangwala"		
Opening Balance	1,348,600,435	465,735,235
Add: Depreciation during the year	1,212,436	50,362
Add: Expenditure Incurred during the year	929,162,275	882,814,838
Sub Total	2,278,975,146	1,348,600,435
Project - "Orchid West View - Sakseria"		
Opening Balance	147,015,407	139,934,348
Add: Depreciation during the year	-	9,029
Add: Expenditure Incurred During the year	-	7,072,030
Less: Expenses - Recovered	(15,724,834)	-
Sub Total	131,290,573	147,015,407
Total	2,410,265,719	1,495,615,842
SCHEDULE 7:		
CASH AND BANK BALANCES :		
Cash on Hand	40,928	510,010
Balances With Scheduled Banks :		
In Current Accounts	1,175,020	132,853,100
In Escrow Account	15,054,583	-
In Fixed Deposit (under lien with bank)	1,125,268	-
Total	17,395,799	133,363,110
SCHEDULE 8:		
LOANS & ADVANCES : (Refer Note 14 of Schedule 15(B))		
(Unsecured, considered good unless otherwise stated)		
Loan to Others (Staff Loan - Interest free)	36,125	-
Advance paid for Purchase of Tenancy Rights	-	44,428,600
Advances Recoverable In Cash or Kind	1,270,168,246	552,331,744
Advance Tax (F.Y. 2009-2010)	15,000	293,299
Tax Deducted at Source (F.Y. 2010-11)	600,293	-
Fringe Benefit tax (Net of Provision)	2,630	-
Other Deposits	235,540	52,240
Total	1,271,057,834	597,105,883
SCHEDULE 9:		
CURRENT LIABILITIES		
Total Outstanding Dues of micro enterprises and small enterprises (Refer Note 24 of Schedule 15(B))	7,121	-
Total Outstanding dues of Creditors other than micro enterprises and small enterprises	63,977,017	13,908,379
Interest accrued but not due on car loan	28,100	26,255
Advance for flat booking (Refer Note 19 of Schedule 15(B))	2,254,387,095	468,756,253
Security Deposit - from Holding Company (Refer Note 18 of Schedule 15(B))	20,000,000	20,000,000
Other Liabilities	151,183,808	6,301,796
Total	2,489,583,141	506,992,683
<p>@ Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the company and the required disclosures are given below:</p> <p>Description</p> <p>a) Principal amount remaining unpaid as at year end</p> <p>b) Interest due thereon as at period / year end</p> <p>c) Interest paid by the Company in terms of section 18 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.</p> <p>d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.</p> <p>e) Interest accrued and remaining unpaid as at period / year end</p> <p>f) Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.</p>		
	7,121	-
SCHEDULE 10:		
PROVISIONS		
For Fringe Benefit Tax	-	188,380
For Income Tax	-	88,000
For Gratuity	1,696,050	656,959
For Compensated absences	2,872,152	772,940
Total	4,568,202	1,706,279



NEELKAMAL REALTORS TOWER PVT LTD
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

PARTICULARS	For the year Ended March 31, 2011	For the year Ended March 31, 2010
	(RUPEES)	(RUPEES)
SCHEDULE 11:		
Interest Received on Loan Granted (Tax deducted at source Rs.595,006 (Previous year- Nil))	5,950,058	-
Total	5,950,058	-
SCHEDULE 12:		
PROJECT RELATED EXPENSES-		
A) ORCHID HEIGHTS		
Purchase of Tenancy Rights and other related compensation (Refer note 20 to schedule 15(B))	125,616,718	733,310,793
Project Salaries, Wages and Bonus (Including Managerial Remuneration)	28,651,731	9,621,321
Contribution to Provident fund and other funds	421,011	240,550
Legal, Professional and Consultancy Fees	20,371,438	12,540,092
Civil Work Cost	641,838,690	57,016,060
Interest and Finance Charges (Refer Note 8 of Schedule 15(B))	90,181,307	62,074,870
Other Construction Expenses	22,083,380	8,011,152
Sub Total	929,162,275	882,814,838
B) ORCHID WEST VIEW-SAKSERIA		
Purchase of Tenancy Rights and other related compensation (Refer Note 20 of Schedule 15(B))	-	950,000
Project Salaries, Wages and Bonus (including managerial remuneration) (Refer Note 11 of Schedule 15(B))	-	244,425
Legal, Professional and Consultancy Fees	-	403,395
Civil Work Cost	-	1,017,821
Other Construction Expenses	-	4,456,389
Sub Total	-	7,072,030
Total	929,162,275	889,886,868
SCHEDULE 13:		
(INCREASE)/DECREASE IN INVENTORIES		
Opening Inventory - Project Work In Progress	1,495,615,842	605,669,583
Less: Expenses - Recovered (Adjustment to the opening balance)	15,724,834	-
Less: Closing Inventory - Project Work In Progress	2,410,265,719	1,495,615,842
Total	(930,374,711)	(889,946,259)
SCHEDULE 14:		
ESTABLISHMENT EXPENSES		
Payment to and Provisions for Employees:		
a) Salaries, Wages and Bonus (including managerial remuneration) (Refer Note 11 of Schedule 15(B))	7,762,197	1,270,690
b) Contribution to Provident Fund and Other (Refer Note 9 of Schedule 15(B))	78,054	-
c) Staff Welfare and Other Amenities	1,013,633	791,055
Rent (Refer Note 15 of Schedule 15(B))	3,946,178	4,317,111
Repair & Maintenance	117,059	700
Legal & Professional Charges	1,577,891	915,140
Donation	253,001	-
Advertisement & Publicity	40,061,510	32,749,145
Printing and Stationery and Telephone Charges	126,522	92,048
Travelling & Conveyance (Including Aircraft/Helicopter hire charges of Rs. 22,672,165(Previous year-Rs. Nil))	22,806,089	26,003
Miscellaneous Expenses	895,777	640,308
Total	78,637,911	40,802,198

Note:

Miscellaneous Expenditure includes electricity expenses, house-keeping expenses, water charges etc.



SCHEDULE 15

A) SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared under the historical cost convention on the accrual basis in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

2. USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialize.

3. FIXED ASSETS

Fixed Assets are recorded at their cost of acquisition, net of modvat/ cenvat, less depreciation and impairment if any.

4. DEPRECIATION/AMORTISATION

Depreciation on fixed assets, is provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

5. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

6. INVENTORIES

Inventories are valued at lower of cost and net realizable value. Project work in progress cost include costs incurred, as applicable, upto the completion of the project viz. cost of land/development rights, materials, services, depreciation on assets used for project purposes and other expenses (including borrowing costs) attributable to the projects. Project and construction related work in progress includes any adjustment arising due to foreseeable losses.

7. REVENUE RECOGNITION

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method, subject to transfer of significant risk and rewards to the buyer. The percentage of completion is determined on the basis of physical proportion of the work completed, as certified by the Company's technical personnel, in relation to a contract or a group of contracts within a project, only after the work has progressed to the extent of 30% of the total work involved and atleast 20% of construction cost (excluding cost incurred in acquisition of



land and its development rights) is incurred. The estimates of saleable area and costs as revised periodically by the management are considered as change in estimate and accordingly, the effect of such changes to estimates is recognized in the period such changes are determined.

8. EMPLOYEE BENEFITS

a) Defined Contribution Plan:

Company's Contribution paid/payable for the period to Defined Contribution Retirement Benefit plan is charged to Profit and Loss account.

b) Defined Benefit Plan and other long term benefit:

Company's liabilities towards Defined Benefit Schemes viz. Gratuity benefits and other long term benefit viz. compensated absences are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognised in the Profit and Loss account in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent of benefits are vested, otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

c) Short term employee benefits:

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services.

9. OPERATING LEASE:

Asset acquired on lease where significant portions of the risks and rewards incidental to ownership are retained by the lesser is classified as operating lease. Lease rentals are charged to profit and loss account on straight line basis.

10. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction date. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the period is recognized as income or expense, as the case may be.

In case of monetary items which are covered by forward contracts, the difference between the period end rate and the rate on the date of the contract is recognized as an exchange difference and the premium paid on forward contracts has been recognized over the life of the contract.

11. BORROWING COST

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing cost are charged to revenue.

12. TAXES ON INCOME

Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable effective tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable



to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using relevant enacted or substantively enacted effective tax rates as on the balance sheet date.

At each balance sheet date the company reassesses recognized deferred tax assets and liabilities and recognizes unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

13. PROVISIONS AND CONTINGENT LIABILITY

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized in the financial statements nor disclosed in the financial statements.



B) Notes to Accounts:

1. A. (i) The Company is executing a project of development of commercial/residential premises at Byculla, Mumbai. For this, the Company has acquired a plot of land which is for a period of lease of 999 years beginning from 17-12-1900. The amount paid for the acquisition of the plot of land, compensation paid to existing tenants for vacating the area occupied by them or surrendering/ assigning the tenancy rights in favour of the company, and project related expenses have been disclosed as "Project Work In Progress-Orchid Heights."

The above Plot of land is mortgaged in favour of PNB and BOI for term loan granted of Rs. 1,000,000,000 each from PNB and BOI banks aggregating to Rs. 2,000,000,000 (outstanding amount in books as on March 31,2011 is Rs. 355,147,658) to meet the companies funding requirement for ongoing orchid height project. Also, a first pari passu charge by way of Pledge has been created on April 18, 2009 on 50.72% shareholding held by DB Realty Limited in favors of BOI and PNB for the said loan.

- (ii) During the year, the Company cancelled its Letter of Intent of October 2009 issued to Man Infrastructure and awarded the contract to Dynamix Balwas Infrastructure Limited of Rs 6,655,070,026 (now known as Pony Infrastructure and Contractors Limited) – a company in which a director is interested. Subsequently, the said contract has revised to Rs. 6,824,042,681. In terms of the contract, the Company paid Rs. 605,000,000 for mobilization advance and Rs. 685,000,000 as machinery advance.

- B. The Company (owner) has acquired a plot of land at Chincholi, Malad (West), Mumbai by paying for the acquisition of the plot of land. The said expenditure has been disclosed as Project expenditure under Inventory as the Company has entered into joint development agreement dated October 22, 2009 with its holding company viz. DB Realty Limited (developer) on revenue sharing basis whereby the net revenue derived from the re-development/ construction of the said property shall be shared and distributed between the Owner and the Developer in the proportion of 10% and 90% respectively provided the Owner's share of the net revenue shall be minimum Rs. 20,00,00,000 and not more than Rs. 25,00,00,000. The developer has deposited with the Company a sum of Rs. 20,000,000 by way of security deposit. The project is still at start up stage and expenditure incurred of Rs. 1,57,24,834 by the Company has been transferred to the developer i.e. DB Realty Limited during the year who will maintain the accounts with respect to the expenditure/ income relating to joint development activity including compensation to tenants on the plot of land.



2. Contingent Liabilities not provided for

Particulars	As at 31.03.11	As at 31.03.10
Claim made against the Company not acknowledged as debt relating to service tax on lease rentals in respect of an office premises	616,856	222,068
Claim against Company not acknowledged as debt (for thirteen numbers of cases) relating to petition filed against Company, (under the Maharashtra Rent Control Act), in relation to the projects.	Amount not Ascertainable	Amount not ascertainable
The Company is a member of Maharashtra Chambers of Housing Industry (MCHI). MCHI, on behest of its Members, has filed a writ petition in the High Court of Bombay challenging the levy of service tax by them on Sale of Residential Flats, which has not reached its finality. Meanwhile, the High Court of Bombay has passed a Notice of Motion dated 18 th February, 2011, whereby the Members are permitted to deposit the service tax with the Prothonotary & Senior Master/ Registrar (O.S.) of the Court, with a direction that the same will be refunded with interest in the event Members succeed in the said writ petition. In view of the same, the Company has demanded the amount of service tax from each of the purchasers after 31 st March 2011 and the amount of such service tax as upto 31 st March 2011 is Rs. 33,731,110. The Company is of the view that the same is required to be deposited as and when collected from the purchasers. The Management of the Company has taken adequate steps for the recovery of such service tax dues and are of the opinion that the same shall be collected and deposited in due course of time and does not believe it is unreasonable to expect of ultimate collection.	Amount not Ascertainable	-

3. Capital Commitment

Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of Advances) amounting to Rs. 17,357,106 (Previous Year Rs. 20,000,000)

- The company has received advance from customer towards booking of flat for Orchid Heights Project. The brokerage on the same amounting to Rs 72,682,099 (Previous Year Rs. Nil) has been shown as prepaid expenses grouped under the head other current assets till the revenue recognized based on percentage of completion method.
- The tenure of the Redeemable Optionally Convertible Cumulative Preference Shares is six years from the date of subscription which is given below and the premium payable on redemption shall be decided with the mutual consent of the preference share holders and Board of Directors

Sr. No	Particulars	No. of shares	Date of issue	Date of redemption
1.	0.002% Cumulative Redeemable Optionally Convertible Preference Shares	484673	22.01.07	21.01.13
		88123	16.02.07	15.02.13
		88122	28.02.07	27.02.13
	TOTAL	660,918		
2.	0.001% Cumulative Redeemable Optionally Convertible Preference Shares	465667	22.01.07	21.01.13
		169333	16.02.07	15.02.13
	TOTAL	635,000		



6. Arrears of Dividend:

Particulars	As at 31 st March, 2011 (Rs.)	As at 31 st March, 2010 (Rs.)
Arrears of Dividend on 0.001% Cumulative Redeemable Optionally Convertible Preference Shares	267	203
Add: Dividend Distribution Tax	44	33
	<u>311</u>	<u>236</u>
Particulars	As at 31 st March, 2011 (Rs.)	As at 31 st March, 2010 (Rs.)
Arrears of Dividend on 0.002% Cumulative Redeemable Optionally Convertible Preference Shares	550	418
Add: Dividend Distribution Tax	88	66
	<u>638</u>	<u>484</u>

7. The term loan from banks i.e. Punjab National Bank & Bank of India is secured by following.

Sr.	Name of Lender	Nature of Security
1	Bank of India	(i) First pari passu charge by way of Equitable Mortgage of leasehold rights on land and building pertaining to the proposed residential project and hypothecation of movable assets. (ii) First pari passu charge on project current assets i.e. raw materials like construction material, work-in-progress etc. (iii) First pari passu charge on all Bank accounts like project implementation account and escrow account. (iv) Exclusive Charge by way of pledge of 50.72% shareholding of the company held by D B Realty Limited (v) Personal Guarantee of Mr Shahid U. Balwa and Mr Vinod K. Goenka (vi) Corporate Guarantee of holding company D B Realty Limited
2	Punjab National Bank	(i) First pari passu charges by way of Equitable Mortgage of leasehold rights on land and building pertaining to the proposed residential project and hypothecation of movable assets. (ii) First pari passu charge on project current assets i.e. raw materials like construction material, work-in-progress etc. (iii) First pari passu charge on all Bank accounts like project implementation account and escrow account (iv) Pari passu charge on Pledge of 50.72% shareholding of the company held by D B Realty Limited (v) Personal Guarantee of Mr Shahid U. Balwa and Mr Vinod K. Goenka (vi) Corporate Guarantee of holding company D B Realty Limited

8. Interest of Rs. 90,181,307/- (P.Y. Rs. 62,074,870) has been treated as project cost for "Orchid Heights" and added to project work-in-progress.

9. Employee Benefits

The Company has classified various employee benefits as under:



Particulars	For the Year Ended 31 st March 2011 (Rs.)	For the Year Ended 31 st March 2010 (Rs.)
Experience adjustments on actuarial (Gain)/ loss:-		
Plan liabilities (gain)/loss	455,186	*
Plan assets (gain)/loss	Nil	*

The present value of defined benefit obligation was Rs 346,658 as on March 31, 2009 and Rs 175,842 on March 31, 2008.

The fair value of plan assets was Rs Nil as on March 31, 2009 and Rs Nil on March 31, 2008.

* The details of the Experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" of previous financial years are not available in the valuation report for the financial year 2007-08, 2008-09, 2009-10 and hence, are not furnished

C) Other Long Term Employee Benefit:

The compensated absences charge for the year ended 31st March, 2011, based on actuarial valuation carried out using the Projected Unit Credit Method, amounting Rs. 2,417,506 (for Previous Year Rs. 357,333) has been recognized in the Profit and Loss Account.

10. Details of Remuneration to Auditors:

Particulars	For the Year Ended 31 st March 2011 (Rs.)	For the Year Ended 31 st March 2010 (Rs.)
For Audit Fees (including limited review)	1,000,000	500,000
For Certification, IPO Related work and Other Services	NIL	185,000
For out of Pocket Expense	15,581	5,650
Service Tax	103,000	71,137
Total	1,118,581	761,787

11. Details of Managerial Remuneration paid to Key Managerial Personnel :

Particulars	For the Year Ended 31 st March 2011(Rs.)	For the Year Ended 31 st March 2010 (Rs.)
Salim Balwa – (Whole Time Director)		
- Salary (including all allowances)	30,00,000	30,00,000

a) The above remuneration excludes;

- Contributions to provident and other funds as per declarations of non deduction received from the respective director
- Provision for gratuity and leave encashment (amount unascertained) payable to the whole time director is waived by him.



A. Defined Contribution Plan

Contribution to defined Contribution Plan recognized as an expense for the year is as under:

Particulars	For the Year Ended 31 st March 2011 (Rs.)	For the Year Ended 31 st March 2010 (Rs.)
Contribution to Provident Fund	78,054	NIL

B. Defined Benefit Plans

The following table sets out the status of the gratuity plan (non-funded) and the amounts recognized in the Company's financial statements as at March 31, 2011:

a) Reconciliation of opening and closing balances of Defined Benefit Obligation:

Particulars	For the Year Ended 31 st March 2011 (Rs.)	For the Year Ended 31 st March 2010 (Rs.)
Present Value of Obligation as at 1 st April 2010	656,959	346,658
Interest Cost	98,742	43,745
Current Service Cost	577,318	217,791
Actuarial (Gain)/Loss	363,031	48,765
Present Value of Obligation as at 31 st March 2011	16,96,050	656,959
Benefits Paid	NIL	NIL

Amounts Recognized in the Balance Sheet

Particulars	As at 31 st March, 2011 (Rs.)	As at 31 st March, 2010 (Rs.)
Present Value of Obligation as at 31 st March 2011	16,96,050	6,56,959
Fair value of Plan Assets as at 31 st March, 2011	NIL	NIL
(Asset)/Liability recognised in the Balance Sheet	16,96,050	6,56,959

Expenses Recognized in the Profit and Loss Account

Particulars	For the Year Ended 31 st March 2011(Rs.)	For the Year Ended 31 st March 2010 (Rs.)
Current Service Cost	577,318	217,791
Past Service Cost	NIL	NIL
Interest Cost	98,742	43,745
Net Actuarial (Gain)/Loss	363,031	48,765
Total Expenses recognised in the Profit and Loss Account	10,39,091	310,301

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	For the Year Ended 31 st March 2011	For the Year Ended 31 st March 2010
(i) Mortality Table	LIC (1994-96)	-
(ii) Discount Rate (Per Annum)	8.25%	8.00%
(iii) Rate of Increase in Compensation levels	10.00%	10.00%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is extracted from the report obtained from Actuary.



12. Computation of Earning per Equity Share :

Particulars		For the Year Ended 31 st March 2011	For the Year Ended 31 st March 2010
(Loss) After Tax	(Rs.)	(80,535,728)	(4,25,67,956)
Less: Arrears of dividend on Cumulative Redeemable Optionally Convertible Preference Shares	(Rs.)	(196)	(196)
Less: Dividend Distribution Tax	(Rs.)	(33)	(33)
(Loss) for Basic EPS	(Rs.)	(80,535,957)	(4,25,68,185)
Nominal Value of Shares	(Rs.)	10	10
Weighted Average Number of Equity Shares	(Nos)	1,992,807	1992807
Basic/Diluted EPS	(Rs.)	(40.41)	(21.36)

NOTE: In calculating the earning per share, the effects of dilution is ignored as 0.001%/0.002% Cumulative Redeemable Optionally Convertible Preference shares are considered to be anti-dilutive.

13. Related Party Disclosure.

- (i) Disclosures as required by the Accounting Standard 18 (AS-18) "Related Party Disclosures" are given below:

Sr. No.	Name and Relationship of the Related Party
Holding Company: D B Realty Ltd.	
Fellow Subsidiaries:	
1	Real Gem Buildtech Private Limited
2	Eversmile Construction Co. Pvt Ltd
3	Vanita Infrastructure Private Limited (w.e.f. October 1, 2010)
Entities Jointly Controlled by Holding Company:	
1	Dynamix Realty – Partnership Firm
2	Turf-Estate Joint Venture .
Key Management Personnel (KMP)	
1	Mr. Salim Balwa, Whole time Director
2	Mr. Vinod K. Goenka, Director
3	Mr. Shahid. U Balwa, Director (resigned w.e.f. 30/4/2010)
4	Mr. Asif Balwa, Director
Enterprise where individuals i.e. KMP and their relatives have significant influence	
1	Conwood Construction & Developers Private Limited
2	K G Enterprises
3	Nihar Construction Private Limited
4	Pony Infrastructure and Contractors Limited (formerly known as Dynamix Balwas Infrastructure Limited)



ii) Details of transactions with related parties;

Description	With Holding Company	With Fellow Subsidiary	Entities Jointly Controlled by Holding Company	Key Management Personnel (KMP)	Enterprise where individuals i.e. KMP and their relatives have significant influence
Loans Given					
Opening balance as on 1st April 2010	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Given during the year	270,000,000	-	-	-	-
	(581,940,000)	(-)	(-)	(-)	(-)
Received during the year	270,000,000	-	-	-	-
	(581,940,000)	(-)	(-)	(-)	(-)
Closing Balance as on 31st March, 2011	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Loans Taken					
Opening balance as on 1st April 2010	-	-	-	-	-
	(231,960,000)	(-)	(-)	(-)	(-)
Taken during the year	60,000,000	-	-	-	-
	(37,600,000)	(-)	(50,000)	(-)	(-)
Repaid during the year	52,855,052	-	-	-	-
	(269,560,000)	(-)	(50,000)	(-)	(-)
Closing Balance as on 31st March, 2011	7,144,948	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Gurantee Given to DB Realty Limited (Refer note 21 to Schedule 15)	1,500,000,000	-	-	-	-
	(1,500,000,000)	(-)	(-)	(-)	(-)
Gurantee Given by DB Realty Limited for the loan taken by the company from Bank of India and Punjab National Bank	2,000,000,000	-	-	-	-
	(2,000,000,000)	(-)	(-)	(-)	(-)



Description	With Holding Company	With Fellow Subsidiary	Entities Jointly Controlled by Holding Company	Key Management Personnel (KMP)	Enterprise where individuals i.e. KMP and their relatives have significant influence
<u>Deposit Received</u>					
Opening balance as on 1st April 2010	20,000,000 (-)	- (-)	- (-)	- (-)	- (-)
Taken during the year	15,724,834 (20,000,000)	- (-)	- (-)	- (-)	- (-)
Repaid during the year	15,724,834 (-)	- (-)	- (-)	- (-)	- (-)
Closing Balance as on 31st March, 2011	20,000,000 (20,000,000)	- (-)	- (-)	- (-)	- (-)
<u>Advance Given</u>					
Opening balance as on 1st April 2010	- (-)	30,000,000 (-)	351,440,000 (-)	- (-)	- (-)
Given during the year	- (-)	140,000,000 (30,000,000)	329,500,000 (351,440,000)	- (-)	1,290,000,000 (-)
Returned during the year	- (-)	170,000,000 (-)	680,940,000 (-)	- (-)	29,186,732 (-)
Closing Balance as on 31st March, 2011	- (-)	- (30,000,000)	- (351,440,000)	- (-)	1,260,813,268 (-)
<u>Sundry Creditors</u>					
Opening balance as on 1st April 2010	- (-)	- (-)	- (-)	- (-)	675,297 (465,544)
Payable during the period	- (-)	- (-)	- (-)	- (-)	321,823,737 (4,701,004)
Repaid/adjusted during the period	- (-)	- (-)	- (-)	- (-)	276,594,576 (4,910,757)
Closing Balance	- (-)	- (-)	- (-)	- (-)	45,904,458 (675,297)
<u>Reimbursement of Expenses</u>					
Expenses incurred during the period	21,525,308 (19,943,571)	48,330 (66,250)	32,695,483 (674,251)	- (-)	- (737,100)
<u>Managerial Remuneration</u>	- (-)	- (-)	- (-)	3,000,000 (3,000,000)	- (-)



(Figures in bracket denote previous year's balances/transactions).

Disclosure in Respect of Material Related Party Transactions During the Year

Loans and Advances Given	Opening Balance as on 01.04.2010	Given During the Year	Returned During the Year	Closing Balance as on 31.3.2011
D B Realty Limited	-	270,000,000	270,000,000	-
	(-)	(581,940,000)	(581,940,000)	(-)
Vanita Infrastructure Pvt. Ltd.	30,000,000	140,000,000	170,000,000	-
	(-)	(-)	(-)	(-)
Pony Infrastructure and Contractors Limited - (Previously know as Dynamix Balwas Infrastucutre Ltd) (Machinery Advance)(Interest free)	-	685,000,000	-	685,000,000
	(-)	(-)	(-)	(-)
Pony Infrastructure and Contractors Limited - (Previously know as Dynamix Balwas Infrastucutre Ltd) (Mobilisation Advance) (Interest free)	-	605,000,000	29,186,732	575,813,268
	(-)	(-)	(-)	(-)
Dynamix Realty	351,440,000	329,500,000	680,940,000	-
	(-)	(351,440,000)	(-)	(351,440,000)

(Figures in bracket denote previous year's balances/transactions).

Inter corporate Deposit Received/Repaid During the Year	Opening Balance as on 01.04.2010	Taken During the Year	Repaid During the Year	Closing Balance as on 31.3.2011
D B Realty Limited	-	60,000,000	52,855,052	7,144,948
	(231,960,000)	(37,600,000)	(269,560,000)	(-)

(Figures in bracket denote previous year's balances/transactions).



Deposit Received	Opening Balance as on 01.04.2010	Debit	Credit	Closing Balance as on 31.3.2011
D B Realty Limited	20,000,000	15,724,834	15,724,834	20,000,000
	(-)	(-)	(20,000,000)	(20,000,000)

(Figures in bracket denote previous year's balances/transactions).

Guarantee Given To D B Realty Ltd (Refer note 21 to Schedule 15)	1,500,000,000
	(1,500,000,000)

(Figures in bracket denote previous year's balances/transactions).

Guarantee Given By D B Realty Ltd for loan taken by the company from Bank of India and Punjab National Bank	2,000,000,000
	(2,000,000,000)

(Figures in bracket denote previous year's balances/transactions).

Re-Imbursement of expenses Incurred	Opening Balance as on 01.04.2010	Payment made	Obligation incurred	Closing Balance as on 31.3.2011
Dynamix Realty	-	32,673,408	32,673,408	-
	(-)	(674,251)	(674,251)	(-)
Nihar Constructions Private Limited	737,100	737,100	-	-
	(-)	(-)	(737,100)	(737,100)
D B Realty Limited - Expenses	2,300,278	23,825,586	21,525,308	-
	(-)	(17,643,293)	(19,943,571)	(2,300,278)
Neelkaml Realtors Suburban Private Limited	-	12,243	12,243	-
	(-)	(-)	(-)	(-)
Real Gem Buildtech Private Limited	-	36,087	36,087	-
	(-)	(-)	(-)	(-)
Turf Estate JV	-	22,075	22,075	-
	(-)	(-)	(-)	(-)

(Figures in bracket denote previous year's balances/transactions).



Creditors for Expenses	Opening Balance as on 01.04.2010	Debit	Credit	Closing Balance as on 31.3.2011
K.G. Enterprises	675,297	4,413,972	4,401,357	662,682
	(465,544)	(4,701,004)	(4,910,757)	(675,297)
Pony Infrastructure and Contractors Limited (Creditors)	-	272,180,604	317,283,130	45,102,526
	(-)	(-)	(-)	(-)
Conwood Construction & Developers Private Limited	-	-	56000	56,000
	(-)	(-)	(-)	(-)

(Figures in bracket denote previous year's balances/transactions).

Creditor for Fixed Assets	Opening Balance as on 01.04.2010	Debit	Credit	Closing Balance as on 31.3.2011
Eversmile Construction Company Private Limited	-	83,250	-	83,250
	(-)	(-)	(-)	(-)

(Figures in bracket denote previous year's balances/transactions).

Managerial remuneration includes remuneration to Mr. Salim Balwa, the whole time director, of Rs. 30,00,000 (Previous year Rs.30,00,000)

14. Loans & Advance include due from the companies under the same management within the meaning of sub-section (IB) of section 370:

Sr. No	Name of the Company	Amount Outstanding		Maximum Outstanding	
		2010-2011	2009-2010	2010-2011	2009-2010
1	- D B Realty Limited	NIL	NIL	268,500,000	282,940,000

15. Obligation on Long-term, Non Cancellable Operating Lease assets taken on Lease

The Company has taken commercial premises on non cancellable operating lease and the lease rentals debited to profit and loss account as per the schedule given below.

Particulars	For the Year Ended 31 st March 2011 (Rs.)	For the Year Ended 31 st March 2010 (Rs.)
Lease rentals recognized in the Profit and Loss Account	39,46,178	4,317,111

Future minimum lease payments are as per the schedule provided below:



Particulars	For the Year Ended 31 st March 2011 (Rs.)	For the Year Ended 31 st March 2010 (Rs.)
Within one year of balance sheet date	4,041,157	4,041,158
Due in a period between 1-5 year	2,000,771	3,466,300
Due after five years	NIL	NIL

*Additional amount of service tax will be collected on these rentals as per the applicable rates existing at the time of payment.

*After the completion of 1 year from their respective date of inception, lease rent will be escalated by 5% every year.

16. Deferred Tax Liabilities/ (Assets)

The company has not accounted for deferred tax assets taking prudence as consideration as per AS-22 regarding future available profit to be set off against deferred tax assets.

However, the company has timing differences between Taxable Income and Accounting Income that originates in one year and is capable of reversal in one or more subsequent year.

The Components of Deferred Tax Assets/Liabilities are as follows:

Particulars	As at 31 st March 2011 (Rs.)	As at 31 st March 2010 (Rs.)
Deferred Tax Assets		
Amount Disallowed u/s 43B of Income Tax Act, 1961	969,739	2,21,771
Related to Fixed Assets	285,386	4,16,638
	1,255,125	638,409
Deferred Tax Liability	NIL	NIL
Net Deferred Tax Assets	1,255,122	638,409

Note:- As per the requirement of accounting standard in absence of virtual certainty/ reasonable certainty regarding future taxable income, no deferred tax asset has been recognized.

17. The Company is principally engaged in a single business segment i.e. realty development & would constitute the only reportable business segment in accordance with the requirement of the AS-17 -Segment Reporting issued by the institute of Chartered Accountant of India.

18. Investment in Joint Venture

Joint Venture with	Location	Principal Activities	Ownership Interest	Amount received towards Joint Venture
D B realty Limited	Chincholi Malad West (Mumbai)	Development and Construction of Property	10% of Revenue sharing subject to Maximum of 25 crores but not less than 20 crores	Rs 2,00,00,000 (Previous year Rs 20,000,000) as a Security Deposit

19. Advance Against Booking :

The company has received amounts aggregating Rs. 2,254,387,095/- from various parties towards purchase of flats for its project Orchid Heights as on March 31, 2011. In respect of payments received of Rs. 177,938,880/-, the Company is in the process of entering into the



request for allotment/ term sheets and the said amount as at the year-end is part of "Advances from customers" under Current Liabilities (Schedule No.9).

20. Tenancy payments:

The plot on which the Company's project Orchid Height is coming up was earlier occupied by some tenants. These tenants are either compensated for forgoing/ surrendering tenancy rights or relocated to rehabilitation building. Meantime the tenants who are to be relocated are provided with temporary accommodation by way of transit camp. The Company has paid up to March 31, 2011 amounts aggregating Rs.125,616,718 (refer Schedule no.12) towards acquisition/ settlement of tenancy rights. Further, the Company is also in the process of obtaining/ completing the required additional documentation such as compensation receipts, PAN card copy, rent receipts, electricity bills, etc.

21. Guarantee Given :

In terms of the Indenture of Mortgage dated 11th September, 2009, the Company's immovable property situated at village Chincholi, Malad with area approx. 21814.80 sq. mts. is mortgaged as a collateral security for the total bank guarantee of Rs. 1,500,000,000 (Financial 1,000,000,000 and Performance Rs. 500,000,000) sanctioned by Punjab National Bank, Mumbai branch to the borrower - its holding company viz. DB Realty Limited.

22. Foreign Currency Transactions :

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on March 31, 2011 is Rs NIL (previous year Rs Nil)

23. Additional information pursuant to paragraphs 3, 4C and 4D of part II of schedule VI of the Companies Act, 1956

Expenditure in foreign currency

Particulars	2010-2011	2009-2010
Purchase of Materials	6,261,993	-
Professional fees	3,485,990	-
Travelling expenses	636,790	-

24. The Company has forwarded letters to creditors for confirming of their status under the Micro, Small and Medium Enterprises Development Act, 2006. On the basis of information received, one party has confirmed their status under MSME.

25. The amount in the Balance Sheet and Profit & Loss Account are rounded off to the nearest rupee.



26. Comparative financial information (i.e. amounts and other disclosures for the previous year presented above as corresponding figures), is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been regrouped / reclassified wherever necessary to correspond to figures of current year.

For and on behalf of Board

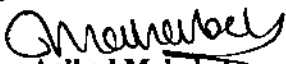



Mohammed Balwa
Alternate Director


Saleh Afimiwalla
Nominee Director


Nabil Patel
Alternate
Director


Vinod Thomas
Nominee Director


Aalhad Mahabadi
Company
Secretary

Mumbai Dated: May 29, 2011