



घरला घरपण देणारी माणसं®

Marching towards green excellence



21st

ANNUAL
REPORT
2011-2012

D.S.KULKARNI DEVELOPERS LTD.

AN ISO 9001, ISO 14001, OHSAS 18001 COMPANY



घराला घरपण देणारी माणसं®

The optimism continues...

While in business, keeping an eye on the current market scenarios and the present stature of the economy is very important. It is all the more imperative for the players in real estate sector for two reasons. First and foremost among them is the fact that property sector has been at the forefront of economic development of India for more than two decades now. It's an indicator of how steadily the growth is happening and how different sections of society are capitalizing on it. Secondly ups & downs in any other sector are reflected in property business, as decisions of buying, selling or renting a property are affected the most because of them. Hence I am a keen observer of all the changes taking place in the world of economy.

But having studied the pros & cons of the situation and dealt with many such challenges in the past, I can confidently proclaim that the optimism has continued without any setback or hurdle. All the sectors that matter the most for India's point of view namely Manufacturing, IT, Education, Retail and Property will continue to perform well. I feel a little concerned about the Agricultural field. Because of the present drought like situation and the lack of productive initiatives from government to revive the progressive spirit of the farmers' fraternity.

The overall mood is positive and it is this optimism that has always been the hallmark of D.S. Kulkarni Developers Ltd. since the inception. The industry and the society look upon us as a trendsetter. But why we dare to take bold initiatives is due to this positive approach and the faith people have in DSK brand. I feel blessed with the energy the bond of trust between us and our customers has always provided. And what excites me more is the fact that it has reflected here and in USA too! Here in Pune, the construction in DSK Kunjaban & DSK Gandhakosh is in full swing and so as the booking of flats. DSK Meghmalhar Phase 2 and DSK Madhukosh, Mumbai, continue to be the preferred choice of discerning customers. Whereas in USA, the overwhelming response to DSK Woods at Plainsboro has inspired us to acquire a land for one more top slot project of eight bungalows.

After achieving such a grand success last year, four significantly major launches are on the cards along with few more path-breaking initiatives. I am excited about the launch of a high-end project of classy homes at Bavdhan. Along with the special DSK touch, the 'top-end specifications' is a striking feature of DSK Kasturi. Apart from this, two mega projects are ready to occupy the centre stage. One is at the fast developing area of Talegaon, which in no time has become a favourite destination for the buyers. And the other one is at Pirangut, once an industrial hub but now fast becoming a part of the mainstream urban life of Pune. We are passionately working on a one of its kind project spread over a sprawling 250 acres land at Majari Annexe. It is going to be a state-of-the-art Golf Course designed according to global standards. The lush green outfield will occupy almost 92% of the area where 18 holes for a joyous playing experience will be set. Besides some redevelopment assignments also we are looking at in near future.

I am literally throbbing with energy and expect the same from my employees, stakeholders and associates. Ours has always been a great association and together we will make it happen in the future as well...

Wishing you good health, grand success a great year ahead.



D. S. Kulkarni
Chairman &
Managing Director

BOARD OF DIRECTORS

- ◆ **MR. D. S. KULKARNI**
(Chairman & Managing Director)
- ◆ **MRS. J. D. KULKARNI**
(Wholetime Director)
(Up to 22nd January, 2012)
- ◆ **MR. SHIRISH KULKARNI**
(Executive Director)
- ◆ **MR. V. C. JOSHI**
- ◆ **DR. M. K. P. SETTY**
- ◆ **MR. K. K. TAPARIA**
- ◆ **MR. R. D. KHAROSEKAR**

COMPANY SECRETARY

- ◆ **MR. AMOL PURANDARE**

CREDIT SOURCES

- ◆ BANK OF MAHARASHTRA
- ◆ BANK OF BARODA
- ◆ CENTRAL BANK OF INDIA
- ◆ INDIAN OVERSEAS BANK
- ◆ IDBI BANK LTD.
- ◆ STATE BANK OF INDIA
- ◆ SYNDICATE BANK
- ◆ ICICI BANK LTD.
- ◆ SANGLI URBAN CO-OP. BANK LTD.
- ◆ KALYAN JANATA SAHAKARI BANK LTD.

AUDITORS

GOKHALE, TANKSALE & GHATPANDE,
CHARTERED ACCOUNTANTS, PUNE

REGISTERED OFFICE

'DSK HOUSE', 1187/60, J. M. ROAD,
SHIVAJINAGAR, PUNE - 411 005.

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NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the members of D. S. Kulkarni Developers Ltd. will be held on Wednesday, the 26th day of September, 2012 at 9.30 a.m. at S. M. Joshi Socialist Foundation Auditorium, Navi Peth, Ganjave Chowk, Opp. Patrakar Bhavan, Pune 411 030 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Dr. M. K. P. Setty who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. D. Kharosekar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the auditors and fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING. FOR ATTENDING THE MEETING, MEMBERS / PROXIES SHOULD BRING THEIR ATTENDANCE SLIPS DULY FILLED IN.
3. Members are requested to notify to the Company immediately any change in their address, quoting folio number and giving complete address in capital letters with the PIN code. The Beneficial Owners of the dematerialized shares may inform the concerned Depository Participant of any change in their address.
4. Members are requested to support the 'Green initiative in Corporate Governance' undertaken by the Company, by registering/ updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company or Sharepro Services (India) Pvt. Ltd. (R&T Agent)
5. The Share Transfer Books of the Company will remain closed from 19th September, 2012 to 26th September, 2012 (both days inclusive).
6. As per SEBI Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009, for securities market transactions and off-market/private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for all the transferees to furnish self attested copy of PAN card to the Company or Registrars and Share Transfer Agents for registration of such transfer of shares.
7. Members are requested to bring their copies of the Annual Report at the Meeting. As a Green Initiative measure, extra copy will not be made available at the venue.
8. In order to enable the Company to satisfactorily answer questions at the meeting, members who would like to ask any questions about the performance of the Company are requested to send their questions so as to reach the Company at least ten days before the date of the Annual General Meeting.



9. The Company's shares are compulsorily traded in dematerialized mode. The Company has made necessary arrangements with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dealings in dematerialized shares. Members holding shares in physical form are requested to get their shares dematerialized at the earliest.
10. The dividend as recommended by the Directors, if declared at the Annual General Meeting, will be paid to those Members whose names appear in the Register of Members on 26th September, 2012.
11. Members who have not received their dividend for the earlier years are requested to contact the Registrars and Share Transfer Agents:

Sharepro Services (India) Pvt. Ltd.
13AB Samhita Warehousing Complex,
Near Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road, Sakinaka, Andheri (E) Mumbai – 400 072.
12. Pursuant to the provision of Section 205A and 205C of the Companies Act, 1956 the Company has transferred the unpaid or unclaimed dividends declared upto (and including) FY 2003-04 to the Investor Education and Protection Fund of the Central Government.

The details of the dividend declared for and from the Financial Year 2004-05 till 2010-11 and the respective due dates for transfer to the Investors Education and Protection Fund are given in the Section relating to General Shareholders Information. Members who have not yet encashed the dividend warrant(s) are requested to forward their claims to the Company's Registrar and Share Transfer Agents. **It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie with the Company in respect of such amount.**

By the order of the Board of Directors,
For **D. S. KULKARNI DEVELOPERS LTD.**

D. S. KULKARNI
(CHAIRMAN & MANAGING DIRECTOR)

Place : Pune
Date : 8th August, 2012

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT AT THE ANNUAL GENERAL MEETING

PARTICULARS	Dr. M. K. P. Setty	Mr. R.D. Kharosekar
Date of Birth	04/08/1933	08/11/1941
Date of first appointment	30/09/1993	27/05/2010
Date of re-appointment	29/09/2010	29/09/2010
Qualifications	M.Sc.	B. Sc., LL.B., IAS
Expertise in specific functional area	Financial Management	Legal Consultant
Directorships held in other public companies	Mysore Snack Foods Ltd. The Mysore Vegetable Oil Products Ltd. Bhoruka Aluminium Ltd.	Nil
Memberships / Chairmanships of committees in Public Companies	Nil	Nil
No. of shares held in the Company	450	Nil



DIRECTORS' REPORT

Dear Member,

Your Directors have pleasure in presenting their 21st Annual Report of the Company for the year ended 31st March, 2012.

FINANCIALS

Particulars	₹ Lacs	
	2011-2012	2010-2011
Operating Income and Increase in stocks	18377.44	18239.58
Profit before tax	2526.00	2512.95
Less: Provision for tax/deferred tax	792.46	845.88
Profit after tax	1733.54	1667.06
Add: Balance of Profit Brought forward	11787.73	10429.91
Profit available for Appropriation	13521.27	12089.58
Proposed Dividend	258.01	258.01
Tax on Dividend	41.86	43.85
Balance of Profit carried to Balance Sheet	13221.40	11787.72

OPERATIONS:

The year under review witnessed a small growth in the total income from ₹ 182.40 Crores to ₹ 183.77 Crores. The Company completed two projects which were earlier in execution. The profit for the year was ₹ 17.34 Crores against ₹ 16.67 Crores for the earlier year.

Our country has been reeling under the pressure of high inflation for a quite some time. Inflationary pressures have forced Reserve Bank of India to raise interest rates on several occasions. The general rise in interest rates compelled lending institutions to raise lending rates for home loans, existing as well as prospective, thereby curbing the surpluses of households and driving them to rethink on their buying decisions, especially with long-term financial commitments. This has impacted demand for homes to certain extent. Besides, high interest rates have raised funding costs for realty projects. Due to inflation, prices of inputs have gone up. Your Company did experience some slowdown in demand; however have taken cost control measures to maintain liquidity and profitability. Reserve Bank of India appears to have now taken a pause in raising interest rates, which shall benefit the real estate sector.

Further, External Commercial Borrowing (ECB) has been allowed for affordable and low-cost housing, thereby easing availability of finance to real estate sector. Your Company is continuing with its business activities normally, thanks to its brand equity.

DIVIDEND:

Your Directors have pleasure in recommending dividend of 10% i.e. ₹ 1 per equity share on the paid-up capital of the Company. The dividend payout will be ₹ 2,58,01,008/- and outgo on account of dividend distribution tax will be ₹ 41,85,569 /-.

SUBSIDIARIES AND CONSOLIDATION:

The Company has in all six subsidiaries. Two subsidiaries are operating in the USA; one of which is a wholly-owned subsidiary and the other is a step-down (also wholly-owned) subsidiary, namely DSK Developers Corporation and DSK Woods, LLC respectively. Both these subsidiaries are in the business of construction and

development. The construction activity at the project site at Plainsboro, New Jersey is in progress. Out of the 11 single house bungalows, 8 bungalows have already been sold and construction of the rest 3 is in progress.

Another subsidiary company is DSK Global Education & Research Pvt. Ltd. ("DSK Global"), which runs a training institute in the areas of Industrial Design Engineering, Animation & Gaming at a well known campus **DSK SUPINFOCOM INTERNATIONAL CAMPUS**. The year 2011-2012 was the fourth year of the Institute. Education business builds slowly but firmly. The reporting year witnessed fourth business loss in succession. During the year under report DSK Global formed a step down (wholly-owned subsidiary), namely DSK Global Education & Research Pte. Ltd. in Singapore. The Singapore subsidiary has been formed to carry out market research and marketing activity on behalf of DSK Global, to tap the prospective East-Asian students.

The fifth subsidiary is DSK SEZ Projects (Pune) Pvt. Ltd. ("DSK SEZ") which is a wholly-owned subsidiary of the Company. DSK SEZ was set up to undertake SEZ projects which have been shelved. Presently, the Company is not carrying on any business activity.

The sixth subsidiary is DSK Southern Projects Pvt. Ltd. ("DSK Southern") which, in association with M/s. Mantri Dwellings Pvt. Ltd., a Sushil Mantri Group company, is developing a premium residential project of 42 storied apartments at Bangalore named "Mantri DSK Pinnacle". The progress of the project is satisfactory.

This Annual Report contains the stand alone financial statements and reports of D.S. Kulkarni Developers Ltd. and the consolidated financial statements. The Ministry of Corporate Affairs, Government of India by its circular dated 8th February, 2011 has granted general exemption to all the companies, doing away with the requirement of attaching annual accounts of subsidiary companies to that of the holding company, mandated by the provisions of Section 212 of the Companies Act 1956, subject to fulfillment of certain conditions, which are duly fulfilled by your Company. However, in terms of the requirements to avail general exemption, a statement containing brief financial details of the subsidiary companies for the year ended 31st March, 2012 is included in the Annual Report. The annual accounts of the subsidiary companies and the related detailed information will be made available to the investors and will be kept for inspection at the Company's registered office and that of the subsidiaries concerned. The holding company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

INTEGRATED TOWNSHIP

The Company is desirous to develop an 'Integrated Township' on a large stretch of land acquired by it near Manjari, Pune. The Company has received locational clearance and Government has notified the Special Township Project on the said location. Your Company now has received Environmental Clearance from the Ministry of Environment & Forests. The Company is in the process of securing rest of the permissions and is confident of launching this project in the near future.

PROJECTS UNDER EXECUTION:

Following are the sites at different stages of planning, construction/development as on the date of this Report:

Sr. No.	Name of the Site	Saleable Area in Sq. Ft	Location
1	DSK – Gandhakosh	1,74,219	Baner, Pune
2	DSK – Indrayani	3,12,508	Warale, Talegaon
3	DSK – Vishwa Villa	34,328	Dhayari, Sinhgad Road, Pune
4	DSK – Meghmalhar Row Houses	43,344	Dhayari, Sinhgad Road, Pune
5	DSK – Meghmalhar-PH2	4,00,130	Dhayari, Sinhgad Road, Pune
6	DSK – Vishwa Phase 6 & 7	11,22,700	Dhayari, Sinhgad Road, Pune
7	DSK – Madhukosh	1,36,000	Andheri, Mumbai



Sr. No.	Name of the Site	Saleable Area in Sq. Ft	Location
8	DSK – Sundarban Plot B	35,880	Hadapsar, Pune
9	DSK – Kasturi	32,889	Bavdhan, Pune
10	DSK – Pirangut	3,24,820	Pirangut, Pune
11	Integrated Township	1,40,00,000	Manjri, Hadapsar, Pune

DIRECTORS:

Pursuant to Article 73 of the Articles of Association of the Company, Dr. M. K. P. Setty and Mr. R. D. Kharosekar retire by rotation. Both being eligible, offer themselves for re-appointment.

Details of Dr. M. K. P. Setty and Mr. R. D. Kharosekar have been given in the Corporate Governance Report.

FIXED DEPOSITS:

Fixed deposits accepted from the public, shareholders and employees as on 31st March, 2012 stood at ₹156.30 crores as against ₹105.34 crores at the end of the previous year. During the year under report, the Company collected ₹ 99.23 crores as deposits as against ₹ 46.42 crores collected in the previous year. None of the fixed deposits which have matured have remained unpaid.

LISTING

The equity shares of the Company are listed on Bombay Stock Exchange (BSE), National Stock Exchange (NSE). There are no arrears on account of payment of listing fees to the Stock Exchanges.

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

Since the Company's business consists of real estate development, the Company does not employ heavy equipment and machinery. Hence consumption of electricity is negligible. The Company does not consume fuel oil. Hence details of conservation of energy and use of alternative sources of energy cannot be stated. The Company has not acquired any technology. Hence the question of technology absorption does not arise.

During the year under review Company earned Foreign Exchange of ₹ 154.85 lacs (previous year ₹ 121.19 lacs). The total Foreign Exchange Outgo was ₹ 46.08 lacs (Previous year ₹ 179.91 lacs).

PARTICULARS REGARDING EMPLOYEES:

The following are the particulars of employees that are required to be given u/s 217(2A) of the Companies Act, 1956.

Name	Age	Educational qualification	Designation	Date of joining	Previous employment	Gross remuneration ₹ in lacs	Net remuneration ₹ in lacs	Percentage Shareholding
D. S. Kulkarni	62	B.Com.	Chairman & Managing Director	20/09/91	None	224.24	155.63	15.65%

AUDITORS:

The Auditors M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants, Pune (Registration No.103277W) hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Appropriate certificate under Section 224 (1B) of the Companies Act, 1956, has been received from them. You are requested to re-appoint the Auditors.

AUDIT COMMITTEE:

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 II (A) of the Listing Agreement, an Audit Committee comprises the following Directors:

1. Mr. V. C. Joshi, Chairman
2. Dr. M. K. P. Setty, Member
3. Mr. K. K. Taparia, Member

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement, the report on Corporate Governance and the statement of Management Discussion and Analysis are annexed to, and forms part, of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures,
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 profit of the Company for that period,
- (iii) that the Directors have 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 have prepared the annual accounts for the year under review on a going concern basis.

ACKNOWLEDGEMENT:

Your Directors are thankful to the Central and State Government, Government departments, Government agencies, Municipal Corporations and Local Bodies for their continued co-operation. The Directors express their gratitude to the financial institutions and banks, housing and mortgage finance companies, customers, suppliers, contractors, architects, labourers and shareholders and deposit holders for the confidence shown in the Company and co-operation given to the Board in managing the affairs of the Company. Your Directors are appreciative of performance of the employees at all level in furtherance of the business of the Company.

For & on behalf of the Board of Directors of
D. S. KULKARNI DEVELOPERS LTD.

D. S. KULKARNI
CHAIRMAN & MANAGING DIRECTOR

Place : Pune
Date : 8th August, 2012

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY ON CORPORATE GOVERNANCE:

The Corporate Governance policy of the Company contemplates compliance with statutes, transparency in dealings, simplification of processes and adherence to customs, which will help the Company to achieve its business objectives while maintaining business ethics and professional standards. In pursuit of business excellence, the affairs of, the Company are administered, directed and controlled in a manner which help to enhance shareholders and other stakeholders' value by adapting better business practices, objectivity, accountability and integrity. Environmental aspects are given due importance in the conduct of the Company's business.

2. BOARD OF DIRECTORS:

The Company has appointed six directors. The Board consists of two whole-time directors individually titled as Chairman and Managing Director and Executive Director respectively. The other four directors are Independent Directors. The percentage of independent directors is 66.67% of the total strength of the Board. The constitution of the Board is given below:

Director	Director Identification No. (DIN)	Whole time / Independent	Number of outside directorships held (ii)	Committee positions held in other companies (iv)
Mr. D. S. Kulkarni	00394027	Chairman & Managing Director	7	-
Mrs. J. D. Kulkarni*	00417358	Whole-time Director	-	-
Mr. Shirish Kulkarni	01850287	Executive Director	4	-
Mr. V. C. Joshi	00549735	Independent Director	1	1
Dr. M. K. P. Setty	00151350	Independent Director	4	1
Mr. K. K. Taparia	01829829	Independent Director	5	2
Mr. R. D. Kharosekar	03075915	Independent Director	-	-

*Mrs. J. D. Kulkarni ceased to be a member of the Board due to her sad demise on 22nd January, 2012.

- The Company does not have any nominee director appointed by any institution.
- Outside directorships of other directors (excluding Mr. D. S. Kulkarni and Mr. Shirish Kulkarni) do not include alternate directorships, directorships held in private companies & Section 25 companies and directorship of companies incorporated outside India.
- Mr. D. S. Kulkarni is having directorships in two companies incorporated in the USA, one of which is a wholly owned direct subsidiary and the other one is a wholly owned step-down subsidiary.
- During the year under review, the Company did not enter into any business transactions with independent directors.

- (v) For the purpose of reckoning the limit of committee memberships under clause 49(l)(C)(ii) of the Listing Agreement, chairmanship/ membership of the Audit Committees and the Shareholder Grievance Committees only have been considered.
- (vi) The Board has laid down a Code of Conduct for all the Board Members and senior management staff of the Company. A declaration regarding adherence to the Code of Conduct is given separately.

3. AUDIT COMMITTEE:

- a. A qualified and independent Audit Committee of the Board has been constituted in line with the provisions of Clause 49 II (A) of the Listing Agreement with the Stock Exchanges read with section 292A of the Companies Act, 1956.
- b. The Audit Committee continues to have three directors as members throughout the FY 2011-12. All these members are independent directors. All members of the audit committee are financially literate and have accounting and related financial management expertise.
- c. The Chairman of the Audit Committee is an Independent Director.
- d. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 29th September, 2012.
- e. The Audit Committee meetings are usually attended, apart from its members, by invitees such as, Finance Head, Statutory Auditors, Internal Auditors, Secretarial Consultant, etc. The Audit Committee invites such of the executives of the Company whenever it considers appropriate, to be present at the meeting of the Committee. The Company Secretary acts as a Secretary to the Audit Committee.
- f. The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

Name	Designation	Wholetime/ Independent	Profession	Committee Meetings	
				Held	Attended
Mr. V. C. Joshi	Chairman	Independent Director	Management Consultant	6	6
Dr. M. K. P. Setty	Member	Independent Director	Industrialist	6	5
Mr. K. K. Taparua	Member	Independent Director	Industrialist	6	4

- g. Six Audit Committee meetings were held during the year, the dates of which are: 29th April, 2011, 2nd August, 2011, 28th September, 2011, 10th November, 2011, 13th February, 2012 and 30th March, 2012 and the time gap between two meetings did not exceed four months. There was a proper quorum of independent directors present at all the Audit Committee meetings.

The brief terms of reference of the Audit Committee include:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and the approval and fixation of audit fees and payments for other services rendered by them.

- Reviewing with the management, the annual and quarterly financial statements before submission of the same to the Board for approval.
- Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems and internal audit function.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditor.
- Discussion about the nature and scope with internal auditors before the commencement of audit.
- Reviewing draft financial statements and Directors' report (before submission to the Board).
- Recommending accounting policies and practices.
- Reviewing related party transactions.
- Ensuring compliance with Accounting Standards.

III OTHER COMMITTEES:

1. Share Transfer and Shareholder Grievance Committee:

To expedite the process of transfer of physical shares and ready settlement of shareholders complaints, the authority has been delegated to the Share Transfer and Shareholders' Grievance Committee which comprises of Mr. D. S. Kulkarni as the only one member.

Mr. Amol Purandare acts as the Company Secretary and Compliance Officer of the Company.

The Company has allotted an exclusive email id for the purpose of investor grievances: secretarial@dskd.com Details of Complaints received and redressed:

Opening	Received during the year	Resolved during the year	Pending
Nil	Nil	Nil	Nil

Number of meetings held during the year under report were fifteen.

2. Remuneration Committee:

The following are the members of the Remuneration Committee.

1. Mr. V. C. Joshi, Chairman
2. Mr. K. K. Taparia, Member
3. Mr. R.D. Kharosekar, Member

The Remuneration Committee has been constituted to recommend / review the remuneration of the Whole-time Directors & if necessary of the senior staff members, based on performance and defined criteria.

The remuneration policy is generally in line with the existing industry practices/current market trends.

One meeting was held during the year on 11th August, 2011. A proper quorum of independent directors was present at the meeting.

Details of remuneration to Whole-time Directors for the year.

The aggregate value of salary and perquisites paid for the year ended 31st March, 2012 to the Managing / Whole-time Directors is as follows: -

₹ Lacs

Name	Designation	Salary	Perquisites	Total
Mr. D. S. Kulkarni	Chairman & Managing Director	223.95	0.40	224.24
Mrs. J. D. Kulkarni*	Wholetime Director	4.94	0.33	5.18
Mr. Shirish Kulkarni	Executive Director	23.52	0.40	23.81

*Mrs. J. D. Kulkarni ceased to be a member of the Board and Whole-time Director of the Company due to her sad demise on 22nd January, 2012.

3. Finance Committee:

The Committee was formed under section 292(1) of the Companies Act, 1956 to oversee the finance function of the Company.

The following are the members of the Committee:

1. Dr. M. K. P. Setty, Chairman
2. Mr. V. C. Joshi, Member
3. Mr. D. S. Kulkarni, Member

Five Committee meetings were held during the year.

4. Other Committees:

The Board has voluntarily formed Committees (i) Project Planning Committee for Monitoring of Projects above ₹100 Crores; (ii) Management & Monitoring Committee to oversee operations of foreign subsidiaries; (iii) Merger Committee for considering merger proposals and (iv) Issuance of Securities Committee to consider fresh issue of capital. These Committees have well defined terms of reference by the Board and meet when required.

Remuneration paid to Directors:

Details of remuneration paid to Directors are given below:

₹ Lacs

Director	Relationship with other Directors	Business relationship with DSKDL	Loans and advances from DSKDL	Remuneration paid during 2010-11		
				Sitting Fees	Salary and perquisites	Total
Mr. D. S. Kulkarni	Husband of Mrs. J. D Kulkarni and father of Mr. Shirish Kulkarni	Promoter	Nil	Nil	224.24	224.24
Mrs. J. D. Kulkarni*	Wife of Mr. D. S. Kulkarni and mother of Mr. Shirish Kulkarni	Promoter	Nil	Nil	5.18	5.18

₹ Lacs

Director	Relationship with other Directors	Business relationship with DSKDL	Loans and advances from DSKDL	Remuneration paid during 2010-11		
				Sitting Fees	Salary and perquisites	Total
Mr. Shirish Kulkarni	Son of Mr. D.S. Kulkarni and son of Mrs. J. D. Kulkarni	Promoter	Nil	Nil	23.81	23.81
Mr. V. C. Joshi	-	None	Nil	0.90	Nil	0.90
Dr. M. K. P. Setty	-	None	Nil	0.55	Nil	0.55
Mr. K. K. Taparia	-	None	Nil	0.50	Nil	0.50
Mr. R. D. Kharosekar	-	None	Nil	0.35	Nil	0.35

*Mrs. J. D. Kulkarni ceased to be a member of the Board and Whole time Director of the Company due to her sad demise on 22nd January, 2012.

Board Meetings and Attendance at Board Meetings and the last Annual General Meeting:

The Board of Directors of the Company met six times during the year under report. The dates of Board Meeting were as follows:

29th April, 2011	10th May, 2011	2nd August, 2011	29th September, 2011
10th November, 2011	13th February, 2012		

The Company placed before the Board the annual operating plans and budgets and performance reports/statements of various departments. Information regarding implications of amendments to various laws; defaults, if any, in obligations; details of business operations; etc. were also regularly placed before the Board. Minutes of every Committee meeting were placed before, and noted by, the Board. The time gap between two Board Meetings did not exceed three months except for the Board Meeting held on 13th February, 2012 wherein there was a minor delay of three days for the reason beyond control of the Company.

The attendance at the Board Meetings and at the last Annual General Meeting was as under:

Director	Attendance	
	Board Meetings during the Financial Year 2011-2012	Annual General Meeting dated 29th September, 2011
Mr. D. S. Kulkarni	6	Yes
Mrs. J. D. Kulkarni*	1	No
Mr. Shirish Kulkarni	6	Yes
Mr. V. C. Joshi	6	Yes
Dr. M. K. P. Setty	4	Yes
Mr. K. K. Taparia	4	Yes
Mr. R. D. Kharosekar	5	Yes

*Mrs. J. D. Kulkarni ceased to be a member of the Board and Whole-time Director of the Company due to her sad demise on 22nd January, 2012.

Management Discussion and Analysis Report:

The Management Discussion and Analysis Report for the year ended 31st March, 2012 is published separately in this Annual Report.

General Body Meetings:

Year / Date of Annual General Meeting/ EOGM	Location and time	Whether special resolution passed	Particulars
AGM 2010-11 29th September, 2011	S. M. Joshi Socialist Foundation Auditorium, Navi Peth, Pune 411 030 at 9.30 a.m.	Yes	To approve commencement of new business activities u/s.149(2A) of the Companies Act, 1956
AGM 2009-10 29th September, 2010	S. M. Joshi Socialist Foundation Auditorium, Navi Peth, Pune 411 030 at 9.30 a.m.	No	N.A.
AGM 2008-09 27th September, 2009	S. M. Joshi Socialist Foundation Auditorium, Navi Peth, Pune 411 030 at 9.30 a.m.	Yes	<ol style="list-style-type: none"> 1. To approve reduction in salary of the Chairman & Managing Director 2. To approve reduction in salary of the Wholtime Director 3. To approve reduction in salary of the former Executive Director 4. Application U/s309(5B) of the Companies Act, 1956. 5. To appoint Mr. Shirish Kulkarni as Executive Director.

No special resolution was passed in the year under report through postal ballot.

Information in respect of Directors seeking appointment/re-appointment as required under Clause 49 VI (A) of Listing Agreement:

Dr. M. K. P. Setty retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Dr. M. K. Panduranga Setty is a Science graduate, underwent training in Switzerland and is a well-known industrialist who is associated with more than 15 companies in such diverse fields as education food processing, advertising, finance and automobiles. The Government of Karnataka State has conferred on him its highest honour - the Kannada Rajyotsava Award - in recognition of his services to Industry and Education. He is the President of a reputed Educational Trust, which runs 20 Institutions from Kindergarten to Post-graduation levels. He has been Member of the Bangalore University Senate. He has served as a President of the Roller Flour Millers Federation of India for 2 terms. He has served Bangalore Management Association as Secretary and President. He has also been the Vice President of Southern India Management Association. Mr. Setty was invited to be a member of the Federation of Karnataka Chambers of Commerce and Industry of which he became the President during 1989. He is

the only non-Government official to be invited by the Government of Karnataka to serve as Chairman of the Karnataka Industrial Investment Development Corporation Limited. He has been serving on the Executive Committee of the Indo German Chamber of Commerce. He has been on the Company's Board since 30th September 1993. He is also a member of the Audit Committee and Remuneration Committee of the Company. He is also on the Board of the following other public limited companies.

1. Mysore Snack Foods Limited
2. The Mysore Vegetable Oil Products Limited
3. Bhoruka Aluminum Limited
4. Krishna Plastic Industries Limited

He is a Member of the Shareholders' Grievance Committee of Bhoruka Aluminium Limited.

Mr. R. D. Kharosekar retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr. R. D. Kharosekar is B.Sc. LL. B. & enrolled by the Bar Council of Maharashtra & Goa as an Advocate. He worked as a senior IAS Officer & retired as a Commissioner - Tribal Research & Training Institute. He also worked in different capacities in Central & State Government. He received an award from State Government for outstanding work done for development of tribes of Maharashtra. He produced & directed films for creating awareness about various schemes among weaker sections & tribes.

The Board recommends the reappointment of Dr. M.K.P. Setty and Mr. R.D. Kharosekar as Directors of the Company.

Disclosures:

1. There are no related party transactions of the Company which have potential conflict with the interests of the Company at large.
2. In the preparation of financial statements, treatments as per Accounting Standards issued by the Institute of Chartered Accountants of India have been followed.
3. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets: NIL
The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1D to Clause 49 of the Listing Agreement with Stock Exchange:
 - a) The Company has set up a Remuneration Committee, details of which have been given earlier in this Report.
 - b) The statutory financial statements of the Company are unqualified.
4. In terms of SEBI circular No. D&CG/FITTC/CIR-16 dated 31st December, 2002, a qualified Practicing Company Secretary carried out audit to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit report confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. The certificates were forwarded to BSE and NSE, where the equity shares are listed and were also placed before the Share Transfer and Shareholders' Grievance Committee.

Means of Communication:

The quarterly and half-yearly results were published in newspapers having wide circulation and the said results were also displayed on the website of the Company www.dskdl.com.

The Quarterly results were published as follows during the year:

S. No.	Quarter ended	Newspaper in which published	
		English	Vernacular
1.	31.03.2011	Economic Times	Maharashtra Times
2.	30.06.2011	Economic Times	Maharashtra Times
3.	30.09.2011	Economic Times	Maharashtra Times
4.	31.12.2011	Economic Times	Maharashtra Times

GENERAL SHAREHOLDER INFORMATION

- i. **Annual General Meeting:**

Date and time 26th September, 2012 at 9.30 a.m.

Venue S. M. Joshi Socialist Foundation Auditorium,
S. No. 191/192, Navi Peth, Ganjave Chowk,
Opp. Patrakar Bhavan, Pune – 411 030.
- ii. **Financial Calendar**

Financial Reporting for

 - Quarter ending 30th June By 14th August
 - Quarter ending 30th September By 14th November
 - Quarter ending 31st December By 14th February
 - Year ending 31st March By 30th May

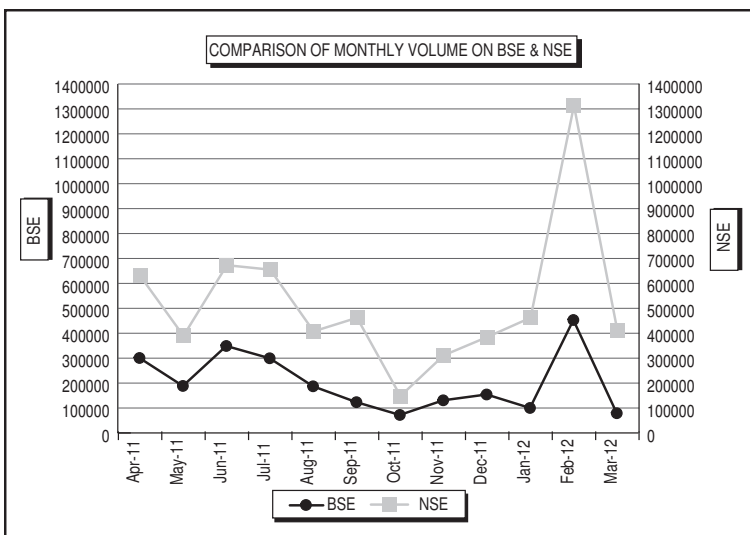
Annual General Meeting By end of September 2012
- iii. **Dates of current book closure** 19th September, 2012 to 26th September, 2012
- iv. **Dividend payment date** 1st October, 2012
- v. **Listing on Stock exchanges**
 - Bombay Stock Exchange Limited
 - The National Stock Exchange of India Limited
- vi. **Stock Code**
 - Bombay Stock Exchange Limited 523890
 - The National Stock Exchange of India Limited DSKULKARNI

vii. Market Price Data

Comparison of High and Low share price and volume on BSE and NSE

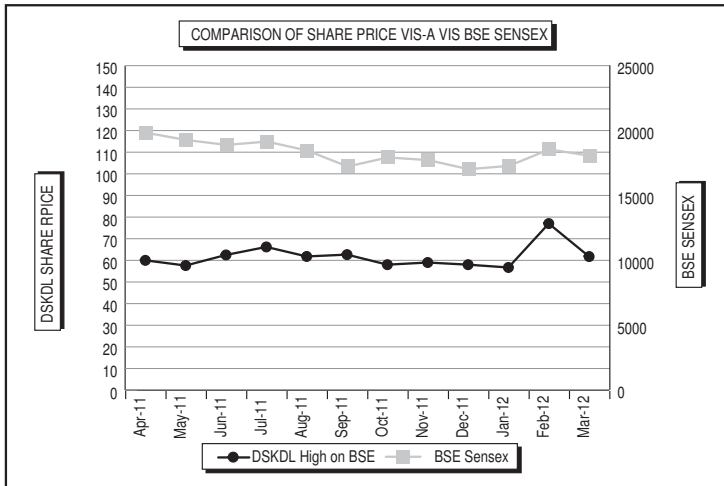
Month	BSE			NSE		
	High	Low	Monthly Volume	High	Low	Monthly Volume
April, 2011	60.00	52.10	300,757	60.10	51.80	629,513
May, 2011	57.60	50.10	188,579	54.35	50.15	388,388
June, 2011	62.50	52.85	348,924	63.00	52.50	671,868
July, 2011	66.20	57.50	299,605	66.05	57.85	653,968
August, 2011	61.80	47.50	187,140	62.50	50.00	406,512
September, 2011	62.65	53.90	123,422	63.00	53.80	460,911
October, 2011	58.00	52.20	72,240	57.70	52.00	146,904

Month	BSE			NSE		
	High	Low	Monthly Volume	High	Low	Monthly Volume
November, 2011	59.00	47.00	130,919	59.90	50.30	310,425
December, 2011	58.00	48.05	154,278	55.50	48.35	383,575
January, 2012	56.70	49.20	110,245	57.00	48.60	461,147
February, 2012	77.00	55.05	453,126	74.50	54.65	13,12,381
March, 2012	61.75	55.85	79,167	62.45	56.00	409,819



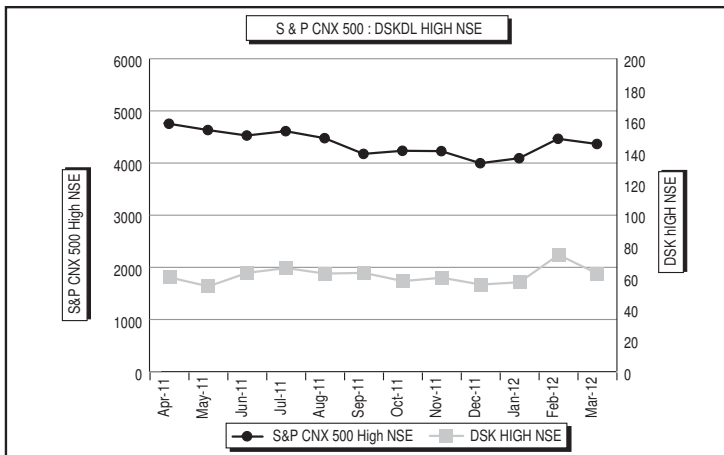
1. Performance of the share prices of the Company on BSE in Comparison to BSE Sensex

Month	DSKDL High on BSE	BSE Sensex	Month	DSKDL High on BSE	BSE Sensex
April, 2011	60.00	19,811.14	October, 2011	58.00	17,908.13
May, 2011	57.60	19,253.87	November, 2011	59.00	17,702.26
June, 2011	62.50	18,873.39	December, 2011	58.00	17,003.71
July, 2011	66.20	19,131.70	January, 2012	56.70	17,258.97
August, 2011	61.80	18,440.07	February, 2012	77.00	18,523.78
September, 2011	62.65	17,211.80	March, 2012	61.75	18,040.69



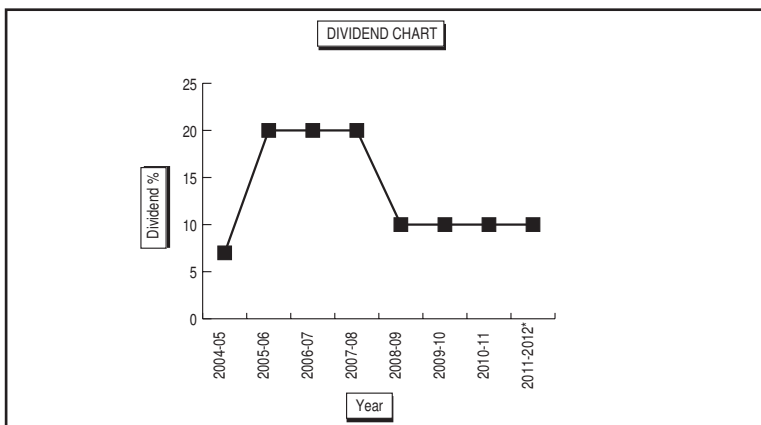
2. Performance of the share prices of the Company on NSE in Comparison to S&P CNX 500

Month	DSK HIGH NSE	S & P 500 CNX HIGH NSE	Month	DSK HIGH NSE	S & P 500 CNX HIGH NSE
April, 2011	60.10	4753.50	October, 2011	57.70	4235.15
May, 2011	54.35	4632.90	November, 2011	59.90	4228.55
June, 2011	63.00	4528.00	December, 2011	55.50	3997.25
July, 2011	66.05	4611.40	January, 2012	57.00	4092.70
August, 2011	62.50	4476.95	February, 2012	74.50	4465.25
September, 2011	63.00	4175.65	March, 2012	62.45	4365.50



4. Dividend History:

Sr. No.	Year	Dividend %
1	2004-05	7
2	2005-06	20
3	2006-07	20
4	2007-08	20
5	2008-09	10
6	2009-10	10
7	2010-11	10
8	2011-12*	10



* Dividend recommended by the Board for FY 2011-12 is subject to the approval by members in the ensuing AGM.

UNCLAIMED DIVIDENDS / REFUND AMOUNTS AND TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, the unclaimed and unpaid dividend and the application monies received by Company for allotment of shares and due for refund for a period of seven years are required to be transferred to the Investor Education & Protection Fund administered by Central Government. Unclaimed Dividend upto 2003-04, has been transferred to the Investor Education & Protection Fund.

The table given below gives the dates of dividend declaration since 2004-05 and the follow on issue (FPO) refund amounts and the corresponding dates when the said amounts are due to be transferred to the Investor Education & Protection Fund.

Year	Type	Date of declaration / refund	Due date of transfer
2004-05	Dividend	05th September, 2005	04th October, 2012
2005-06	Dividend	30th September, 2006	29th October, 2013
2006-07	FPO Refund	16th May, 2006	15th June, 2013
2006-07	Dividend	29th September, 2007	28th October, 2014
2007-08	Dividend	27th September, 2008	26th October, 2015
2008-09	Dividend	29th September, 2009	28th October, 2016
2009-10	Dividend	29th September, 2010	28th October, 2017
2010-11	Dividend	29th September, 2011	28th October, 2018

SHARE TRANSFER SYSTEM:

1. The Share Transfer and Shareholders' Grievance Committee looks after the share transfer system. The Share Transfer Committee generally meets twice in a month. The resolutions passed by the earlier Committee meetings are confirmed at the subsequent Committee Meetings. Minutes of the Committee meetings are placed before, and noted by, the Board of Directors.
2. Sharepro Services (India) Pvt. Ltd., Registrar & Transfer agent of the Company looks after the work relating to transfers.
3. The Company's shares are traded on Stock Exchanges in compulsorily dematerialised form. But the off market trading of shares of the Company is also possible in physical form. The share transfer forms received at Company are sent to the R & T Agent for further processing.
4. The Company ensures that all transfers are effected within a period of one month from the date of their lodgement.
5. As required under clause 47(c) of the Listing agreement entered into by the company with Stock Exchanges, certificate is obtained every six months from a Practicing Company Secretary with regard to, inter-alia, effecting transfer, transmission, sub-division and consolidation of equity shares within one month of the lodgement. The certificates are forwarded to BSE and NSE, where the equity shares are listed and also placed before the Board of Directors.

Distribution of Shareholdings as at 31st March, 2012:

Slab of Shareholdings No. of Shares	No. of Shareholders	Percentage of total shareholders	Amount in ₹	Percentage of total paid up capital
Less than 5000	28902	99.597	3729205	14.454
5001-10000	44	0.152	317106	1.229
10001-20000	29	0.1	422207	1.636
20001-30000	5	0.017	125055	0.485
30001-40000	3	0.01	104856	0.406
40001-50000	6	0.021	282457	1.095
50001-100000	9	0.031	627419	2.432
100001 & above	21	0.072	20192703	78.263
Total	29019	100.00	25801008	100.00



Categories of shareholders as at 31st March, 2012

Categories	Number of shares	% to shareholding
Promoters, Directors & Relatives	11471535	44.46
Mutual Funds & UTI	209241	0.81
Banks/Financial Institutions/Insurance Companies	2400	0.01
Foreign Institutional Investors	14000	0.05
Private Corporate Bodies	1687030	6.54
Indian Public	8353834	32.38
NRIs/OCBs/Foreign Nationals	4062968	15.75
Total	25801008	100.00

Dematerialisation of shares

As on 31st March, 2012, out of the total holding of 2,58,01,008 equity shares 2,15,16,784 shares representing 83.40% of the total holding are in dematerialized form.

Investor Correspondence

Registrar & Transfer agents	Sharepro Services (India) Pvt. Ltd. 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri -Kurla Road, Sakinaka Andheri (East) Mumbai-400072. Ph. No. 022-67720300/67720400 Fax No. 022- 28591568/28508927 sharepro@shareproservices.com Contact: Mrs. Manisha Jadhav / Ms. Indira Karkera
Company website	www.dskdl.com
Email id for investor grievances	secretarial@dskdl.com
Registered Office	'DSK House', 1187/60, J. M. Road, Shivajinagar, Pune - 411005
Mumbai Office	'DSK' on Veer Savarkar Marg (Cadle Road), Next to Mayor's Bungalow, Shivaji Park, Dadar, Mumbai – 400 028.

DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT.

This is to confirm that the company has adopted a Code of Conduct for all its Board Members and Senior Management of the Company. This Code is available on the Company's website.

I confirm that the Board Members and Senior Management of the Company have in respect of the financial year ended 31st March, 2012 complied with the Code of Conduct as applicable to them.

D. S. Kulkarni

Chairman & Managing Director

Place: Pune

Date: 8th August, 2012

CERTIFICATE

To the Members of

D. S. Kulkarni Developers Limited

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by D. S. Kulkarni Developers Limited ('the Company') for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchange, Mumbai and the National Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination conducted in the manner described in the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and on the basis of our examination described above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above - mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gokhale, Tanksale & Ghatpande,

Firm Registration No.: 103277W

Chartered Accountants

(S. M. Ghatpande)

Partner

Membership No: 30462

Place: Pune

Date: 8th August, 2012

Management discussion and analysis

Economic Overview

The Indian economy saw significant inflationary wave riding in the year gone by. Our Company is strongly supported by the service sector and as a result has been regarded as fast growing economy after China. An established IT and ITES industry, a growing BFSI and emerging manufacturing, media and telecom are majorly contributing to the growth.

Fiscal 2012 was marked by the political instability and policy paralysis which added as a fuel to the country's stagnancy. The country saw a lot of debate on FDI policy and issues like GAAR and corruption.

The global economy is keeping an eye on the Eurozone crisis though the Indian economy showed some resilience. The corporations across the world are worried about the liquidity crunch that Euro crisis may cause. In anticipation of a possible global economic slowdown in the near term, all real estate stakeholders have been cautious about their expansion and investment plans. The heavy dependence of the real estate sector on the service industry which in turn is dependent on the global economic situation is a near term restraint on the real estate sector's growth. However, the depreciation of rupee against the dollar has led to an increasing interest in sourcing services from India as well as domestic needs could sustain the growth of service industry in the near term.

Year 2011 saw RBI raising interest rates thirteen times between March 2010 and October 2011 to counter inflationary pressures but in 2012 RBI is seemingly changing its stance to keep rates stable. But consumer credit as well as business finance have become more expensive.

Real Estate Sector Overview

India is witnessing urbanisation on an unprecedented scale with the share of the urban population increasing continuously. Urbanisation is changing India's face with iconic architectural designs with sky touching buildings. Meanwhile the smaller towns and cities are witnessing the expansion of roads and flyovers and consequently real estate development is growing. This rapid urbanisation is expected to offer large-scale opportunities for real estate and infrastructure development in Indian cities, as well as access to a large skilled workforce.

In India, private developers primarily target luxury, high-end and upper-mid housing segment, since it fetches a premium over low income housing. This leads to a sustained supply for this segment, increasing market competitiveness for developers. On the other hand, the housing for the poor and EWS is primarily provided by the government for welfare purposes which is insufficient compared to the existing shortage in the segment. Thus, it is the housing requirements of the middle-income and lower middle income groups that are grossly neglected, and there exists a huge dearth in the supply of affordable houses.

India's young population is growing and this may provide an immense opportunity for growth and development across industries, off course real estate not keeping behind. Besides the higher rate of savings and availability of all sorts of credits are increasing the purchasing power of individuals which is leading to afford housing for middle and upper-middle income segment, which is desirous of a higher standard of living. Residential units are one of the most favoured investment options of the Indian household and as incomes rise, many households tend to invest in second homes as investment vehicles.

Residential Real Estate

Residential real estate in India is guided by the localized, fragmented market presence which creates an opportunities for consolidation. Rapid urbanization, decreasing household size, easy availability of home loans are key drivers to the real estate sector.

The opportunity lying in the real estate sector is evident by the fact that there is a favourable gap between

demand and supply in low and middle income segments. Urbanization is now shifting its way to tier II and III cities from Tier I cities, giving increasing opportunities in these cities.

After the 2008 sub-prime crisis, real estate sector is witnessing a consolidation phase.

The Outlook:

Recent growth in the Indian economy has stimulated demand for developed real estate. Demand for residential, commercial and retail real estate is rising throughout India. Dependency of real estate on service sector has become inevitable. Though the service sector is experiencing effects of global slowdown, depreciation in rupee is providing support to this industry.

Real estate development is seen in all area such as - residential, retail and commercial - in metros of India such as Mumbai, Delhi & NCR, Kolkata and Chennai and also the Tier II cities. Few of the growth factors of real estate development seem to be easier access to bank loans and higher earnings and savings.

With a view to promote investment in townships, housing, built-up infrastructure and development projects as an instrument to generate economic activity, create new employment opportunities and add it on to the available housing stock, the Government of India has decided to allow FDI up to 100 per cent under the automatic route in townships, built-up infrastructure and development projects. A lot of projects are seen for developing townships which will change the taste of customers.

Union Budget 2012-13 has given major thrust to accelerating the pace of investment in infrastructure. If the infrastructure reaches to the nook and corner of the country, real estate development will get boost as a corollary to the infrastructure development.

Opportunities

Real estate is majorly dependent on IT/ITES industry, a growing BFSI sector, and the emerging sectors such as - Manufacturing, Media and Telecom. Growth of these sector is mainly seen in the Tier I and II cities where your Company operates. With growth of these sectors, urbanization will increase and this will lead to real estate boom especially for residential housing projects. A phase has passed by where real estate saw down siding and is currently consolidating. Customers who are waiting on the border line for lower rates are jumping into the market.

After the economic slow down of 2008-09, real estate prices are inching upwards.

With the proposed township project on the target, the Company will have to enter into commercial space, the segment which was less stressed by the Company. With the debates on FDI in retail, the commercial real estate seems to be the new buzz.

With the government's infrastructure initiatives going to the roots of the country, real estate sector will get a boost not only in Tier I or II cities but for other cities also.

Threats Risks & Concerns

With every increase in inflationary number, RBI is persuaded to review its rate change policy. Leakages in the subsidy payments are adding to the inflationary woes leading RBI to raise interest rates. These are affecting not only customer decisions for housing but also adding to the cost of construction thereby increasing the real estate prices.

Real estate is concentrated mostly in urban areas of Tier I and II cities. But urbanization has limitations of infrastructure. Beyond a certain limit, a city cannot expand which may stall real estate development.

With high population density, which is constantly growing due to rapid urbanisation, there exists a huge demand for land in urban India. The real shortage has been further exacerbated artificially by poorly conceived central,



state and municipal regulations. As a result, land prices in India are much higher than their intrinsic level that can support mass real estate developments.

Strong protection to property titles is essential. Entities and individuals who own land have a huge advantage over others who are landless. Due to lack of transparency in getting correct transactional information, there are long search times and high costs involved in acquiring land which leads to delay in taking output.

The rising construction costs are pushing up the price expectations of developers which is acting as a hurdle in clearing residential stocks. Increase in construction costs leads to increase in prices of real estate hampering decision making by buyers.

Despite having an extensive network of financial institutions, banks and apex housing cooperative societies, middle and low-income groups lack access to affordable home finance. Adding fuel to fire is RBI's stance of raising interest rates.

Another aspect of rising construction cost is that small schemes by small developers at affordable prices, offering minimum amenities may find appeal with prospective, targeted buyers and may provide competition.

The process of real estate development is particularly affected by the inefficiency of urban local bodies, which undertake city planning, deliver utility services and regulate controls on development through approvals. A lengthy approval process results in delays in projects eventually escalating construction cost.

With the development of infrastructure through government schemes such as JnNURN, NREGS, etc. the skilled and semi-skilled labour are returning to their home town for employment resulting in migration from cities. This may lead to shortages of labour.

Risk Mitigation

The Tier I & II cities are expanding beyond city limits. This has resulted into clustered suburbs. The Company is coming up with a Special Township Project which is adjacent to Pune suburbs. The Township will have mix of products- from residential to commercial. This will diversify the risk of product sale. Target clientele being high income groups, factors such as interest rate hikes, inflation, etc. are not likely to impact sale of such luxury / high end products.

Prudent financial management, together with a calibrated build up of land banks, will not put stress on fund management. Increased reliance on project advances and schemes such as ADF and judicious use of cash generated by liquidating existing inventories and controlling costs will help boost stronger capital structures.

The need of the hour is to become more organised and efficient and aim for global best practices, in terms of construction and design. Newer and better technical know-how and specialized construction techniques, using good quality economic materials and employing trained professionals is required. This will help implement new projects faster and in a more efficient manner. New construction technology has also evolved, so using the latest techniques is vital in such a competitive environment.

The Company has to adopt the changing taste of the customers. The landscape of the country has undergone a radical change in recent years. One has to position oneself firmly on the radar of international brands.

Buyers have become very cautious about their investments and they are always on the lookout for value for money. The product has to be priced appropriately to suit customers. The Company will continue its policy of optimal product pricing.

The Company recognizes that volumes bring in economics of scale, cost effectiveness, higher turnover, better standards (on par with international ones) and consequential benefits to all the stakeholders from customers to shareholders. Accordingly, the Company is focusing more on large development schemes at niche locations.

Timely execution of the project is key to cost mitigation. Simultaneously, sales effort has to be aggressive. The construction progress and sale complement each other.

Internal Control Systems and their adequacy

The Company has a policy of reviewing and if necessary, revising its systems and procedures to ensure controls at appropriate levels. All operating parameters are periodically monitored and strengthened. Concurrent internal audit to review processes, checks and controls, as defined in the audit plan drawn up by the Audit Committee in consultation with statutory auditors of the Company are carried out by an independent firm of Chartered Accountants. The Audit Committee of the Board of Directors reviews the effectiveness of internal controls and suggests improvements for strengthening them whenever required. For integrating all the departments, an ERP system has been implemented in the Company which will control horizontal and vertical levels in the Company.

Customer Care and Satisfaction

Thousands of customers believe in the Company's brand equity created not by media publicity but by words of goodwill carried by the satisfied customers. The Company arranges many social and cultural events for customers. The Company invites its customers for events like "Bhoomipujan" at the launching of a project. Handing over ceremony is held at the time of giving possession of flats to its customers. Customer meets are arranged at various stages of the project and their valuable suggestions are taken into account. It helps the Company to give the best possible product. The Company educates its customers on taking precautionary measures during monsoon and in keeping their surroundings clean and also to maintain their buildings to ensure long life for their houses.

Financial Performance

Your Company has registered an increase of 4% in its PAT and EPS. The Company's current ratio is 1.95 times and Debt-Equity Ratio is 0.73. With the launch of new projects and Special Township in this fiscal, the Company's income is expected to grow with rise in profits.

Development of Human Resources

The Company treats its work force as family members and endeavors to keep the "family-like" work environment by having good HR practices, behavioral and technical training, welfare schemes, celebration of annual sports and cultural events with active participation of all employees, developing leadership qualities amongst them, etc. The Company implements a retention policy to nurture them as a talent in the Company.

Corporate Social Responsibility

DSK Group believes "giving back to society". As a social obligation, it always takes efforts to support society for a good cause.

Entrepreneurship was always supported by the Group. The Group always provides mentoring support to entrepreneurs for commencement of new business by young entrepreneurs. Every year successful entrepreneurs who started from the scratch and created employment opportunities are honoured by the Group with "Self Made Man Award".

The prestigious DSK Energy Awards are handed over every year to those who make an enormous efforts in conserving energy. The awards are given in Individual, NGO, Corporate and Product categories. The main motto of this award is to encourage and motivate individuals and organizations working in the field of energy conservation or renewable energy.

The students from the economically weaker section require a helping hand. The Group distributes notebooks and textbooks to students from the Municipal Schools. The meritorious students are rewarded. Construction material is provided for the expansion of schools. The Group helps the organizations which work for orphans. In



order to give them the experience of actual cricket match on the ground, a group of 100 orphaned children was sponsored to watch the cricket match of the IPL tournament at D.Y. Patil Stadium, Mumbai.

The cultural activities are always promoted by the Group whether it be preservation of antique artistic materials or be it a tribute to Pandit Bhimsen Joshi at night of 31st December, 2011 at historic Shaniwar Wada in Pune. The Group has been organizing DSK Gappa (literary chats) since past 13 years and has become a landmark in cultural movement of Pune.

The Group has planted thousands of trees in and around Pune. The trees were planted on land made available by government & individuals. The Group distributes saplings to individuals on their demand.

The Group has started celebrating the Ganesh Festival in eco friendly manner. On the eve of every Ganpati immersion, the floral and other offerings given to Lord Ganesha are collected by the Company's volunteers so that the river and water reservoirs remain less polluted. These floral offerings are processed to make them fertilizers and manures and distributed free of cost to maintain trees.

The Group helped by encouraging 1200 students to make the rocky hill of Fergusson College a forest fire land.

A drive was initiated by the Group to create awareness in General Public regarding "Female Foeticide" A long march was organized on the birth anniversary of Mahatma Gandhi. A poster competition was organized on this subject and prizes were distributed to the best artists. To highlight the subject a seminar was organized which was addressed by the eminent speakers. A street play competition was also a part of the drive.

As a part of social responsibility, donations were given to NGOs working for social cause.

The Company strongly believes in protecting environment in its business activities also. It endeavours to train its customers on the eco-friendly methods to manage their lifestyle health wise. The Company has made various important improvements in the areas of fresh water distribution and treatment, sewage treatment plant (STP) for purified water for gardening, rain water utilization and harvesting, energy conservation planning, solid waste/ garbage management, eco friendly material, provision of nature parks for big projects, etc.

Cautionary Statement

Certain statements in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc. whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamities and other force majeure conditions, etc. over which Company does not have any control.

Independent Auditors' Report to the Members

To,
The Members of **D. S. Kulkarni Developers Ltd.**
Report on the Financial Statements

We have audited the financial statements of **D. S. Kulkarni Developers Ltd.** which comprise the

- a) Balance Sheet as at the **31st March, 2012**
- b) Statement of Profit and Loss for the year ended on that date
- c) Cash Flow Statement for the year ended on that date

Management Responsibility for the financial statements

The Management of the Company is responsible for -

- a) the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in Section 211(3C) of the Companies Act, 1956. (the "Act") and are free from material misstatement, whether due to fraud or error.
- b) the design, maintenance of the internal control relevant to the preparation and presentation of these financial statements.

Auditors' Responsibility

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

An audit includes

- a) performing procedures and examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.
- b) evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at the **31st March, 2012**;
and



- b) In the case of the Statement of Profit and Loss, of the **profit** of the Company for the year ended on that date;
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on other legal and regulatory requirements

- a) As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Act, we enclose, on the basis of our opinion, our examination of the relevant records and according to the information and explanation given to us, in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
- b) As required by Section 227(3) of the Act, we report that:
 - 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 appears from our examination of those books;
 - iii. The Balance Sheet, the Statement of Profit and Loss and also the Cash Flow Statement of the Company dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, the Statement of Profit and Loss and also the Cash Flow Statement of the Company dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Act;
 - v. On the basis of the written representation received from the directors as at **31st March, 2012**, and taken on record by the Board of Directors, we do hereby certify that none of the directors of the Company i.e. **D. S. Kulkarni Developers Ltd.** as on **31st March, 2012** is disqualified u/s 274(1) (g) of the Act on the said date for being appointed as a director in the aforesaid company;
 - vi. We cannot, as required by S.227(3)(g) of the Act, state whether the cess payable u/s 441A of the Act, has been paid and, if not, the details of the amount of cess not so paid because the Central Government has not, till the date of this report, notified u/s 441A(1) of the Act the amount of cess payable u/s 441A(2) and has not specified u/s 441A(4) of the Act the manner in which the said cess is to be paid.

For Gokhale, Tanksale & Ghatpande,

Firm Registration No.: 103277W

Chartered Accountants

S. M. Ghatpande

Partner

Membership No. 30462

Place: Pune

Date: 23rd May, 2012

Annexure Referred to in Paragraph a) under the heading “Report on other legal and regulatory requirements” of Our Report of Even Date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management has not physically verified all the fixed assets during the year but there is a regular programme of verification which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year under review, the Company has not disposed of a substantial part of its fixed assets.
- (ii) (a) The management has conducted physical verification of inventories at reasonable intervals during the year.
- (b) The procedures of such physical verification are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The contents of Paragraph 4(iii)(a),(b),(c) and (d) of CARO, 2003 are not applicable since the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained u/s 301 of the Act.
- (b) The contents of Paragraph 4(iii)(a),(b),(c) and (d) of CARO, 2003 are not applicable since the Company has not taken loans, secured or unsecured, from companies, firms or other parties covered in the register maintained u/s 301 of the Act.
- (iv) There are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weakness or continuing failure to correct a major weakness in the internal control systems in respect of these areas.
- (v) (a) The particulars of the contracts or arrangements which were entered into during the year under review with the parties referred to in S.301 of the Act and which need to be entered into the register maintained u/s 301, of the Act have been recorded therein;
- (b) The transactions made in pursuance of the contracts or arrangements referred to under subclause (a) above, which exceed ₹ 5,00,000/- in each case have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and the Reserve Bank of India Directives in the matter of acceptance of deposits from the public. No Order has been passed by the Company Law Board in this regard.
- (vii) The Company has an internal audit system, which is commensurate with its size and the nature of its business.
- (viii) The Company has maintained cost records as required by the Companies (Cost Accounting Records) Rules, 2011 made by the Central Government u/s 209(1)(d) of the Act.
- (ix) (a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, TDS, Income-tax (except advance tax), Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it. There are no arrears of outstanding undisputed statutory dues (except advance tax of approximately ₹ 3.18 crores) as at the last day of the financial year for a period of more than six months from the date those became payable.



- (b) There are no disputed amounts outstanding in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it as at the last day of the Financial year. The disputed amounts in respect of income tax are as follows:

₹ Lacs

Sr. No.	Fourm where dispute is pending	Asst. Yr.	31-Mar-12	31-Mar-11
1.	Income Tax Appellate Tribunal	2004-05	22.25	22.25
2.	Income Tax Appellate Tribunal	2005-06	-	10.00
3.	Commissioner of Income Tax (Appeals)	2006-07	-	7.14
4.	Commissioner of Income Tax (Appeals)	2007-08	159.94	197.80
5.	Commissioner of Income Tax (Appeals)	2008-09	111.00	209.44
6.	Commissioner of Income Tax (Appeals)	2009-10	131.94	-
Total			425.13	446.63

- (x) The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (xii) The contents of Paragraph 4(xii) of CARO, 2003 are not applicable since the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The contents of Paragraph 4(xiii) of CARO, 2003 are not applicable since the Company is not a chit fund or a nidhi or a mutual benefit fund/society.
- (xiv) The contents of Paragraph 4(xiv) of CARO, 2003 are not applicable since the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has given a guarantee of ₹ 100 crores in respect of a loan taken by its subsidiary others from a bank.
- (xvi) The Company has applied the term loans obtained during the year under review were applied for the purposes for which they were obtained.
- (xvii) The Company has not used the funds raised on short-term basis for the purposes of long-term investment.
- (xviii) The contents of Paragraph 4(xviii) of CARO, 2003 are not applicable since the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained u/s 301 of the Act.
- (xix) The contents of Paragraph 4(xix) of CARO, 2003 are not applicable since the Company has not issued debentures.
- (xx) The contents of Paragraph 4(xx) of CARO, 2003 are not applicable since the Company has not raised any money by public issue during the year.
- (xxi) The contents of Paragraph 4(xxi) of CARO, 2003 are not applicable since no fraud on or by the Company has been noticed or reported during the year.

For Gokhale, Tanksale & Ghatpande,

Firm Registration No.: 103277W

Chartered Accountants

S. M. Ghatpande

Partner

Membership No. 30462

Place: Pune

Date : 23rd May 2012

D. S. Kulkarni Developers Ltd.

Balance Sheet as at	Note No.	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
I. Equity and Liabilities					
1. Shareholders' Funds					
a) Share capital	3	258,010,080		258,010,080	
b) Reserves and surplus	4	4,499,781,714	4,757,791,794	4,356,413,824	4,614,423,904
2. Non-current liabilities					
a) Long-term borrowings	5	1,381,957,859		1,107,730,129	
b) Deferred tax liabilities (Net)	6	8,327,868	1,390,285,727	7,694,981	1,115,425,110
3. Current liabilities					
a) Short-term borrowings	7	3,730,643,483		3,362,504,428	
b) Trade payables		83,679,051		144,748,193	
c) Other current liabilities	8	1,159,842,432		1,775,326,118	
d) Short-term provisions	9	499,547,794	5,473,712,760	420,563,752	5,703,142,491
TOTAL			11,621,790,281		11,432,991,505
II. Assets					
1. Non-current assets					
a) Fixed Assets					
i) Tangible assets	10	413,302,878		412,692,647	
ii) Intangible assets	11	2,440,489		3,113,108	
iii) Intangible assets under development		802,200	416,545,567		415,805,755
b) Non-current investments	12		507,286,815		507,016,015
2. Current assets					
a) Inventories	13	9,317,927,538		9,438,120,369	
b) Trade receivables	14	19,551,633		19,007,854	
c) Cash and cash equivalents	15	164,860,141		290,803,570	
d) Short-term loans and advances	16	746,064,569		380,806,839	
e) Other current assets	17	449,554,018	10,697,957,899	381,431,104	10,510,169,735
TOTAL			11,621,790,281		11,432,991,505
Contingent liabilities and commitments (to the extent not provided for)	18		1,136,922,000		1,178,986,000
Corporate Information & Statement of Accounting Policies	1-2				

The accompanying notes are an integral part of these financial statements.

As per our audit report of even date.

For Gokhale, Tanksale & Ghatpande,

Firm Registration No.: 103277W

Chartered Accountants

For & on behalf of the Board of Directors

D. S. Kulkarni

Chairman & Managing Director

V. C. Joshi

Director

Place: Pune

Date: 23rd May, 2012

Amol Purandare

Company Secretary

S. M. Ghatpande

Partner

Membership No. 30462

Place: Pune

Date: 23rd May, 2012



D. S. Kulkarni Developers Ltd.

Profit and Loss Statement for the year ended	Note No.	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
I. Revenue from operations	19		1,936,543,824		2,002,835,375
II. Increase/(Decrease) in inventories of Finished Tenements & Work-in-Progress	20		(115,551,054)		(193,284,214)
III. Other income	21		16,751,682		14,406,371
IV Total			1,837,744,452		1,823,957,532
V Expenses:					
Land/or Development expenses	22		1,310,871,047		1,279,863,753
Office & administration expenses	23		60,446,704		63,408,652
Employee benefits expense	24		89,816,210		74,891,352
Selling expenses	25		77,652,923		77,177,052
Finance expenses	26		61,908,433		37,907,193
Depreciation and amortization expense	27		14,255,185		11,592,952
Other Expenses	28		-		22,722,550
Total			1,614,950,502		1,567,563,504
VI. Profit before exceptional and extra- ordinary items and tax			222,793,950		256,394,028
VII. Exceptional Items	29		32,303,396		(5,099,213)
VIII. Profit before extra-ordinary items and tax			255,097,346		251,294,815
IX. Extra-ordinary items			(2,496,873)		-
X. Profit before tax			252,600,473		251,294,815
XI. Tax expense					
1. Current tax		(78,613,120)		(82,500,000)	
2. Deferred tax		(632,886)	(79,246,006)	(2,088,366)	(84,588,366)
XII. Profit/(Loss) for the period from continuing operations			173,354,467		166,706,449
XIII. Earnings per equity share					
1. Basic	30		6.72		6.46
2. Diluted			6.72		6.46
Corporate Information and Statement of Accounting Policies	1-2				

The accompanying notes are an integral part of these financial statements.

As per our audit report of even date.

For Gokhale, Tanksale & Ghatpande,

Firm Registration No.: 103277W

Chartered Accountants

For & on behalf of the Board of Directors

D. S. Kulkarni

Chairman & Managing Director

S. M. Ghatpande

Partner

Membership No. 30462

Place: Pune

Date: 23rd May, 2012

V. C. Joshi

Director

Place: Pune

Date: 23rd May, 2012

Amol Purandare

Company Secretary

D. S. Kulkarni Developers Ltd.

Cash Flow Statement for the year ended	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
A) Cash Flow From Operating Activities				
Net Profit before Tax & Extraordinary Items		255,097,346		251,294,814
<i>Adjustments for</i>				
Minority Interest				
Extraordinary items	(2,496,873)		—	
Depreciation	14,255,185		11,592,952	
Miscellaneous Expenses Written off	—		22,722,550	
Loss/(Profit) on Sale of Assets	469,733		5,126	
Interest Expenditure	60,912,459		43,006,406	
Interest and Dividend Received	(15,166,276)	57,974,228	(8,593,227)	68,733,807
Operating Profit before Working Capital Changes		313,071,574		320,028,621
<i>Adjustments for</i>				
(Increase)/Decrease in Inventories	120,192,830		197,595,008	
Increase/(Decrease) in Short Term Borrowings	368,139,055		—	
Increase/(Decrease) in Other Current Liabilities	(615,483,686)		—	
Increase/(Decrease) in Employee Benefits Provisions	570,231		—	
Increase/(Decrease) in Trade Payables	(61,069,141)		1,299,120,128	
(Increase)/Decrease in Receivables	(543,779)		235,673,757	
(Increase)/Decrease in Loans and Advances	(365,257,731)	(553,452,221)	(213,152,887)	1,519,236,006
Cash generated from Operations		(240,380,647)		1,839,264,627
Income Tax Paid		(68,122,914)		(113,467,247)
Net Cash from Operating Activities (A)		(308,503,561)		1,725,797,380
B) Cash Flow from Investing Activities				
Purchase of Fixed Assets	(15,932,203)		(71,674,738)	
Sale of Fixed Assets	467,473		53,333	
Interest and Dividend Received	15,166,276		8,593,227	
Dividend Received	—		—	
Decrease/(Increase) in Investments	(270,800)		(139,673,315)	
Net Cash used in Investing Activities (B)		(569,254)		(202,701,493)
C) Cash Flow from Financing Activities				
Interest Paid	(60,912,459)		(43,006,406)	
Dividend Paid	(25,801,008)		(25,801,008)	
Dividend Tax Paid	(4,384,881)		(4,384,881)	
Increase/(Decrease) in Secured Loans	274,227,731		(1,023,014,068)	
Increase/(Decrease) in Unsecured Loans	—		(331,353,000)	
Net Cash used in Financing Activities (C)		183,129,382		(1,427,559,363)
Net increase/decrease in cash and cash equivalents (A+B+C)		(125,943,432)		95,536,524



D. S. Kulkarni Developers Ltd.

Cash and Cash Equivalent as at beginning of the year		290,803,570		195,267,045
Cash and Cash Equivalent as at end of the year		164,860,137		290,803,569

The accompanying notes are an integral part of these financial statements.

As per our audit report of even date.

For Gokhale, Tanksale & Ghatpande,

Firm Registration No.: 103277W

Chartered Accountants

For & on behalf of the Board of Directors

D. S. Kulkarni

Chairman & Managing Director

S. M. Ghatpande

Partner

Membership No. 30462

Place: Pune

Date: 23rd May, 2012

V. C. Joshi

Director

Place: Pune

Date: 23rd May, 2012

Amol Purandare

Company Secretary

D. S. Kulkarni Developers Ltd.

Notes to the financial statements for the year ended 31-Mar-12

1. Corporate Information:

D. S. Kulkarni Developers Ltd. is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ("the Act"). The Company is engaged in the business of real estate development in India. The Company is not a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Act, in as much as

- a) its turnover (excluding other income) did exceed ₹ 50 crores in the immediately preceding accounting year and in the year under review, and
- b) it did have borrowings (including public deposits) in excess of ₹ 10 crores at any time during the immediately preceding accounting year and in the year under review
- c) its equity shares are listed on the Mumbai and National Stock Exchanges.
- d) it is the holding or subsidiary company of DSK Global Education & Research P. Ltd. which is not a SMC although
- e) it is not a bank, financial institution or an insurance company.

2. Basis of Preparation of Financial Statements

These financial statements comply in all material respects with the relevant provisions of the Act, the Generally Accepted Accounting Principles in India, and the Accounting Standards issued by the Institute of Chartered Accountants of India which are prescribed in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government u/s 211(3C) read with Sections 210A(1) and 642(1)(a) of the said Act. As required by AS 1 issued by the Institute of Chartered Accountants of India, the accounting policies followed in the preparation of these financial statements are disclosed below.

2.1 Summary of significant accounting policies

2.1.1 Presentation and disclosure of financial statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary companies, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.1.2 Accounting Convention:

These financial statements are prepared under the historical cost convention.

2.1.3 Method of Accounting:

As required by Section 209(3)(b) of the Act, these financial statements are prepared in accordance with the accrual method of accounting with revenues recognized and expenses accounted on their accrual including provisions/ adjustments for committed obligations and amounts determined as payable or receivable during the period.

2.1.4 Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the end of the reporting periods and the reported amounts of revenues and expenses for the reporting periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected.

2.1.5 Consistency:

These financial statements have been prepared on a basis consistent with previous years and accounting policies not specifically referred hereto are consistent with generally accepted accounting principles.

2.1.6 Contingencies and Events occurring after the Balance Sheet Date:

AS 4 issued by the Institute of Chartered Accountants of India is not applicable since there are no such contingencies nor events.

2.1.7 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies:

The Company's Profit and Loss Account presents profit/loss from ordinary activities. There are no extraordinary items or changes in accounting estimates and policies during the year under review which need to be disclosed as per AS 5 issued by the Institute of Chartered Accountants of India. The prior period adjustments represent interest paid for delay in payment of income tax.

2.1.8 Cash Flow Statements:

Cash Flows are reported as per the Indirect Method as specified in AS 3 issued by the Institute of Chartered Accountants of India.

2.1.9 Previous Year Figures:

The figures for the previous year have been rearranged as follows to facilitate comparison.

2.2 Fixed Assets

2.2.1 Tangible Fixed Assets: In accordance with AS 10 issued by the Institute of Chartered Accountants of India,

- i) Tangible Fixed Assets are stated at cost of acquisition or construction net of accumulated depreciation and accumulated impairment losses, if any.
- ii) The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable incidental expenses related to acquisition and installation and other pre-operative expenses of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- iii) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

- iv) From accounting periods commencing on or after 7th December, 2006, the company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.
- v) Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

2.2.2 Depreciation on Tangible Fixed Assets: In accordance with AS 6 issued by the Institute of Chartered Accountants of India,

- i) Depreciation on Tangible Fixed Assets is provided as per the straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956, for the period for which the asset is put to use.
- ii) Leasehold land is amortized on a straight line basis over the period of the lease.

2.2.3 Intangible Fixed Assets: In accordance with AS 26 issued by the Institute of Chartered Accountants of India,

- i) Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.
- ii) Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life.
- iii) Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.
- iv) The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.
- v) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
- vi) The Company has expensed the preliminary expenses and those pre-operative expenses which did not result in the creation of a tangible asset and the amalgamation expenses incurred in earlier years.

2.2.4 Borrowing Costs: In accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India,

- i) Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the

arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

- ii) A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
- iii) Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as an expense in the period in which those are incurred.

2.2.5 Impairment of tangible and intangible assets: In accordance with AS 28 issued by the Institute of Chartered Accountants of India,

- i) The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the recoverable amount of the asset. Such recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
- ii) The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.
- iii) Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.
- iv) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- v) An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.2.6 Research and development costs: In accordance with AS 26 issued by the Institute of Chartered Accountants of India,

- i) Research costs are expensed as incurred. Development expenditure incurred on an individual

project is recognized as an intangible asset when the Company can demonstrate all the following:

- a) The technical feasibility of completing the intangible asset so that it will be available for use or sale
 - b) Its intention to complete the asset
 - c) Its ability to use or sell the asset
 - d) How the asset will generate future economic benefits
 - e) The availability of adequate resources to complete the development and to use or sell the asset
 - f) The ability to measure reliably the expenditure attributable to the intangible asset during development.
- ii) Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

2.2.7 Leases: In accordance with Accounting Standard 19, issued by the Institute of Chartered Accountants of India,

A Where the company is lessee

- i) Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.
- ii) A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.
- iii) Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

B Where the Company is the lessor

- i) Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct

costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

- ii) Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

2.3 Investments: In accordance with AS 13 issued by the Institute of Chartered Accountants of India,

- i) Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- ii) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.
- iii) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- iv) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.
- v) An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the Company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- vi) The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- vii) Depreciation on building component of investment property is calculated on a straight-line basis using the rate arrived at based on the useful life estimated by the management, or that prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.
- viii) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.4 Inventories: In accordance with Accounting Standards 2 & 9 issued by the Institute of Chartered Accountants of India,

- i) Construction materials, components, stores and spares are valued at lower of cost and net realizable value (as certified by the management) after providing for the cost of obsolescence. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on FIFO basis.
- ii) Inventories of work in progress are valued, in accordance with the Percentage of Completion Method. Profit on incomplete projects is not recognized unless 20% expenditure has been

incurred in respect of the project. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/or write off of costs carried to inventories is made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the work in progress as at the balance sheet date will not be lower than the costs so included therein.

- iii) Inventories of finished tenements are valued at the carrying value or estimated net realizable value, (as certified by the management) whichever is the less.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.5 Revenue Recognition: In accordance with AS 9 issued by the Institute of Chartered Accountants of India,

- i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company. The following specific recognition criteria must also be met before revenue is recognized.
- ii) Income from real estate sales is recognized on the transfer of all significant risks and rewards of ownership to the buyer and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.
- iii) However, if, at the time of transfer, substantial acts are yet to be performed, revenue is recognized on proportionate basis as the acts are performed, that is, on the percentage of completion basis. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion. As the construction projects necessarily extend beyond one year, revision in estimates of costs and revenues during the year under review are reflected in the accounts of the year.
- iv) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross).
- v) Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.
- vi) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- vii) Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

2.6 Expense Recognition: Revenue Expenses such as those incurred on foreign and domestic exhibitions, advertisement for sale of tenements, interest on borrowings attributable to specific projects are included in the valuation of inventories of work in progress. Indirect costs are treated as period costs and are charged to the Profit & Loss Account in the year incurred. Expenses incurred on repairs & maintenance of completed projects are charged to Profit & Loss Account.

2.7 Foreign currency transactions and balances: In accordance with AS 11 issued by the Institute of Chartered Accountants of India,

- i) **Initial recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii) **Conversion:** Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.
- iii) **Exchange differences:** From accounting periods commencing on or after 7 December 2006, the Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:
 - a) Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
 - b) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset in accordance with the Ministry of Corporate Affairs Notification dated 31st March 2009. For this purpose, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
 - c) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
 - d) All other exchange differences are recognized as income or as expenses in the period in which they arise.
- iv) **Translation of integral and non-integral foreign operation:** The Company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations." The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at annual average exchange rates. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss. When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

2.8 Retirement and other employee benefits: In accordance with Accounting Standard 15 issued by the Institute of Chartered Accountants of India,

- i) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.
- ii) The Company operates one defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method. The Company has obtained a policy from the Life Insurance Corporation of India in respect of the gratuity obligation and the annual contribution paid by the Company to LIC is charged to the profit & loss statement. The actuarial gains and losses for the defined benefit plan are not recognized in the period in which they occur in the statement of profit and loss.

2.9 Tax Expense: In accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India,

- i) Tax expense comprises current and deferred tax.
- ii) Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
- iii) Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
- iv) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.
- v) In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.
- vi) At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

- vii) The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.
- viii) Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.
- ix) Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available for a particular assessment year as an asset only after the assessment for that year is complete and such credit is finally quantified and only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under the head "Current Assets". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down its carrying amount to the extent such credit is set-off u/s 115JAA or to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

2.10 Consolidated Financial Statements: In accordance with AS 21 and AS 27 issued by the Institute of Chartered Accountants of India, separate consolidated financial statements of the Company and its Subsidiaries have been prepared by combining on a line-to-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after fully eliminating intra-group balances, intra-group transactions and unrealised profits and losses.

2.11 Earnings Per Share: In accordance with Accounting Standard 20, issued by the Institute of Chartered Accountants of India,

- i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.
- ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2.12 Provisions: In accordance with Accounting Standard 29 issued by the Institute of Chartered Accountants of India,

- i) A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are

not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

- ii) **Warranty provisions:** Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

2.13 Contingent Liabilities and Contingent Assets: In accordance with Accounting Standard 29 issued by the Institute of Chartered Accountants of India,

- i) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.
- ii) Contingent assets are not recognized.

2.14 Measurement of EBITDA

- i) As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

2.15 Accounting Standards not applicable to the Company during the year under review:

- i) **Construction Contracts:** AS 7 is not applicable since the Company is not engaged in execution of construction contracts.
- ii) **Accounting for Government Grants:** AS 12 is not applicable since the Company has not received any Government Grants.
- iii) **Accounting for Amalgamations:** AS 14 is not applicable since the Company has not so far entered into any amalgamation.
- iv) **Segment reporting:** AS 17 is not applicable since the Company operates only in one segment, to wit, real estate development.
- v) **Accounting for Investments in Associates in Consolidated Financial Statements:** AS 23 is not applicable since the Company is not required to consolidate its financial statements.
- vi) **Discontinuing Operations:** AS 24 is not applicable since the Company has not so far discontinued operations.
- vii) **Interim Financial Reporting:** AS 25 is not applicable to the financial statements under review.
- viii) **Financial Reporting of Interests in Joint Ventures:** AS 27 is not applicable since the Company has no joint ventures.



D. S. Kulkarni Developers Ltd.

Notes to the Balance Sheet as at	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
3. Equity Share Capital				
a) Number of shares authorized		50,000,000		50,000,000
b) Amount of shares authorized		500,000,000		500,000,000
c) Number of shares issued, subscribed and fully paid		25,801,008		25,801,008
d) Number of shares issued and subscribed but not fully paid		—		—
e) Par value per share		10		10
f) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period				
i. Shares outstanding at the beginning of the reporting period		25,801,008		25,801,008
ii. Shares allotted during the reporting period		—		—
iii. Shares forfeited during the reporting period		—		—
iv. Shares bought back during the reporting period		—		—
v. Shares outstanding at the end of the reporting period		25,801,008		25,801,008
g) Shares in the Company held by each shareholder holding more than 5 per cent shares specifying the number of shares held				
1. H. D. Kulkarni	4,897,308		4,897,308	
2. D. S. Kulkarni	3,852,395		2,781,366	
3. S. D. Kulkarni	1,520,000		1,520,000	
4. Ashok Parmar	3,061,484		3,002,191	
5. Chander Bhatia	2,000,000		2,000,000	
6. Asha Bhatia	1,950,000	17,281,187	1,950,000	16,150,865
Total at the end of the reporting period		258,010,080		258,010,080
4. Reserves and Surplus				
a) Securities Premium Reserve				
i. Balance at the beginning of the reporting period	3,082,271,206		3,082,271,206	
ii. Additions during the reporting period	—		—	
iii. Deduction during the reporting period	—		—	
iv. Balance at the end of the reporting period	—	3,082,271,206	—	3,082,271,206

D. S. Kulkarni Developers Ltd.

Notes to the Balance Sheet as at	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
b) General Reserve				
i. Balance at the beginning of the reporting period	95,370,072		95,370,072	
ii. Additions during the reporting period	—		—	
iii. Deduction during the reporting period	—		—	
iv. Balance at the end of the reporting period		95,370,072		95,370,072
c) Surplus i.e. balance in Statement of Profit & Loss disclosing allocations and appropriations such as dividend, bonus shares and transfer to/from reserves etc.				
i. Balance at the beginning of the reporting period	1,178,772,546		1,042,991,840	
ii. Additions during the reporting period	173,354,467		166,706,449	
iii. Deduction during the reporting period				
Prior year adjustments	—		(739,854)	
Proposed equity dividend	(25,801,008)		(25,801,008)	
Tax on equity dividend	(4,185,569)		(4,384,881)	
iv. Balance at the end of the reporting period		1,322,140,436		1,178,772,546
Total at the end of the reporting period		4,499,781,714		4,356,413,824
5. Long-Term Borrowings				
i) Long-term borrowings secured				
a) Term loans				
i Project term loan	162,963,667		322,224,656	
ii Equipment term loans	182,313,975		18,058,738	
iii Corporate term loans	253,227,121		268,498,843	
iv Vehicle Term Loan	3,568,096	602,072,859	5,426,892	614,209,129
Please see attached Statement of Borrowings for				
i Nature of security and guarantee				
ii Terms of repayment				
ii) Long-term borrowings unsecured				
a) Deposits				
i Deposits from public		779,885,000		493,521,000
Total at the end of the reporting period		1,381,957,859		1,107,730,129



D. S. Kulkarni Developers Ltd.

Notes to the Balance Sheet as at	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
6. Deferred Tax Liability:				
The deferred tax liability comprises the effect of the following:				
DTL resulting from timing difference between book depreciation and tax depreciation		8,327,868		7,694,981
Total at the end of the reporting period		8,327,868		7,694,981
7. Short-term borrowings				
i Short-term borrowings secured				
a) Working capital limits	173,569,739		142,910,155	
b) Current maturities of long-term debt	630,474,945		802,107,377	
c) Interest accrued but not due on borrowings	4,469,681	808,514,365	3,357,305	948,374,837
ii) Short-term borrowings unsecured				
a) Interest accrued but not due on borrowings	36,295,480		—	
b) Current maturities of long-term debt	783,070,000		559,860,000	
c) Inter corporate deposits	469,275,000		22,900,000	
d) Loans and advances from related parties	31,406,041		14,535,584	
e) Deposits	60,000		10,000	
f) Unclaimed public deposits	31,414,000		16,578,000	
g) Deposits from subsidiary	2,500,000		2,500,000	
h) Other loans and advances	1,568,108,597	2,922,129,118	1,797,746,007	2,414,129,591
Total at the end of the reporting period		3,730,643,483		3,362,504,428
8. Other current liabilities				
a) Unpaid dividends		1,845,538		1,808,323
b) Statutory liabilities		31,591,606		22,501,749
c) Other payables		1,126,405,288		1,751,016,046
Total at the end of the reporting period		1,159,842,432		1,775,326,118
9. Short-term provisions				
a) Provision for employee benefits		8,848,715		8,278,484
b) Provision for Income Tax		460,712,502		382,099,379
c) Proposed Dividend		25,801,008		25,801,008
d) Tax on Dividend		4,185,569		4,384,881
Total at the end of the reporting period		499,547,794		420,563,752

D. S. Kulkarni Developers Ltd.

Notes to the Balance Sheet as at 31-Mar-12

10 Tangible Fixed Assets		Gross carrying amount at beginning of reporting period	Additions during reporting period	Disposals during reporting period	Gross carrying amount at end of reporting period	Accumulated depreciation at beginning of reporting period	Depreciation for reporting period	Depreciation on disposals during reporting period	Accumulated depreciation at end of reporting period	Net carrying amount at beginning of reporting period	Net carrying amount at end of reporting period
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land	Current Year	272,491,019	—	—	272,491,019	—	—	—	—	272,491,019	272,491,019
	Previous Year	259,202,673	13,288,346	—	272,491,019	—	—	—	—	259,202,673	272,491,019
	Plant & Machinery	102,326,592	7,895,339	—	110,221,931	8,489,587	5,105,234	—	13,594,821	93,837,005	96,627,110
	Previous Year	59,033,481	43,293,111	—	102,326,592	4,964,966	3,524,601	—	8,489,587	54,068,495	93,837,005
	Office Machinery	35,412,881	2,635,424	(8,800)	38,240,505	25,310,998	3,441,486	—	28,752,484	10,101,883	9,488,021
	Previous Year	31,885,664	3,527,017	—	35,412,881	22,228,808	3,082,190	—	25,310,998	9,657,055	10,101,883
	Furniture & Fixtures	4,650,828	684,208	—	5,335,036	1,308,237	326,906	—	1,635,143	3,342,591	3,699,893
	Current Year	4,054,862	595,966	—	4,650,828	1,048,577	259,660	—	1,308,237	3,006,285	3,342,591
	Vehicles	50,275,607	3,534,575	(2,020,612)	51,789,570	17,355,458	4,529,483	(1,092,206)	20,792,735	32,920,149	30,996,835
	Previous Year	41,212,866	9,327,056	(264,135)	50,275,607	13,515,788	4,045,345	(205,675)	17,355,458	27,696,898	32,920,149
Total		465,156,927	14,950,546	(2,029,412)	478,078,061	52,464,280	13,403,109	(1,092,206)	64,775,183	412,692,647	413,302,878
	Previous Year	395,389,566	70,031,496	(264,135)	465,156,927	41,758,159	10,911,796	(205,675)	52,464,280	353,631,406	412,692,647
11 Intangible Fixed Assets											
		Gross carrying amount at beginning of reporting period	Additions during reporting period	Disposals during reporting period	Gross carrying amount at end of reporting period	Accumulated depreciation at beginning of reporting period	Depreciation for reporting period	Depreciation on disposals during reporting period	Accumulated depreciation at end of reporting period	Net carrying amount at beginning of reporting period	Net carrying amount at end of reporting period
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Computer software	Current Year	8,419,662	179,457	—	8,599,119	5,306,554	852,076	—	6,158,630	3,113,108	2,440,489
	Previous Year	6,776,420	1,643,242	—	8,419,662	4,625,397	681,157	—	5,306,554	2,151,023	3,113,108
Total		8,419,662	179,457	—	8,599,119	5,306,554	852,076	—	6,158,630	3,113,108	2,440,489
	Previous Year	6,776,420	1,643,242	—	8,419,662	4,625,397	681,157	—	5,306,554	2,151,023	3,113,108



D. S. Kulkarni Developers Ltd.

Notes to the Balance Sheet as at	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
12. Non-current investments				
a) Investments in Equity Instruments				
i. Subsidiaries	236,473,315		236,473,315	
ii. Joint ventures	-	236,473,315	230,000	236,703,315
b) Investments in debentures or bonds				
i. Subsidiaries		269,650,000		269,650,000
c) Other non-current investments in cooperative banks		1,163,500		662,700
Total at the end of the reporting period		507,286,815		507,016,015
Additional Disclosures				
a) Investments carried at other than at cost and the basis for valuation thereof		Nil		Nil
b) Aggregate amount of quoted investments		-		-
c) Market value of quoted investments		NA		NA
d) Aggregate amount of unquoted investments;		507,286,815		507,016,015
e) Aggregate provision for diminution in value of investments		Nil		Nil
13. Inventories				
a) Construction materials	7,860,862		12,502,639	
b) Work-in-progress	8,754,102,681		7,928,508,022	
c) Finished tenements	555,963,995	9,317,927,538	1,497,109,708	9,438,120,369
Total at the end of the reporting period		9,317,927,538		9,438,120,369
Mode of valuation: See Note 2				
14. Trade Receivables				
a) Receivables outstanding for less than six months				
i. Unsecured considered good		15,248,679		15,265,949
b) Receivables outstanding for a period exceeding six months				
i. Unsecured, considered good		4,302,954		3,741,905
c) Debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member		Nil		Nil
Total at the end of the reporting period		19,551,633		19,007,854

D. S. Kulkarni Developers Ltd.

Notes to the Balance Sheet as at	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
15. Cash and cash equivalents				
a) Balances with banks				
i. Earmarked balances with banks	87,321,944		109,629,857	
ii. Current a/c balances with bank	50,018,435		161,770,507	
iii. Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	1,165,935		1,100,000	
iv. Bank deposits with more than 12 months maturity	25,375,615	163,881,929	17,120,752	289,621,116
b) Cash on hand		978,212		1,182,454
Total at the end of the reporting period		164,860,141		290,803,570
16. Short-term loans, advances and deposits				
a) Loans and advances to related parties				
i. Unsecured, considered good		545,935,051		342,019,954
b) Others				
i. Unsecured, considered good		183,851,749		23,535,872
c) Deposits		16,277,769		15,251,013
d) Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member		Nil		Nil
Total at the end of the reporting period		746,064,569		380,806,839
17. Other current assets				
a) Advance Tax & TDS		449,554,018		381,431,104
b) Miscellaneous expenses not written off				
Balance b/d	-		22,722,550	
Less: Miscellaneous expenses written off	-	-	(22,722,550)	-
Total at the end of the reporting period		449,554,018		381,431,104
In the opinion of the Board, all the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.				

D. S. Kulkarni Developers Ltd.

Notes to the Balance Sheet as at	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
18. Contingent Liabilities not provided for:				
1) Guarantee in respect of secured loans obtained by subsidiary		1,000,000,000		1,088,400,000
Balance of secured loans as at end of year		1,022,394,000		1,012,427,000
2) Tax Matters under appeal**		42,513,000		44,663,000
3) Cases filed against the Company		72,015,000		72,106,000
4) Bills discounted by the Company's suppliers		—		50,000,000
Balance as at end of year		—		49,790,000
Total at the end of the reporting period		1,136,922,000		1,178,986,000

** Income tax demands comprise demand from the Indian tax authorities for payment of additional tax upon completion of their tax review for the financial years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10. The tax demands are mainly on account of disallowance of a portion of the tax holiday claimed by the Company under the Income-tax Act. The matter is pending before the Commissioner of Income tax (Appeals)/Income Tax Appellate Tribunal. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

Notes to the Profit and Loss Statement for the year ended	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
19 Revenue from Operations				
Revenue from				
a Company other than a finance company				
i Sale of products				
Sales of Tenements	1,462,465,606		1,795,874,170	
Sale of Land & Development Rights	304,145,000	1,766,610,606	31,106,250	1,826,980,420
ii Sale of services				
Contract receipts	—		15,418,805	
Labour charges	—		3,464,961	
Rent	9,444,249	9,444,249	9,066,183	27,949,949
iii Other operating revenues				
Income from subsidiaries/JV	94,834,025		87,990,303	
iv Sale of RMC	65,654,944	160,488,969	59,914,703	147,905,006
Total at the end of the reporting period		1,936,543,824		2,002,835,375

D. S. Kulkarni Developers Ltd.

Notes to the Profit and Loss Statement for the year ended	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
20 Increase / (Decrease) in inventories of finished tenements and work-in-progress				
a Finished tenements				
Closing	555,963,995		1,497,109,708	
Less: Opening	(1,497,109,708)	(941,145,713)	(426,971,916)	1,070,137,792
b Work-in-Progress				
Closing	8,754,102,681		7,928,508,022	
Less: Opening	(7,928,508,022)	825,594,659	(9,191,930,028)	(1,263,422,006)
Total at the end of the reporting period		(115,551,054)		(193,284,214)
21 Other income				
a Bank Interest		10,442,132		7,905,759
b Other Interest		4,724,144		687,469
c Sundry creditors A/c written back		222,928		4,076,485
d Other Receipts		1,362,478		1,736,658
Total at the end of the reporting period		16,751,682		14,406,371
22 Land & / or Development expenses				
a Land & Development Rights		114,336,257		170,497,680
b Sub-Contractors' Charges (Including Material)		467,430,467		463,033,480
c Other Development Expenses		729,104,323		646,332,594
Total at the end of the reporting period		1,310,871,047		1,279,863,754
23 Office & administration expenses				
a Professional Fees		9,766,831		14,247,366
b Postage, Telephone & Telegram		4,482,209		3,989,353
c Rent, Rates & Taxes		17,356,972		16,137,634
d Repairs & Maintenance		3,474,571		6,497,509
e Printing & Stationery		2,814,645		3,749,665
f Legal Charges		3,501,594		3,767,259
g Conveyance		7,125,071		6,213,202
h Electricity Charges		4,097,161		2,979,536
i Office Expenses		1,983,775		2,211,600
j Subscription		584,810		809,182
k Insurance		705,024		366,016
l <i>Audit Fees</i>				
Internal Audit Fees	61,550		355,000	
Company Audit Fees	510,000		300,000	
Tax Audit Fees	50,000	621,550	50,000	705,000
m Other administrative expenses		3,932,491		1,735,330
Total at the end of the reporting period		60,446,704		63,408,652

D. S. Kulkarni Developers Ltd.

Notes to the Profit and Loss Statement for the year ended	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
24 Employee Benefits Expense				
a Salaries, Wages, Bonus etc.	53,019,073		47,352,139	
b Contribution to Provident & Other Funds	4,586,813	57,605,886	4,151,332	51,503,471
c Directors' Remuneration		25,240,536		19,685,908
d Staff Welfare		6,223,443		3,388,623
e Directors' Sitting Fees		230,000		200,000
f Recruitment Charges		516,345		113,350
Total at the end of the reporting period		89,816,210		74,891,352
25 Selling expenses				
a Advertisement		44,597,067		41,879,932
b Domestic Travel Expenses		3,679,833		2,679,500
c Foreign Travel Expenses		3,406,901		4,045,577
d Sales Promotion		3,971,766		11,165,199
e Domestic Exhibition Expenses	6,792,942		2,630,785	
f Foreign Exhibition Expenses	621,500	7,414,442	1,444,245	4,075,030
g Brokerage		—		9,476,620
h Donations		1,051,111		937,500
i Miscellaneous Balances w/off		148,324		460,483
j Entertainment Expenses		115,218		132,079
k Other Selling Expenses		13,268,261		2,325,132
Total at the end of the reporting period		77,652,923		77,177,052
26 Finance Costs				
a Interest on Deposits & Loans		46,351,070		5,340,433
b Interest to Banks & Financial Institutions		13,472,653		28,359,270
c Interest Others		409,932		436,328
d Interest on Vehicle Loans		678,803		620,706
e Brokerage for Fixed Deposit		995,975		3,150,456
Total at the end of the reporting period		61,908,433		37,907,193
27 Depreciation and amortization expense				
a Depreciation expense		14,255,185		11,592,952
Total at the end of the reporting period		14,255,185		11,592,952
28 Other expenses				
Miscellaneous expenses written off		—		22,722,550
Total at the end of the reporting period		—		22,722,550

D. S. Kulkarni Developers Ltd.

Notes to the Profit and Loss Statement for the year ended	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
29 Items of exceptional nature				
Foreign Exchange Difference		32,303,396		(5,099,213)
Total at the end of the reporting period		32,303,396		(5,099,213)
30 Earnings Per Share (EPS):				
Earnings per share is calculated in accordance with the AS 20				
Particulars				
Profit after tax (₹ lacs)		1,733.54		1,667.06
Weighted Average Number of Equity shares		25,801,008		25,801,008
Nominal Value of Equity Share (₹)		10		10
Basic and Diluted Earnings Per Share (₹)		6.72		6.46



D. S. Kulkarni Developers Ltd.

31 Related party disclosures

A Names of related parties and related party relationship

1 Related parties where control exists

Subsidiaries

- 1 DSK Developers Corporation
- 2 DSK SEZ Projects (Pune) Private Ltd.
- 3 DSK Global Education and Research Pvt. Ltd.
- 4 DSK Southern Projects Pvt. Ltd.

Step-down subsidiaries

- 1 DSK Woods, LLC
- 2 DSK Global Education and Research (Singapore) Pte. Ltd.

Key management personnel

- 1 Mr. D. S. Kulkarni — Managing Director
- 2 Mrs. J. D. Kulkarni — Whole-time Director
- 3 Mr. S. D. Kulkarni — Executive Director

Relatives of key management personnel

- 1 Mrs. Hemanti D. Kulkarni
- 2 Mrs. Tanvi S. Kulkarni

Enterprises owned or significantly influenced by key management personnel or their relatives

- 1 Ambiance Ventures Estates & Developments Pvt. Ltd.
- 2 Amit & Company
- 3 Ascent Promoters & Developers Private Limited
- 4 Crystal Promoters & Developers Private Limited
- 5 Chandradeep Promoters & Developers Private Limited
- 6 D. S. Kulkarni Constructions Pvt. Ltd.
- 7 DSK Digital Technologies Private Limited
- 8 DSK Infotech Private Limited
- 9 DSK Motors Limited
- 10 DSK Prabhu Granite LLP
- 11 DSK Sales & Services
- 12 D. S. Kulkarni & Company
- 13 D. S. Kulkarni & Associates
- 14 DSK Tricone Infrastructure and Construction Ltd.
- 15 DSK Worldman Computers Private Limited
- 16 Fairyland Promoters & Developers Private Limited
- 17 Gharkul
- 18 Greengold Farms & Forests Pvt. Ltd.
- 19 Growrich Agroforestry Private Limited
- 20 Hexagon Capital Advisors Private Limited
- 21 Holyland Agroforestry Private Limited
- 22 Mangesh Agencies
- 23 Mangesh Enterprises
- 24 Mangesh Sales Corporation
- 25 Sapphire Promoters & Developers Private Limited
- 26 Shri Saptashrungi Oil Mills Pvt. Ltd.
- 27 Telesmell

D. S. Kulkarni Developers Ltd.

	2011-12 ₹ Lacs	2010-11 ₹ Lacs
2 Related party transactions		
1 Balance payable at end		
DSK Global Education & Research Pvt. Ltd.	193.81	292.12
Ambiance Ventures Estates & Developments Pvt. Ltd.	596.58	—
DSK SEZ Projects (Pune) Pvt. Ltd.	145.24	145.35
DSK Tricone Infrastructures & Construction Ltd.	4.11	70.63
DSK Digital Technologies Private Limited	0.03	—
Amit & Co.	—	0.01
D. S. Kulkarni Constructions Pvt. Ltd.	14.43	14.43
DSK Motors Ltd.	2.62	77.12
D. S. Kulkarni & Company	—	4,948.14
D. S. Kulkarni & Associates	11,404.40	11,738.88
Mangesh Agencies	—	0.12
Telesmell	0.01	—
Sub total	12,361.23	17,286.80
2 Investments at the year end		
DSK Developers Corporation	509.50	509.50
DSK Global Education & Research Pvt. Ltd.	255.00	255.00
DSK SEZ Projects (Pune) Pvt. Ltd.	200.00	200.00
DSK Southern Projects Pvt. Ltd.	4,096.73	4,096.73
DSK Tricone Infrastructures & Constructions Ltd.	—	2.30
Sub total	5,061.23	5,063.53
3 Balance receivable at end		
DSK Developers Corporation	2,922.49	2,057.91
DSK Southern Projects Pvt. Ltd.	2,536.86	1,654.38
DSK Tricone Infrastructures & Construction Ltd.	425.65	446.80
DSK Motors Ltd.	40.61	31.94
DSK Sales & Services	0.53	0.26
DSK Global Education & Research Pvt. Ltd.	23.41	—
DSK Worldman Computers Private Limited	0.18	—
D. S. Kulkarni & Company	25.00	25.00
D. S. Kulkarni & Associates	175.25	25.00
Gharkul	0.44	—
Growrich Agroforestry Private Limited	415.16	—
Mangesh Agencies	—	191.97
Mr. S. D. Kulkarni	14.00	—
sub total	6,579.58	4,433.26
4 Advances received / recovered		
Ambiance Ventures Estates & Developments Pvt. Ltd.	550.00	—
DSK Developers Corporation	175.00	133.95
DSK Southern Projects Pvt. Ltd.	79.35	1,449.41
DSK Tricone Infrastructures & Construction Ltd.	297.16	1,271.98
DSK Global Education and Research Pvt. Ltd.	146.98	—
Chandradeep Promoters & Developers Pvt. Ltd.	—	326.00
DSK Prabhu Granite LLP	0.04	—
D. S. Kulkarni & Company	10,542.53	26,138.27
D. S. Kulkarni & Associates	2,084.62	11,467.87
Mangesh Agencies	384.18	675.33
Mr. S. D. Kulkarni	87.85	—
Sub total	14,347.71	41,462.81

D. S. Kulkarni Developers Ltd.

	2011-12 ₹ Lacs	2010-11 ₹ Lacs
5 Advances given / repaid		
Amit & Company	0.01	—
DSK Developers Corporation	884.75	450.63
DSK SEZ Projects (Pune) Private Ltd.	0.12	—
DSK Southern Projects Pvt. Ltd.	168.33	2,420.50
DSK Tricone Infrastructures & Construction Ltd.	290.15	1,276.86
DSK Global Education and Research Pvt. Ltd.	170.27	—
Chandradeep Promoters & Developers Pvt. Ltd.	—	326.00
DSK Prabhu Granite LLP	0.04	—
D. S. Kulkarni & Company	15,557.43	22,196.68
D. S. Kulkarni & Associates	3,933.84	134.57
Growrich Agroforestry Private Limited	404.25	—
Mangesh Agencies	192.21	1,059.27
Sub total	21,601.40	27,864.51
6 Purchase of fixed assets		
Amit & Company	—	0.01
DSK Digital Technologies Pvt. Ltd.	—	5.96
DSK Motors Ltd.	25.43	14.89
Sub total	25.43	20.86
7 Additional Investments		
DSK Southern Projects Pvt. Ltd.	—	1,396.73
Sub total	—	1,396.73
8 Sales		
DSK Global Education & Research Pvt. Ltd.	277.43	136.98
DSK Motors Ltd.	2.57	—
DSK Tricone Infrastructures & Construction Ltd.	2.77	47.77
D. S. Kulkarni & Associates	199.55	8.15
Gharkul	0.44	—
Shri Saptashrungi Oil Mills Pvt. Ltd.	—	173.45
Mr. S. D. Kulkarni	—	12.38
Sub total	482.76	378.73
9 Services rendered		
DSK Digital Technologies Pvt. Ltd.	0.47	—
DSK Global Education & Research Pvt. Ltd.	—	38.22
DSK Motors Ltd.	15.91	—
DSK Sales & Services	0.27	—
DSK Tricone Infrastructures & Construction Ltd.	6.02	1,956.36
DSK Worldman Computers Private Limited	0.18	—
Sub total	22.85	1,994.58
10 Interest Income		
Growrich Agroforestry Private Limited	12.13	—
DSK Developers Corporation	154.85	120.68
DSK Southern Projects Pvt. Ltd.	793.50	759.22
DSK Tricone Infrastructures & Construction Ltd.	—	2.06
Sub total	960.48	881.96

D. S. Kulkarni Developers Ltd.

	2011-12 ₹ Lacs	2010-11 ₹ Lacs
11 Rent Income		
DSK Global Education & Research Pvt. Ltd.	100.00	100.00
D. S. Kulkarni & Associates	1.32	—
Sub total	101.32	100.00
12 Services availed		
Amit & Company	—	0.07
Calcutta Boarding House	—	1.62
DSK Digital Technologies Pvt. Ltd.	0.04	0.10
DSK Motors Ltd.	6.80	25.69
DSK Tricone Infrastructures & Construction Ltd.	744.94	—
DSK Worldman Computers Pvt. Ltd.	—	0.02
Hexagon Capital Advisors Private Limited	—	2.31
Mangesh Agencies	—	0.04
Telesmell	0.04	—
Sub total	751.82	29.85
13 Purchase of materials		
DSK Tricone Infrastructures & Construction Ltd.	—	8.44
Mangesh Agencies	—	2.26
Sub total	—	10.70
14 Remuneration		
Mr Deepak S. Kulkarni	224.24	172.10
Mr Shirish D. Kulkarni	23.81	19.56
Mrs Jyoti D. Kulkarni	5.19	6.22
Sub total	253.24	197.88
15 Sitting fees		
Mr. V. C. Joshi	0.90	0.75
Mr. K. K. Taparia	0.50	0.45
Dr. M.K.P. Setty	0.55	0.60
Mr. R. D. Kharosekar	0.35	0.20
Sub total	2.30	2.00
16 Interest expense		
Ambiance Ventures Estates & Developments Pvt. Ltd.	51.76	—
D. S. Kulkarni & Associates	1,396.12	359.02
D. S. Kulkarni & Company	31.02	701.64
Sub total	1,478.90	1,060.66
17 Rent expense		
D. S. Kulkarni & Company	39.71	33.09
D. S. Kulkarni & Associates	39.71	33.09
Mr Shirish D. Kulkarni	95.96	92.65
Sub total	175.38	158.83
18 Guarantees given		
DSK Global Education & Research Pvt. Ltd.	10,000.00	10,884.00
Sub total	10,000.00	10,884.00
Grand Total	74,205.63	113,227.70



D. S. Kulkarni Developers Ltd.

32 Disclosure required by Clause 32 of the Listing Agreement

Amount of loans/advances in the nature of loans to subsidiaries / joint ventures:

₹ Lacs

Particulars	Outstanding as at		Maximum amount outstanding during the year	
	31-Mar-12	31-Mar-11	2011-12	2010-11
A Subsidiaries				
1 DSK Developers Corporation	2,922.49	2,057.91	2,922.49	2,217.28
2 DSK Southern Projects Pvt. Ltd.	2,536.86	1,654.38	2,536.86	2,288.95
B Jointly controlled entity				
1 DSK Tricone Infrastructure and Construction Ltd.	—	376.17	—	376.17
Total	5,459.35	4,088.46	5,459.35	4,882.40

33 Disclosure for assets taken on lease as per AS 19:

The Company has entered into operating lease arrangements for office space at Pune, Mumbai, Chennai and Bangalore. There are no future minimum lease payments under non-cancellable operating leases as all the lease arrangements are cancellable at the option of lessee.

Minimum lease payments recognized in Profit and Loss Account	2011-12 ₹ Lacs	2010-11 ₹ Lacs
Cancellable leases	168.03	167.50
General description of the lessee's significant leasing arrangements: Certain lease arrangements provide a clause for price escalation.		

34 Disclosure for assets given on lease as per AS 19:

The company has given its land on operating lease to its subsidiary, DSK Global Education & Research Pvt. Ltd. for a period of 99 years.

Particulars of asset	Gross block as at 31-03-2012	Net block as at 31-3-2012	Gross block as at 31-03-2011	Net block as at 31-03-2011
Land (₹ Lacs)	2,592.03	2,592.03	2,592.03	2,592.03

Future minimum lease payments receivable in respect of non-cancellable leases	2011-12 ₹ Lacs	2010-11 ₹ Lacs
Due within one year from the Balance Sheet date	91.00	91.00
Due in the period between one year and five years	364.00	364.00
Due after five years	8,736.00	8,827.00
Total	9,191.00	9,282.00
The Company has not so far entered into any financial lease.		

D. S. Kulkarni Developers Ltd.

	2011-12 ₹ Lacs	2011-12 ₹ Lacs	2010-11 ₹ Lacs	2010-11 ₹ Lacs
35 Additional Information				
A Value of imports calculated on C.I.F basis by the Company during the financial year in respect of –				
a Construction materials	–	39.66	–	55.45
B Expenditure in foreign currency during the financial year on account of				
a Foreign Travel	5.40		12.33	
b Exhibitions	0.78		4.64	
c Interest	0.24	6.42	107.50	124.47
C Earnings in foreign exchange				
a Advance against tenements	–		0.51	
b Interest from subsidiary	154.85	154.85	120.68	121.19

	2011-12	2010-11
36 Disclosures of LIC Group Gratuity Scheme under AS 15:		
A Policy No.	634720	634720
B Membership Data		
a Number of members	361	311
b Average age	33.71	34.07
c Average monthly salary	19,118.30	16,131.71
d Average past service	3.68	3.66
C Valuation method	Projected unit credit method	
D Actuarial assumptions		
a Mortality rate	LIC (1994-96) ultimate	
b Withdrawal rate	1% to 3% depending on age	
c Discount rate	8% p.a.	
d Salary escalation	5%	
E Results of valuation		
a PV of past service benefit	9,800,564	7,554,200
b Current service cost	1,695,950	1,362,034
c Total service gratuity	75,464,712	58,338,328
d Accrued gratuity	14,330,636	10,706,502
e LCISA	61,134,076	47,631,826
f LC premium	165,173	128,431
g Service tax	20,415	13,228
F Recommended contribution rate		
a Full value as on renewal date	6,048,037	5,435,077
b Additional contribution for existing fund	3,752,527	2,119,123
c Current service cost	1,695,950	1,362,034
G Total amount payable	5,634,065	3,622,816
H Details of fund balance		
a Opening balance	5,435,077	4,534,918
b Amount credited towards fund	278,017	536,849
c Amount paid as claims from fund	(169,880)	(70,044)
d Interest credited for the year	504,823	433,354
e Closing balance	6,048,037	5,435,077



D. S. Kulkarni Developers Ltd.

37 Additional information related to delayed payment by the Company to Micro/Small Enterprises as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006):

Sr. No.	Particulars	2011-12 ₹ Lacs	2010-11 ₹ Lacs
(i)	The principal amount remaining unpaid to any supplier (as defined in S2(n) of MSMED Act, 2006) as at the end of the accounting year	Nil	Nil
(ii)	The interest due on the principal amount remaining unpaid to any such supplier as at the end of the accounting year	Nil	Nil
(iii)	The amounts of payments made to such supplier beyond the appointed day during the accounting year	Nil	Nil
(iv)	The amount of interest paid by the Company in terms of S 16 of MSMED Act, 2006, during the accounting year	Nil	Nil
(v)	The amount of interest due and payable for the period of delay in making payment without adding the interest specified under MSMED Act, 2006.	Nil	Nil
(vi)	The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii)	The amount of further interest due and payable even in the succeeding years until such a day when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of the MSMED Act, 2006	Nil	Nil

38 Investments in subsidiaries: In the opinion of the management, no loss is expected to arise in respect of investments in subsidiaries for which an additional provision is required.

39 Amounts due to Investor Education & Protection Fund: As at the balance sheet date, there are no amounts due and outstanding to this Fund.

As per our audit report of even date.

For Gokhale, Tanksale & Ghatpande,

Firm Registration No.: 103277W

Chartered Accountants

S. M. Ghatpande

Partner

Membership No. 30462

Place: Pune

Date: 23rd May, 2012

For & on behalf of the Board of Directors

D. S. Kulkarni

Chairman & Managing Director

V. C. Joshi

Director

Amol Purandare

Company Secretary

Place: Pune

Date: 23rd May, 2012

D. S. Kulkarni Developers Ltd.

Balance Sheet as at 31st March, 12

Statement of Borrowings

Previous Year's figures are stated in italics.

Borrowings	Non-current maturity of the debt ₹	Current maturity of the debts ₹	Interest accrued but not due on borrowings ₹	Total Amount ₹	Ref
1 Long term borrowings					
a Secured					
1) Term loans					
From banks					
i. Project term loans					
1. ICICI Bank Ltd.	-	329,736,889	1,896,661	331,633,551	1
<i>ICICI Bank Ltd.</i>	<i>322,224,656</i>	<i>148,909,899</i>	<i>2,608,571</i>	<i>473,743,126</i>	
2. IDBI	-	-	-	-	2
<i>IDBI</i>	<i>-</i>	<i>56,831,418</i>	<i>-</i>	<i>56,831,418</i>	
3. Bank of Baroda	-	-	-	-	3
<i>Bank of Baroda</i>	<i>-</i>	<i>52,466,588</i>	<i>770,652</i>	<i>53,237,240</i>	
4. Bank of Maharashtra	162,963,667	-	1,974,759	164,938,426	4
<i>Bank of Maharashtra</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Sub Total	162,963,667	329,736,889	3,871,420	496,571,977	
Sub Total	322,224,656	258,207,905	3,379,223	583,811,784	
ii. Equipment Term Loans					
1. Srei Equipment Finance Pvt. Ltd.	170,456,604	12,566,171	-	283,022,775	5
<i>Srei Equipment Finance Pvt. Ltd.</i>	<i>-</i>	<i>13,381,513</i>	<i>-</i>	<i>13,381,513</i>	
2. Reliance Capital Ltd.	11,857,371	23,010,080	-	34,867,451	6
<i>Reliance Capital Ltd.</i>	<i>1,611,346</i>	<i>17,304,227</i>	<i>-</i>	<i>18,915,573</i>	
3. Reliance Consumer Finance Pvt. Ltd.	-	16,447,402	-	16,447,402	7
<i>Reliance Consumer Finance Pvt. Ltd.</i>	<i>16,447,392</i>	<i>33,892,492</i>	<i>-</i>	<i>50,339,884</i>	
Sub Total	182,313,975	152,023,653	-	334,337,628	
Sub Total	18,058,738	64,578,232	-	82,636,971	
iii Corporate Term Loans					
1. Indiabulls Financial Services Ltd.	-	-	-	-	8
<i>Indiabulls Financial Services Ltd.</i>	<i>-</i>	<i>285,656,281</i>	<i>-</i>	<i>285,656,281</i>	
2. Dewan Housing Finance Corporation Ltd.	93,487,942	34,680,194	8,227	128,176,363	9
<i>Dewan Housing Finance Corporation Ltd.</i>	<i>128,168,136</i>	<i>41,489,909</i>	<i>-</i>	<i>169,658,045</i>	

Previous Year's figures are stated in italics.

Borrowings	Non-current maturity of the debt ₹	Current maturity of the debts ₹	Interest accrued but not due on borrowings ₹	Total Amount ₹	Ref
3. Dewan Housing Finance Corporation Ltd.	115,347,614	24,983,093	-	140,330,707	10
<i>Dewan Housing Finance Corporation Ltd.</i>	<i>140,330,707</i>	<i>19,669,293</i>	<i>-</i>	<i>160,000,000</i>	
4. Sangli Urban Cooperative Bank Ltd.	44,391,565	4,802,093	590,034	49,783,692	11
<i>Sangli Urban Cooperative Bank Ltd.</i>					
Sub Total	253,227,121	64,465,380	598,261	318,290,762	
Sub Total	268,498,843	346,815,483	-	615,314,326	
iv. Vehicle Term Loans					
1. Kotak Mahindra Prime Ltd.	183,020	1,050,396	-	1,233,416	12
<i>Kotak Mahindra Prime Ltd.</i>	<i>1,233,415</i>	<i>1,215,818</i>	<i>(6,457)</i>	<i>2,442,776</i>	
2. Tata Capital Ltd.	3,385,076	3,198,626	-	6,583,702	13
<i>Tata Capital Ltd.</i>	<i>4,193,477</i>	<i>2,231,921</i>	<i>(15,461)</i>	<i>6,409,937</i>	
3. ICICI Bank Ltd.	-	-	-	-	14
<i>ICICI Bank Ltd.</i>	<i>-</i>	<i>58,018</i>	<i>-</i>	<i>58,018</i>	
Sub Total	3,568,096	4,249,022	-	7,817,118	
Sub Total	5,426,892	3,505,757	(21,918)	8,910,731	
v. Term Loans secured by pledge of promoters' shares					
1. Blau I Merchandising Pvt. Ltd.	-	-	-	-	15
<i>Blau I Merchandising Pvt. Ltd.</i>	<i>-</i>	<i>10,000,000</i>	<i>-</i>	<i>10,000,000</i>	
2. Indigo Flavours Pvt. Ltd.	-	-	-	-	16
<i>Indigo Flavours Pvt. Ltd.</i>	<i>-</i>	<i>20,000,000</i>	<i>-</i>	<i>20,000,000</i>	
3. RR Chokhani Stock Brokers Pvt. Ltd.	-	20,000,000	-	20,000,000	17
<i>RR Chokhani Stock Brokers Pvt. Ltd.</i>	<i>-</i>	<i>10,000,000</i>	<i>-</i>	<i>10,000,000</i>	
4. Sicom Ltd.	-	-	-	-	18
<i>Sicom Ltd.</i>	<i>-</i>	<i>29,000,000</i>	<i>-</i>	<i>29,000,000</i>	
5. SKS Fincap Pvt. Ltd.	-	20,000,000	-	20,000,000	19
<i>SKS Fincap Pvt. Ltd.</i>	<i>-</i>	<i>20,000,000</i>	<i>-</i>	<i>20,000,000</i>	
6. Sprite Investment Pvt. Ltd.	-	-	-	-	20
<i>Sprite Investment Pvt. Ltd.</i>	<i>-</i>	<i>20,000,000</i>	<i>-</i>	<i>20,000,000</i>	

Previous Year's figures are stated in italics.

Borrowings	Non-current maturity of the debt ₹	Current maturity of the debts ₹	Interest accrued but not due on borrowings ₹	Total Amount ₹	Ref
7. Western India Garments Pvt. Ltd.	-	-	-	-	21
<i>Western India Garments Pvt. Ltd.</i>		20,000,000		20,000,000	
8. Everest Flavours Pvt. Ltd.	-	20,000,000	-	20,000,000	22
<i>Everest Flavours Pvt. Ltd.</i>	-	-	-	-	
9. Pinkhem Investments Co. Pvt. Ltd.	-	20,000,000	-	20,000,000	23
<i>Pinkhem Investments Co. Pvt. Ltd.</i>	-	-	-	-	
Sub Total	-	80,000,000	-	80,000,000	
Sub Total	-	129,000,000	-	129,000,000	
Total Long Term Secured Loans	602,072,859	630,474,945	4,469,681	1,237,017,485	
Total Long Term Secured Loans	614,209,129	802,107,377	3,357,305	1,419,673,811	

References:

1. The primary security for ICICI Bank project loan is registered mortgage of specified present and future immovable properties. The collateral security is registered mortgage of specified present immovable properties and a charge on the receivables of specified projects. In addition, the project loan is secured by the personal guarantee of Mr. D.S. Kulkarni & Mr. Shirish D. Kulkarni.
2. The primary security for the IDBI project loan is the first charge on all project assets. The collateral security is equitable mortgage of specified present and future immovable properties. In addition, the project loan is secured by the personal guarantee of Mr. D.S. Kulkarni & Mrs. H.D. Kulkarni
3. The primary security for the Bank of Baroda project loan is equitable mortgage of specified present and future immovable properties and hypothecation of project current assets. In addition, the project loan is secured by the personal guarantee of Mr. D.S. Kulkarni & Mr. Shirish D. Kulkarni.
4. The primary security for the Bank of Maharashtra project loan is equitable mortgage of specified present and future immovable properties and hypothecation of project receivables. In addition, the project loan is secured by the personal guarantee of Mr. D.S. Kulkarni & Mrs. H.D. Kulkarni
5. The primary security for the several equipment term loans from Srei Equipment Finance Pvt. Ltd. is hypothecation of various construction equipments. The collateral security is registered mortgage of various immovable properties. In addition, these loans are secured by the personal guarantee of Mr. D.S. Kulkarni & Mr. S. D. Kulkarni.
6. The primary security for the several equipment term loans from Reliance Capital Ltd. is hypothecation of various construction equipments. In addition, these loans are secured by the personal guarantee of Mr. D.S. Kulkarni.
7. The primary security for the several equipment term loans from Reliance Consumer Finance Pvt. Ltd. is hypothecation of various construction equipments. In addition, these loans are secured by the personal guarantee of Mr. D.S. Kulkarni.



8. There is no primary security for the corporate loan from Indiabulls Financial Services Ltd. The collateral security is registered mortgage of specified present immovable properties. In addition, this loan is secured by the personal guarantee of Mr. Shirish D. Kulkarni.
9. There is no primary security for the corporate loan from Dewan Housing Finance Corporation Ltd . The collateral security is registered mortgage of various immovable properties. In addition, this loan is secured by the personal guarantee of Mrs. Hemanti D. Kulkarni.
10. There is no primary security for the corporate loan from Dewan Housing Finance Corporation Ltd . The collateral security is registered mortgage of various immovable properties. In addition, this loan is secured by the personal guarantee of Mr. D.S. Kulkarni & Mr. Shirish D. Kulkarni.
11. There is no primary security for the corporate loan from Sangli Urban Co-operative Bank Ltd. The collateral security is registered mortgage of specified present immovable properties. In addition, this loan is secured by the corporate guarantee of Growrich Agroforestry Pvt. Ltd. & Chandradeep Promoters & Developers Pvt. Ltd.
12. The vehicle term loan from Kotak Mahindra Prime Ltd. is secured by hypothecation of specific vehicles.
13. The vehicle term loan from Tata Capital Ltd. is secured by hypothecation of specific vehicles.
14. The vehicle term loan from ICICI Bank Ltd. is secured by hypothecation of specific vehicles.
15. The loan from Blau I Merchandising Pvt. Ltd. is secured by pledge of Nil (P. Y. 4,00,000) Equity shares of the Company held by the Company's promoters.
16. The loan from Indigo Flavours Pvt. Ltd. is secured by pledge of Nil (P. Y. 8,01,000) Equity shares of the Company held by the Company's promoters.
17. The loan from RR Chokhani Stock Brokers Pvt. Ltd. is secured by pledge of 6,96,000 (P. Y. 4,88,000) Equity shares of the Company held by the Company's promoters.
18. The loan from Sicom Ltd. is secured by pledge of Nil (P. Y. 14,85,000) Equity shares of the Company held by the Company's promoters.
19. The loan from SKS Fincap Pvt. Ltd. is secured by pledge of 8,00,000 (P. Y. 7,45,000) Equity shares of the Company held by the Company's promoters.
20. The loan from Sprite Investment Pvt. Ltd. is secured by pledge of 4,00,000 (P. Y. 8,00,000) Equity shares of the Company held by the Company's promoters.
21. The loan from Western India Garments Pvt. Ltd. is secured by pledge of Nil (P. Y. 8,01,000) Equity shares of the Company held by the Company's promoters.
22. The loan from Everest Flavours Pvt. Ltd. is secured by pledge of 8,20,000 (P. Y. Nil) Equity shares of the Company held by the Company's promoters.
23. The loan from Pinkhem Investments Co. Pvt. Ltd. is secured by pledge of 8,20,000 (P. Y. Nil) Equity shares of the Company held by the Company's promoters.

Previous Year's figures are stated in italics.

Borrowings	Non-current maturity of the debt ₹	Current maturity of the debts ₹	Interest accrued but not due on borrowings ₹	Total Amount ₹	Ref
b Unsecured					
1. Deposits					
Public	779,885,000	783,070,000	—	1,562,955,000	
<i>Public</i>	<i>493,521,000</i>	<i>559,860,000</i>	<i>—</i>	<i>1,053,381,000</i>	
2. Inter corporate deposits					
i. Aakarshan Housing Pvt. Ltd.	—	4,200,000	—	4,200,000	
<i>Aakarshan Housing Pvt. Ltd.</i>	—	—	—	—	
ii. Alok Properties Pvt. Ltd.	—	—	—	—	
<i>Alok Properties Pvt. Ltd.</i>	—	<i>100,000</i>	—	<i>100,000</i>	
iii. Ambiance Ventures Estate & Dev Pvt. Ltd.	—	55,000,000	4,658,424	59,658,424	
<i>Ambiance Ventures Estate & Dev Pvt. Ltd.</i>	—	—	—	—	
iv. Chemo Pharma Laboratories Ltd.	—	8,400,000	—	8,400,000	
<i>Chemo Pharma Laboratories Ltd.</i>	—	—	—	—	
v. Kaveri Impex Pvt. Ltd.	—	800,000	—	800,000	
<i>Kaveri Impex Pvt. Ltd.</i>	—	—	—	—	
vi. Maroo Steel Pvt. Ltd.	—	600,000	—	600,000	
<i>Maroo Steel Pvt. Ltd.</i>	—	—	—	—	
vii. Moonrolk Finvest Pvt. Ltd.	—	700,000	—	700,000	
<i>Moonrolk Finvest Pvt. Ltd.</i>	—	—	—	—	
viii. Niskam Trading Pvt. Ltd.	—	600,000	—	600,000	
<i>Niskam Trading Pvt. Ltd.</i>	—	—	—	—	
ix. Seksaria Industries Pvt. Ltd.	—	21,350,000	—	21,350,000	
<i>Seksaria Industries Pvt. Ltd.</i>	—	<i>12,800,000</i>	—	<i>12,800,000</i>	
x. Seksaria Trading Co. Pvt. Ltd.	—	300,000	—	300,000	
<i>Seksaria Trading Co. Pvt. Ltd.</i>	—	—	—	—	
xi. Shethi Developers Ltd.	—	1,500,000	—	1,500,000	
<i>Shethi Developers Ltd.</i>	—	—	—	—	
xii. Shri Krishna Rice & Oil Mills Pvt. Ltd.	—	1,600,000	—	1,600,000	
<i>Shri Krishna Rice & Oil Mills Pvt. Ltd.</i>	—	—	—	—	
xiii. Skylap Marketing Pvt .Ltd.	—	100,000,000	8,469,863	108,469,863	
<i>Skylap Marketing Pvt. Ltd.</i>	—	—	—	—	

Previous Year's figures are stated in italics.

Borrowings	Non-current maturity of the debt ₹	Current maturity of the debts ₹	Interest accrued but not due on borrowings ₹	Total Amount ₹	Ref
xiv. Sunako Chemo Industries Pvt. Ltd. <i>Sunako Chemo Industries Pvt. Ltd.</i>	— —	— 7,000,000	— —	— 7,000,000	
xv. Sunako Trading & Investment Pvt. Ltd. <i>Sunako Trading & Investment Pvt. Ltd.</i>	— —	— 3,000,000	— —	— 3,000,000	
xvi. Tarshila Trading Pvt. Ltd. <i>Tarshila Trading Pvt. Ltd.</i>	— —	700,000 —	— —	700,000 —	
xvii. Vastushilp Promoters & Developers Pvt. Ltd. <i>Vastushilp Promoters & Developers Pvt. Ltd.</i>	— —	100,000,000 —	8,469,863 —	108,469,863 —	
xviii. Vastusiddhi Promoters & Developers Pvt. Ltd. <i>Vastusiddhi Promoters & Developers Pvt. Ltd.</i>	— —	100,000,000 —	8,469,863 —	108,469,863 —	
xix. Vastuvisharad Promoters & Developers Pvt. Ltd. <i>Vastuvisharad Promoters & Developers Pvt. Ltd.</i>	— —	73,525,000 —	6,227,467 —	79,752,467 —	
Sub Total	—	469,275,000	36,295,480	505,570,480	
Sub Total	—	22,900,000	—	22,900,000	
Total Long Term Unsecured Liabilities	779,885,000	1,252,345,000	36,295,480	2,068,525,480	
Total Long Term Unsecured Liabilities	493,521,000	582,760,000	—	1,076,281,000	
2. Short term borrowings					
a Secured					
1) Loans repayable on demand					
i. From banks					
1. Bank of Maharashtra FCDL <i>Bank of Maharashtra FCDL</i>	— —	— 26,016,949	— —	— 26,016,949	24
2. Bank of Maharashtra Cash Credit <i>Bank of Maharashtra Cash Credit</i>	51,966,322 (26,632,799)	— —	— —	51,966,322 (26,632,799)	25
3. The Kalyan Janata Sahakari Bank Ltd. <i>The Kalyan Janata Sahakari Bank Ltd.</i>	50,000,000 49,790,159	— —	621,891 —	50,621,891 49,790,159	26

Previous Year's figures are stated in italics.

Borrowings	Non-current maturity of the debt ₹	Current maturity of the debts ₹	Interest accrued but not due on borrowings ₹	Total Amount ₹	Ref
4. IDBI Bank Ltd.	—	—	—	—	27
<i>IDBI Bank Ltd.</i>	<i>(193,066)</i>	—	—	<i>(193,066)</i>	
5. Central Bank of India Demand Loan	—	—	—	—	28
<i>Central Bank of India Demand Loan</i>	<i>21,240,000</i>	—	<i>126,561</i>	<i>21,366,561</i>	
6. Central Bank of India FDOD	37,170,000	—	1,239,779	38,409,779	29
<i>Central Bank of India FDOD</i>	<i>37,170,000</i>	—	<i>221,482</i>	<i>37,391,482</i>	
7. Syndicate Bank	31,653,050	—	918,697	32,571,747	30
<i>Syndicate Bank</i>	<i>34,572,000</i>	—	<i>598,869</i>	<i>35,170,869</i>	
Total Short Term Secured Loans	170,789,372	—	2,780,367	173,569,739	
Total Short Term Secured Loans	115,946,294	26,016,949	946,912	142,910,155	

24. The primary security for the FCDL from Bank of Maharashtra is the same as that for rupee working capital loan: hypothecation of inventories of materials and book debtors. The collateral security is equitable mortgage of specified present immovable properties. Other Terms and Conditions:- a) FCDL shall be allowed subject to availability of drawing power in the cash credit accounts. b) The present working capital limit shall be earmarked to the extent of FCDL. c) Security for the existing working capital facilities will continue to be extended to FCDL. d) The Company shall book forward contract for repayment on due date. e) The disbursement and subsequent roll over of loan will be entirely at the discretion of the bank and subject to availability of foreign currency funds at the time of maturity. f) Bank shall be at liberty to crystallize the liability of borrower company at any time during the currency of loan with due notice to the company. g) Premature payment will be entirely at the discretion of the Bank and subject to exchange rate fluctuations & recovery of swap charges as the Bank may deem fit. h) The FCDL shall be disbursed at the Bank's Overseas branch Pune. In addition, the FCDL is secured by the personal guarantee of 1) Mr. D.S. Kulkarni & 2) Mrs. H.D. Kulkarni
25. The primary security for the Bank of Maharashtra cash credit limit is hypothecation of stock and debtors of encumbrance free projects. The collateral security is by way of equitable mortgage of specified present immovable properties. In addition, this cash credit limit is secured by the personal guarantee of Mr. D.S. Kulkarni & Mrs. H. D. Kulkarni.
26. There is no primary security for the cash credit limit from Kalyan Janata Sahakari Bank Ltd. The collateral security is registered mortgage of certain immovable properties. In addition, this cash credit limit is secured by the personal guarantee of 1) Mr. D. S. Kulkarni & 2) Mrs. H.D. Kulkarni & Corporate Guarantee of M/s Shri Saptashrungi Oil Mills Pvt. Ltd.
27. The primary security for the cash credit limit from IDBI Bank Ltd. is first charge on all the project current assets. The collateral security for the cash credit limit is equitable mortgage of specified present immovable properties. In addition, this cash credit limit is secured by the personal guarantee of 1) Mr. D.S. Kulkarni & 2) Mrs. H.D. Kulkarni
28. The demand loan from Central Bank of India is secured by pledge of term deposit receipts.
29. The overdraft from Central Bank of India is secured by pledge of term deposit receipts.
30. The overdraft from Syndicate Bank is secured by pledge of term deposit receipts.



Balance Sheet as at 31st March, 2012

Statement of Investments

Sr. No.	Body corporate	Face Value per share	31-Mar-12 No. of Shares	31-Mar-12 Carrying Value	31-Mar-11 No. of Shares	31-Mar-11 Carrying Value
				₹		₹
1A	Non-current investments					
	Unquoted					
1.	Investments in Equity Instruments					
i.	Subsidiaries					
	DSK Developers Corporation USA	NA	1,000,000	50,950,000	1,000,000	50,950,000
	DSK Global Education and Research Pvt. Ltd.	10	2,550,000	25,500,000	2,550,000	25,500,000
	DSK SEZ Projects (Pune) Pvt. Ltd.	10	2,000,000	20,000,000	2,000,000	20,000,000
	DSK Southern Projects Pvt. Ltd.	10	50,000	100,016,653	50,000	100,016,653
1.a.	Investments in Class A Equity Instruments					
i	Subsidiaries					
	DSK Southern Projects Pvt. Ltd.	10	10,000	39,906,662	10,000	39,906,662
1.b.	Investments in Class B Equity Instruments					
i.	Subsidiaries					
	DSK Southern Projects Pvt. Ltd.	10	10,000	100,000	10,000	100,000
	Total			236,473,315		236,473,315
ii.	Joint ventures					
	DSK Tricon Infrastructure & Construction Ltd.	10	0	—	23,000	230,000
	Total			—		230,000
1 B.	Other non-current investments: Shares					
i.	Shree Sadguru Jangli Maharaj Sahakari Bank Ltd.	50	1,000	50,000	1,000	50,000
ii.	Janata Sahakari Bank Ltd.	100	10	1,000	10	1,000
iii.	Mahalaxmi Co-op. Bank Ltd.	50	10	500	10	500
iv.	Greater Bombay Co-op. Bank Ltd.	25	4,080	102,000	4,080	102,000
v.	Kalyan Janata Sahakari Bank Ltd.	25	20,000	500,000	19,968	499,200
vi.	Pune Sahakari Bank Ltd.	100	100	10,000	100	10,000
vii.	Sangli Urban Co-op Bank Ltd	10	50,000	500,000	—	—
	Total			1,163,500		662,700
1 C.	Investments in debentures or bonds					
i.	Subsidiaries					
	DSK Southern Projects Pvt. Ltd.	100	2,696,500	269,650,000	2,696,500	269,650,000
	Total			269,650,000		269,650,000

D. S. Kulkarni Developers Ltd.

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company

The Ministry of Corporate Affairs, Government of India, by its notification dated 8th February, 2011 has granted a general exemption to all the companies doing away with the requirement of attaching annual accounts of subsidiary companies to that of the holding company, mandated by the provisions of Section 212 of the Companies Act, 1956, subject to fulfillment of certain conditions. In terms of the requirements to avail this general exemption, a statement containing brief financial details of the subsidiary companies for the year ended 31st March, 2012 is disclosed as below:

1	Name of the Subsidiary	DSK Developers Corporation	DSK Woods, LLC	DSK Global Education & Research Pvt. Ltd.	DSK Global Research Pte. Ltd.	DSK SEZ Projects (Pune) Pvt. Ltd.	DSK Southern Projects Pvt. Ltd.
2	Financial year of the subsidiary ended on	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
3	Date from which it became subsidiary	16-May-06	Nil, since all the shares are held by DSKDC	21-Oct-08	7-Sep-11	11-Feb-09	6-Apr-10
4	Holding Company's interest in the subsidiary at the end of the Financial Year (no. of shares)	10,00,000	Nil, since all the shares are held by DSKDC	2,550,000	Nil, since all the shares are held by DSK Global	2,000,000	70,000
5	Extent of Holding	100%	100%	51%	51%	100%	100%
6	The net aggregate amount of the Subsidiary's Profits (Losses) so far as it concerns members of the Holding Company and is not dealt with in the Holding Company's accounts (₹ Lacs)						
	i) For the financial year of the subsidiary	21.93	(0.84)	(1,054.07)	-	0.001	(656.41)
	ii) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	(323.08)	(1,082.93)	(1,992.18)	-	(29.15)	98.54
7	Net aggregate amounts of the profits/(losses) of the subsidiary dealt with in the Company's accounts						
	i) For the financial year of the subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
	ii) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
8	Disclosure of information specified in condition (iv) of the aforesaid notification:						
	i) Paid up capital	403.68	1,974.45	500.00	0.04	200.00	7.00
	ii) Reserves (Loss)	(480.12)	(1,274.52)	(5,973.02)	-	(29.15)	(586.95)
	iii) Total Assets	2,865.89	2,985.38	20,929.10	0.04	170.93	5,718.11
	iv) Total Liabilities	2,942.33	2,285.46	26,402.13	-	0.09	6,298.05
	v) Investments	1,974.45	-	0.04	-	-	-
	vi) Turnover	180.39	0.43	2,062.86	-	-	182.56
	vii) Profit (Loss) before taxation	22.95	(0.84)	(2,066.80)	-	(0.24)	(656.41)
	viii) Provision for taxation	1.02	-	-	-	0.24	-
	ix) Profit after Tax	21.93	(0.84)	(2,066.80)	-	0.001	(656.41)
	x) Proposed Dividend	-	-	-	-	-	-

CONSOLIDATED FINANCIAL STATEMENTS 2011-2012

Independent Auditors' Report to the Board of Directors on the Consolidated Financial Statements of D.S. Kulkarni Developers Limited

Report on the Financial Statements

We have audited the attached consolidated financial statements of **D.S. Kulkarni Developers Limited** ("the Company") and its four Subsidiaries and two step-down Subsidiaries (the Company and its Subsidiaries constitute "the Group") which comprise the

- a) Consolidated Balance Sheet as at the **31st March, 2012**
- b) Consolidated Statement of Profit and Loss for the year ended on that date
- c) Consolidated Cash Flow Statement for the year ended on that date

Management Responsibility for the financial statements

The Management of the Group is responsible for -

- a) the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Group in accordance with the accounting principles generally accepted in India, including accounting standards referred to in Section 211(3C) of the Companies Act, 1956 (the "Act") and are free from material misstatement, whether due to fraud or error.
- b) the design, maintenance of the internal control relevant to the preparation and presentation of these financial statements

Auditors' Responsibility

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

An audit includes

- a) performing procedures and examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.
- b) evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

We also audited the financial statements of the six subsidiaries whose assets, liabilities, revenues, expenses and cash flows have been considered in the Consolidated Financial Statements.

Subject to our remarks in above:

- (i) We report that the Consolidated Financial Statements have been prepared in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India.
- (ii) On the basis of the information and according to the explanations given to us and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiaries/ jointly controlled entities, in our opinion, the Consolidated Financial Statements, read with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

Opinion

In our opinion, to the best of our information, according to the explanations given to us and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiaries, the Consolidated Financial Statements, read with the notes thereon, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at the **31st March, 2012**;
- b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date.
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Gokhale, Tanksale & Ghatpande,

Firm Registration No: 103277W

Chartered Accountants

S. M. Ghatpande

Partner

Membership No. 30462

Place : Pune

Date : 23rd May, 2012

D. S. Kulkarni Developers Ltd.

Consolidated Balance Sheet as at	Note No.	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a) Share capital	3	258,010,080		258,010,080	
b) Reserves and surplus	4	3,808,178,100	4,066,188,180	3,879,197,588	4,137,207,668
2. Minority Interest			(268,178,206)		(166,174,692)
3. Non-current liabilities					
a) Long-term borrowings	5	3,798,747,956		2,902,933,316	
b) Deferred tax liabilities (Net)	6	8,232,600	3,806,980,556	8,561,788	2,911,495,104
4. Current liabilities					
a) Short-term borrowings	7	3,753,263,038		3,750,788,008	
b) Trade payables		244,150,946		314,866,880	
c) Other current liabilities	8	1,424,202,259		1,872,289,748	
d) Short-term provisions	9	504,989,381	5,926,605,624	423,048,618	6,360,993,254
Total			13,531,596,154		13,243,521,334
II. ASSETS					
1. Non-current assets					
a) Fixed Assets					
i) Tangible assets	10	1,676,962,683		1,390,604,937	
ii) Intangible assets	11	75,244,794		91,802,133	
iii) Capital work-in-progress		693,216,550		606,184,321	
b) Intangible assets under development		802,200	2,446,226,227	—	2,088,591,390
c) Non-current investments	12		1,163,500		663,160
d) Long-term loans and advances	13		3,948,545		—
2. Current assets					
a) Inventories	14	10,009,479,442		10,084,034,362	
b) Trade receivables		178,747,076		260,832,400	
c) Cash and cash equivalents	15	167,035,281		325,223,194	
d) Short-term loans and advances	16	270,027,895		95,240,530	
e) Other current assets	17	454,968,188	11,080,257,882	388,936,298	11,154,266,784
Total			13,531,596,154		13,243,521,334
Contingent liabilities and commitments (to the extent not provided for)	18		114,528,000		166,559,000
Corporate Information & Statement of Accounting Policies	1-2				

The accompanying notes are an integral part of these financial statements.

As per our audit report of even date.

For Gokhale, Tanksale & Ghatpande

Firm Registration No. 103277W

Chartered Accountants

For and on behalf of the Board of Directors

D. S. Kulkarni

Chairman & Managing Director

V. C. Joshi

Director

Amol Purandare

Company Secretary

S. M. Ghatpande

Partner

Membership No. 30462

Place: Pune

Date: 23rd May, 2012

Place: Pune

Date: 23rd May, 2012



प्रमाण प्रमाण वेबसाई माला

D. S. Kulkarni Developers Ltd.

Consolidated Profit and Loss Statement for the year ended	Note No.	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
I. Revenue from operations	19		2,074,125,874		2,561,426,085
II. Increase / (Decrease) in inventories of Finished Tenements & Work-in-Progress	20		(59,799,841)		(381,606,450)
III. Other income	21		18,759,096		16,833,460
IV Total			2,033,085,129		2,196,653,095
V Expenses:					
Land & / or Development expenses	22		1,341,502,894		1,445,525,886
Office & administration expenses	23		155,238,689		125,888,538
Educational expense	24		23,856,395		20,917,393
Employee benefits expense	25		226,171,931		184,765,603
Selling expenses	26		138,600,460		146,685,995
Finance expenses	27		134,082,776		110,403,747
Depreciation and amortization expense	28		59,805,314		51,979,412
Other Expenses	29		1,070,985		22,722,550
Total			2,080,329,444		2,108,889,124
VI. Profit before exceptional and extra-ordinary items and tax			(47,244,315)		87,763,971
VII. Exceptional Items	30		32,303,396		(5,099,213)
VIII. Profit before extra-ordinary items and tax			(14,940,919)		82,664,758
IX. Extra-ordinary items			(2,496,873)		—
X. Profit before tax			(17,437,792)		82,664,758
XI. Tax expense					
1. Current tax		(78,810,085)		(87,432,180)	
2. Deferred tax		(608,945)	(79,419,030)	(2,270,030)	(89,702,210)
XII. Profit (Loss) for the period from continuing operations			(96,856,822)		(7,037,452)
XIII. Add: Minority share of loss			101,273,007		82,442,383
XIV. Profit after minority interest			4,416,185		75,404,931
XV. Earnings per equity share	31		0.17		2.92
Corporate Information & Statement of Accounting Policies	1-2				

The accompanying notes are an integral part of these financial statements.

As per our audit report of even date.

For Gokhale, Tanksale & Ghatpande

Chartered Accountants

Firm Registration No. 103277W

For and on behalf of the Board of Directors

D. S. Kulkarni

Chairman & Managing Director

V. C. Joshi

Director

Amol Purandare

Company Secretary

S. M. Ghatpande

Partner

Membership No. 30462

Place: Pune

Date: 23rd May, 2012

Place: Pune

Date: 23rd May, 2012

D. S. Kulkarni Developers Ltd.

Consolidated Cash Flow Statement for the year ended	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
A) Cash Flow From Operating Activities				
Net Profit before Tax & Extraordinary Items		(14,940,919)		82,664,761
<i>Adjustments for</i>				
Minority share of loss	101,273,007		82,442,383	
Extraordinary items	(2,496,873)		—	
Depreciation	59,805,314		51,979,411	
Miscellaneous Expenses Written off	—		22,722,550	
Loss/(Profit) on Sale of Assets	462,453		(1,911)	
Prior Years Adjustments	36,453,766			
Interest Expenditure	133,086,800		115,502,960	
Interest & Dividend Received	(15,166,276)	313,418,192	(16,833,460)	255,811,934
Operating Profit before Working Capital Changes		298,477,273		338,476,695
<i>Adjustments for</i>				
(Increase)/Decrease in Inventories	74,554,920		127,837,307	
Increase/(Decrease) in Short Term Borrowings	2,475,030		—	
Increase/(Decrease) in Other Current Liabilities	(448,087,489)		—	
Increase/(Decrease) in Provisions for expenses	9,302,269		—	
Increase/(Decrease) in Trade Payables	(70,715,934)		1,585,609,703	
(Increase)/Decrease in Receivables	82,085,324		10,328,309	
(Increase)/Decrease in short term Loans & Advances	(174,787,365)	(525,173,244)	(41,462,477)	1,682,312,843
Cash generated from Operations		(226,695,971)		2,020,789,538
Income Tax Paid		(73,011,512)	—	(113,957,821)
Net Cash from Operating Activities (A)		(299,707,483)		1,906,831,717
B) Cash Flow from Investing Activities				
Purchase of Fixed Assets	(418,366,385)		(402,200,150)	
Sale of Fixed Assets	532,991		82,272	
Interest & Dividend Received	15,166,276		16,833,460	
Decrease (Increase) in Investments	(500,340)		134,825,000	
Net Cash used in Investing Activities (B)		(403,167,458)		(250,459,417)



D. S. Kulkarni Developers Ltd.

Consolidated Cash Flow Statement for the year ended	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
C) Cash Flow from Financing Activities				
Decrease (Increase) in long term loans and advances	(3,948,545)		—	
Foreign currency translation reserve	(71,320,463)		13,762,222	
Goodwill	(10,582,400)		(139,323,315)	
Minority interest	(102,003,514)		(81,971,822)	
Interest Paid	(133,086,800)		(115,502,960)	
Dividend Paid	(25,801,008)		(25,801,008)	
Dividend Tax Paid	(4,384,881)		(4,384,881)	
Increase (Decrease) in Secured Loans	895,814,640		(906,733,593)	
Increase (Decrease) in Unsecured Loans	—		(290,521,041)	
Net Cash used in Financing Activities (C)		544,687,030		(1,550,476,398)
Net increase/decrease in cash and cash equivalents (A+B+C)		(158,187,912)		105,895,901
Cash & Cash Equivalent as at beginning of the year		325,223,193		219,327,292
Cash & Cash Equivalent as at end of the year		167,035,282		325,223,193

Note to the Cash Flow Statement : Cash and Cash Equivalents include Cash and Bank Balances

The accompanying notes are an integral part of these financial statements.

As per our audit report of even date.

For Gokhale, Tanksale & Ghatpande

Firm Registration No. 103277W

Chartered Accountants

S. M. Ghatpande

Partner

Membership No. 30462

Place: Pune

Date: 23rd May, 2012

For and on behalf of the Board of Directors

D. S. Kulkarni

Chairman & Managing Director

V. C. Joshi

Director

Place: Pune

Date: 23rd May, 2012

Amol Purandare

Company Secretary

D. S. Kulkarni Developers Ltd.

Notes to Consolidated Financial Statements for the year ended 31-Mar-12

1. Corporate Information:

These Consolidated Financial Statements relate to D.S. Kulkarni Developers Limited, a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ("the Company") and its Subsidiaries. The Company and its Subsidiaries constitute "the Group". The subsidiary's name, country of incorporation, activity and degree of holding company's control are as follows:

Name of Subsidiary		Country of Incorporation	Activity	Holding %
Direct Subsidiaries				
(i)	DSK Developers Corporation	USA	Real estate development	100%
(ii)	DSK SEZ Projects (Pune) Private Ltd.	India	Real estate development	100%
(iii)	DSK Global Education and Research Pvt. Ltd.	India	Education	51%
(iv)	DSK Southern Projects Pvt. Ltd.	India	Real estate development	100%
Step down subsidiaries				
(i)	DSK Woods, LLC	USA	Real estate development	100%
(ii)	DSK Global Education and Research (Singapore) Pte. Ltd.	Singapore	Education	51%

2. Basis of Consolidation:

a) The Consolidated Financial Statements have been prepared on the following basis:

- (i) The financial statements of the Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after fully eliminating intra-group balances, intra-group transactions and unrealised profits and losses as per Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. (ICAI)
- (ii) The operations of all the foreign subsidiaries are not considered as an integral part of the operations of the parent. Hence in the case of foreign subsidiaries, revenue items are consolidated at the average exchange rate prevailing during the year and all assets and liabilities have been converted at the rates prevailing at the end of the year. Any exchange difference is recognized in the Foreign Currency Translation Reserve.
- (iii) The financial statements of the Subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. **31st March 2012**.
- (iv) The goodwill on consolidation included as a debit balance in Note 4 to the Consolidated Balance Sheet represents the excess of the cost to the Company of its investment in Subsidiaries over the Company's portion of equity in the said Subsidiaries. There is no capital reserve on consolidation representing the excess of the Company's portion of equity in the Subsidiaries over the cost to the Company of its investment in the said Subsidiaries.

D. S. Kulkarni Developers Ltd.

b) Significant Accounting Policies:

The significant accounting policies adopted in presentation of the Consolidated Financial Statements are in line with the generally accepted accounting principles in India. These policies are similar to those followed in presentation of the Financial Statements of the Reporting Company except the following:

- (i) **Segment reporting:** In accordance with Accounting Standard 17 issued by the Institute of Chartered Accountants of India,
 - a) **Identification of segments:** The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate. The Group has identified two (Previous Year: three) primary reporting segments on the basis of business activity and two secondary reporting segments on geographical basis. The particulars pursuant to AS 17 are stated in the Notes to the Consolidated Financial Statements.
 - b) **Inter-segment transfers:** The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.
 - c) **Allocation of common costs:** Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
 - d) **Unallocated items:** Unallocated items include general corporate income and expense items which are not allocated to any business segment.
 - e) **Segment accounting policies:** The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.
- (ii) **Related Party Transactions:** The particulars pursuant to AS 18 are stated in the Notes to the Consolidated Financial Statements.

D. S. Kulkarni Developers Ltd.

Notes to the Consolidated Balance Sheet as at	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
3. Equity Share Capital				
a) Number of shares authorized		50,000,000		50,000,000
b) Amount of shares authorized		500,000,000		500,000,000
c) Number of shares issued, subscribed and fully paid		25,801,008		25,801,008
d) Number of shares issued and subscribed but not fully paid		—		—
e) Par value per share		10		10
f) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period				
i. Shares outstanding at the beginning of the reporting period		25,801,008		25,801,008
ii. Shares allotted during the reporting period		—		—
iii. Shares forfeited during the reporting period		—		—
iv. Shares bought back during the reporting period		—		—
v. Shares outstanding at the end of the reporting period		25,801,008		25,801,008
Total at the end of the reporting period		258,010,080		258,010,080
4. Reserves and Surplus				
a) Securities Premium Reserve				
i. Balance at the beginning of the reporting period	3,082,271,206		3,082,271,206	
ii. Additions during the reporting period	—		—	
iii. Deduction during the reporting period	—		—	
iv. Balance at the end of the reporting period		3,082,271,206		3,082,271,206
b) General Reserve				
i. Balance at the beginning of the reporting period	95,370,072		95,370,072	
ii. Additions during the reporting period	—		—	
iii. Deduction during the reporting period	—		—	
iv. Balance at the end of the reporting period		95,370,072		95,370,072



D. S. Kulkarni Developers Ltd.

Notes to the Consolidated Balance Sheet as at	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
c) Foreign Currency Translation Reserve				
i. Balance at the beginning of the reporting period	34,348,252		20,586,029	
ii. Additions during the reporting period	(71,320,463)		13,762,223	
iii. Deduction during the reporting period	—		—	
iv. Balance at the end of the reporting period		(36,972,211)		34,348,252
d) Goodwill on consolidation				
i. Balance at the beginning of the reporting period	(139,323,315)		—	
ii. Additions during the reporting period	(10,582,400)		(139,323,315)	
iii. Deduction during the reporting period	—		—	
iv. Balance at the end of the reporting period		(149,905,715)		(139,323,315)
e) Surplus i.e. balance in Statement of Profit & Loss disclosing allocations and appropriations such as dividend, bonus shares and transfer to/from reserves etc.				
i. Balance at the beginning of the reporting period	806,531,373		762,587,570	
ii. Additions during the reporting period	4,416,185		75,404,931	
iii. Prior year adjustments	36,453,766		(1,275,239)	
iv. Proposed equity dividend	(25,801,008)		(25,801,008)	
v. Tax on equity dividend	(4,185,569)		(4,384,881)	
vi. Balance at the end of the reporting period		817,414,748		806,531,373
Total at the end of the reporting period		3,808,178,100		3,879,197,588
5. Long-Term Borrowings				
i. Long-term borrowings secured				
a) Term loans				
i. Project term loan	1,132,963,667		1,186,358,248	
ii. Equipment term loans	182,313,975		18,058,738	
iii. Corporate term loans	253,227,121		268,498,843	
iv. Vehicle Term Loan	5,694,220	1,574,198,983	5,426,892	1,478,342,721
Please see attached Statement of Borrowings for				
i. Nature of security and guarantee				
ii. Terms of repayment				
ii. Long-term borrowings unsecured				
a) Deposits from public		781,163,913		494,959,373
b) Loans and advances from related parties.		1,443,385,061		929,631,222
Total at the end of the reporting period		3,798,747,956		2,902,933,316

D. S. Kulkarni Developers Ltd.

Notes to the Consolidated Balance Sheet as at	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
6. Deferred Tax Liability:				
The deferred tax liability comprises the effect of the following:				
DTL resulting from timing difference between book depreciation and tax depreciation		8,232,600		8,561,788
Total at the end of the reporting period		8,232,600		8,561,788
7. Short-term borrowings				
i. Short-term borrowings secured				
a) Loans repayable on demand from banks	(886,395)		—	
b) Working capital limits	173,569,739		143,268,169	
c) Current maturities of long-term debt	630,474,945		1,046,636,852	
d) Interest accrued but not due on borrowings	2,780,367	805,938,656	27,763,632	1,217,668,653
ii. Short-term borrowings unsecured				
a) Interest accrued but not due on borrowings	36,331,847		—	
b) Current maturities of long-term debt	783,070,000		559,860,000	
c) Inter corporate deposits	469,275,000		22,900,000	
d) Deposits	57,471,991		139,011,849	
e) Unclaimed public deposits	31,414,000		16,578,000	
f) Other loans and advances	1,569,761,544	2,947,324,382	1,794,769,506	2,533,119,355
Total at the end of the reporting period		3,753,263,038		3,750,788,008
8. Other current liabilities				
a) Current maturities of long-term debt		183,813,042		
b) Interest accrued but not due on borrowings		27,316,147		27,785,550
c) Unpaid dividends		1,845,538		1,808,323
d) Other payables		1,211,227,533		1,842,695,875
Total at the end of the reporting period		1,424,202,259		1,872,289,748
9. Short-term provisions				
a) Provision for Income Tax		465,700,535		392,862,729
b) Proposed Dividend		25,801,008		25,801,008
c) Tax on Dividend		4,185,569		4,384,881
d) Provision for expenses		9,302,269		—
Total at the end of the reporting period		504,989,381		423,048,618

D. S. Kulkarni Developers Ltd.

Notes to the Consolidated Balance Sheet as at 31-Mar-12

10. Tangible Fixed Assets

	Gross carrying amount at beginning of reporting period	Additions during reporting period	Disposals during reporting period	Gross carrying amount at end of reporting period	Accumulated depreciation at beginning of reporting period	Depreciation for reporting period	Depreciation on disposals during reporting period	Accumulated depreciation at end of reporting period	Net carrying amount at beginning of reporting period	Net carrying amount at end of reporting period
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land										
Current Year	274,459,019	—	—	274,459,019	—	—	—	—	274,459,019	274,459,019
Previous Year	261,170,673	13,288,346	—	274,459,019	—	—	—	—	261,170,673	274,459,019
Buildings										
Current Year	900,785,911	283,689,684	—	1,184,475,595	13,733,591	14,836,891	—	28,570,482	887,052,320	1,155,905,113
Previous Year	192,553,496	708,232,415	—	900,785,911	4,822,875	8,910,716	—	13,733,591	187,730,621	887,052,320
Plant & Machinery										
Current Year	112,618,851	7,895,339	(10,292,259)	110,221,931	9,499,848	5,105,234	(1,010,261)	13,594,821	103,119,003	96,627,110
Previous Year	69,224,413	43,394,438	—	112,618,851	5,487,306	4,012,542	—	9,499,848	63,737,107	103,119,003
Office Machinery										
Current Year	112,299,985	32,920,943	(1,159,659)	144,061,268	46,059,513	13,172,062	(306,407)	58,925,168	66,240,472	85,136,100
Previous Year	86,006,633	26,333,694	(40,342)	112,299,985	32,394,827	13,675,693	(11,007)	46,059,513	53,611,806	66,240,472
Furniture & Fixtures										
Current Year	27,483,854	6,121,664	(274,279)	33,331,239	3,304,932	1,904,011	(29,685)	5,179,258	24,178,922	28,151,982
Previous Year	17,209,687	10,274,167	—	27,483,854	1,914,122	1,390,810	—	3,304,932	15,295,565	24,178,922
Vehicles										
Current Year	52,859,259	7,857,756	(3,049,440)	57,667,575	17,835,543	4,874,106	(1,170,577)	21,539,072	35,023,716	36,128,503
Previous Year	42,486,444	10,636,950	(264,135)	52,859,259	13,786,363	4,254,855	(205,675)	17,835,543	28,700,081	35,023,717
Library Books										
Current Year	745,348	178,961	—	924,309	213,864	155,589	—	369,453	531,484	554,856
Previous Year	528,008	217,340	—	745,348	93,721	120,143	—	213,864	434,287	531,484
Total										
Current Year	1,481,252,227	338,664,347	(14,775,637)	1,805,140,937	90,647,292	40,047,894	(2,516,930)	128,178,254	1,390,604,935	1,576,962,683
Previous Year	669,179,354	812,377,350	(304,477)	1,481,252,227	58,499,214	32,364,758	(216,682)	90,647,291	610,680,140	1,390,604,937

D. S. Kulkarni Developers Ltd.

Notes to the Consolidated Balance Sheet as at 31-Mar-12

11. Intangible Fixed Assets		Gross carrying amount at beginning of reporting period	Additions during reporting period	Disposals during reporting period	Gross carrying amount at end of reporting period	Accumulated amortisation beginning reporting period	Amortisation reporting period	Amortisation on disposals during reporting period	Accumulated amortisation at end of reporting period	Net carrying amount at beginning of reporting period	Net carrying amount at end of reporting period
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Computer software	Current Year	29,031,066	3,200,081	—	32,231,147	11,209,571	3,986,202	—	15,195,773	17,821,495	17,035,374
	Previous Year	24,790,655	4,240,411	—	29,031,066	7,353,087	3,856,484	—	11,209,571	17,437,568	17,821,495
Curriculum & Courseware	Current Year	37,651,814	—	—	37,651,814	13,270,439	5,380,444	—	18,650,883	24,381,375	19,000,931
	Previous Year	37,651,814	—	—	37,651,814	7,889,995	5,380,444	—	13,270,439	29,761,819	24,381,375
License Fees	Current Year	72,207,961	—	—	72,207,961	23,055,135	10,318,518	—	33,373,653	49,152,826	38,834,308
	Previous Year	72,207,961	—	—	72,207,961	12,736,617	10,318,518	—	23,055,135	59,471,344	49,152,826
Website development expenses	Current Year	505,644	—	—	505,644	59,207	72,257	—	131,464	446,437	374,180
	Previous Year	—	505,644	—	505,644	—	59,207	—	59,207	—	446,437
Total	Current Year	139,396,485	3,200,081	—	142,596,566	47,594,352	19,757,421	—	67,351,773	91,802,133	75,244,793
	Previous Year	134,650,430	4,746,055	—	139,396,485	27,979,899	19,614,653	—	47,594,352	106,670,731	91,802,133
Grand total	Current Year	1,620,648,712	341,864,428	(14,775,637)	1,947,737,503	138,241,644	59,805,315	(2,516,930)	195,530,027	1,482,407,067	1,752,207,476
	Previous Year	803,823,784	817,123,405	(304,477)	1,620,648,712	86,478,913	51,979,412	(216,682)	138,241,643	717,350,871	1,482,407,069

D. S. Kulkarni Developers Ltd.

Notes to the Consolidated Balance Sheet as at	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
12. Non-current investments				
a) Other non-current investments in cooperative banks		1,163,500		663,160
Total at the end of the reporting period		1,163,500		663,160
Additional Disclosures				
a) Investments carried at other than at cost and the basis for valuation thereof.		Nil		Nil
b) Aggregate amount of quoted investments		Nil		Nil
c) Market value of quoted investments		Nil		Nil
d) Aggregate amount of unquoted investments;		1,163,500		663,160
e) Aggregate provision for diminution in value of investments		Nil		Nil
13. Inventories				
a) Construction materials		7,860,862		13,445,353
b) Work-in-progress		9,444,799,575		8,572,435,235
c) Finished tenements		555,963,995		1,497,109,708
d) Stationary Stock on Hand		855,010		1,044,067
Total at the end of the reporting period		10,009,479,442		10,084,034,363
Mode of valuation: See Note 2				
14. Trade Receivables				
a) Receivables outstanding for less than six months				
i. Unsecured considered good		176,784,741		255,321,477
b) Receivables outstanding for a period exceeding six months				
i. Unsecured considered good		1,962,335		5,510,923
Total at the end of the reporting period		178,747,076		260,832,400
15. Cash and cash equivalents				
a) Balances with banks				
i. Earmarked balances with banks		87,321,944		109,629,856
ii. Current a/c balances with bank		51,800,923		195,931,448
iii. Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments		1,165,935		1,100,000
iv. Bank deposits with more than 12 months maturity		25,375,615		17,120,753
b) Cash on hand		1,370,864		1,441,137
Total at the end of the reporting period		167,035,281		325,223,194

D. S. Kulkarni Developers Ltd.

Notes to the Consolidated Balance Sheet as at	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
16. Short-term loans, advances and deposits				
a) Loans and advances to related parties				
i. Unsecured, considered good		26,300,001		38,911,509
b) Others				
i. Unsecured, considered good		226,377,240		40,495,122
c) Deposits		17,350,654		15,833,899
Total at the end of the reporting period		270,027,895		95,240,530
17. Other current assets				
Advance Tax & TDS		454,968,188		388,936,298
Miscellaneous expenses not written off		—		22,722,550
Balance b/d		—		(22,722,550)
Less: Miscellaneous expenses written off		—		
Total at the end of the reporting period		454,968,188		388,936,298
In the opinion of the Board, all the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.				
18. Contingent Liabilities not provided for:				
1. Tax Matters under appeal**		42,513,000		44,663,000
2. Cases filed against the Company		72,015,000		72,106,000
3. Bills discounted by the Company's suppliers		—		50,000,000
Balance as at end of year		—		49,790,000
Total at the end of the reporting period		114,528,000		166,559,000

** Income tax demands comprise demand from the Indian tax authorities for payment of additional tax upon completion of their tax review for the financial years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10. The tax demands are mainly on account of disallowance of a portion of the tax holiday claimed by the company under the Income tax Act. The matter is pending before the Commissioner of Income tax (Appeals) / Income Tax Appellate Tribunal. The company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.



D. S. Kulkarni Developers Ltd.

Notes to the Consolidated Profit and Loss Statement for the year ended	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
19. Revenue from Operations				
a) Company other than a finance company				
A. Sale of products				
i. Sale of Tenements	1,481,588,428		2,202,526,592	
ii. Sale of Land & Development Rights	304,145,000	1,785,733,428	31,106,250	2,233,632,842
B. Sale of services				
i. Contract receipts	—		98,283,637	
ii. Labour charges	18,038,574		3,464,961	
iii. Designing Charges	—		1,471,155	
iv. Rent	378,065	18,416,639	—	103,219,753
C. Educational Fees		204,320,863		163,499,556
D. Other operating revenues				
i. Income from subsidiaries / JV	—		3,762,183	
ii. Sale of RMC	65,654,944	65,654,944	57,311,751	61,073,934
Total at the end of the reporting period		2,074,125,874		2,561,426,085
20. Increase / (Decrease) in inventories of finished tenements and work-in-progress				
a) Finished tenements				
Closing	555,963,995		1,497,109,708	
Less: Opening	(1,497,109,708)	(941,145,713)	(426,971,916)	1,070,137,792
b) Work-in-Progress				
Closing	9,442,435,525		8,620,557,126	
Less: Opening	(8,561,089,653)	881,345,872	(10,072,301,368)	(1,451,744,242)
Total at the end of the reporting period		(59,799,841)		(381,606,450)
21. Other income				
a) Bank Interest		10,442,132		7,979,007
b) Other Interest		4,724,144		736,701
c) Sundry creditors A/c written back		1,643,309		4,076,485
d) Other Receipts		1,949,511		4,041,267
Total at the end of the reporting period		18,759,096		16,833,460
22. Land & / or Development expenses				
a) Land & Development Rights		118,762,768		170,497,680
b) Sub-Contractors' Charges (Including Material)		493,578,333		527,691,246
c) Other Development Expenses		729,161,794		747,336,960
Total at the end of the reporting period		1,341,502,894		1,445,525,886

D. S. Kulkarni Developers Ltd.

Notes to the Consolidated Profit and Loss Statement for the year ended	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
23. Office & administration expenses				
a) Professional Fees		37,714,127		17,540,579
b) Postage, Telephone & Telegram		6,425,683		5,574,546
c) Rent, Rates & Taxes		22,585,696		19,233,906
d) Repairs & Maintenance		14,833,581		11,435,167
e) Printing & Stationery		6,387,361		7,798,734
f) Legal Charges		3,501,994		4,593,571
g) Conveyance		8,178,371		7,224,295
h) Electricity Charges		29,138,999		22,219,783
i) Office Expenses		1,983,775		2,211,600
j) Subscription		666,324		1,470,152
k) Insurance		1,091,089		5,038,230
l) <i>Audit Fees</i>				
Internal Audit Fees	571,583		493,728	
Company Audit Fees	629,944		941,259	
Tax Audit Fees	97,472	1,298,999	75,000	1,509,987
m) Canteen Expenses		13,215,507		9,231,125
n) Security Charges		819,425		2,931,282
o) Other administrative expenses		7,397,757		7,875,581
Total at the end of the reporting period		155,238,689		125,888,538
24. Educational expenses				
a) Royalty	16,311,412		13,040,482	
b) Students' expenses	7,544,983		7,831,732	
c) Hostel expenses	—	23,856,395	45,179	20,917,393
Total at the end of the reporting period		23,856,395		20,917,393
25. Employee Benefits Expense				
a) Salaries, Wages, Bonus etc.		184,498,329		152,730,096
b) Contribution to Provident & Other Funds		5,655,658		5,067,994
c) Directors' Remuneration		28,160,537		22,545,908
d) Staff Welfare		7,053,062		3,768,365
e) Directors' Sitting Fees		288,000		258,000
f) Recruitment Charges		516,345		395,240

D. S. Kulkarni Developers Ltd.

Notes to the Consolidated Profit and Loss Statement for the year ended	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
Total at the end of the reporting period		226,171,931		184,765,603
26. Selling expenses				
a) Advertisement		69,907,324		77,726,006
b) Domestic Travel Expenses		16,427,381		7,423,681
c) Foreign Travel Expenses		15,579,105		12,507,615
d) Sales Promotion		4,447,680		16,863,006
e) Domestic Exhibition Expenses		8,606,946		9,753,081
f) Foreign Exhibition Expenses		7,414,442		1,444,245
g) Brokerage		99,444		9,476,620
h) Donations		1,051,111		1,187,500
i) Miscellaneous Balances w/off		148,324		2,651,626
j) Entertainment Expenses		1,473,187		1,881,579
k) Other Selling Expenses		13,445,515		5,771,036
Total at the end of the reporting period		138,600,460		146,685,995
27. Finance Costs				
a) Interest on Deposits & Loans		45,504,340		52,619,538
b) Interest to Banks & Financial Institutions		84,233,645		29,051,718
c) Interest Others		2,670,012		436,328
d) Interest on Vehicle Loans		678,803		620,706
e) Brokerage for Fixed Deposit		995,975		3,150,457
f) Premium on redemption of debentures		—		24,525,000
Total at the end of the reporting period		134,082,775		110,403,747
28. Depreciation and amortization expense				
a) Depreciation expense		40,047,894		32,364,758
b) Amortization expense		19,757,420		19,614,653
Total at the end of the reporting period		59,805,314		51,979,412
29. Other expenses				
Miscellaneous expenses written off		—		22,722,550
Sundry Expenses		1,070,985		—
Total at the end of the reporting period		1,070,985		22,722,550
30. Items of exceptional nature				
Foreign Exchange Difference		32,303,396		5,099,213
Total at the end of the reporting period		32,303,396		5,099,213

D. S. Kulkarni Developers Ltd.

Notes to the Consolidated Profit and Loss Statement for the year ended	31-Mar-12 ₹	31-Mar-12 ₹	31-Mar-11 ₹	31-Mar-11 ₹
31. Earnings Per Share (EPS):				
Earnings per share is calculated in accordance with the AS 20				
Particulars				
Profit after tax (₹ lacs)		4,416,185		75,404,931
Weighted Average Number of Equity shares		25,801,008		25,801,008
Nominal Value of Equity Share (₹)		10		10
Basic and Diluted Earnings Per Share (₹)		0.17		2.92

32. Related party disclosures

A. Names of related parties and related party relationship

1. Related parties where control exists

Key management personnel	Mr. D. S. Kulkarni
	Mrs. J. D. Kulkarni
	Mr. S. D. Kulkarni
	Mrs. Hemanti D. Kulkarni
	Mrs. Tanvi S. Kulkarni
	Mr. Umesh N. Tashildar

Relatives of key management personnel: Nil

Enterprises owned or significantly influenced by key management personnel or their relatives

1. Ambiance Ventures Estates & Developments Pvt. Ltd.
2. Amit & Company
3. Ascent Promoters & Developers Private Limited
4. Crystal Promoters & Developers Private Limited
5. Chandradeep Promoters & Developers Private Limited
6. D. S. Kulkarni Constructions Pvt. Ltd.
7. DSK Digital Technologies Private Limited
8. DSK Infotech Private Limited
9. DSK Motors Limited
10. DSK Prabhu Granite LLP
11. DSK Sales & Services
12. D. S. Kulkarni & Company
13. D. S. Kulkarni & Associates
14. DSK Tricone Infrastructure and Construction Ltd.
15. DSK Worldman Computers Private Limited
16. Fairyland Promoters & Developers Private Limited
17. Gharkul
18. Greengold Farms & Forests Pvt. Ltd.
19. Growrich Agroforestry Private Limited
20. Hexagon Capital Advisors Private Limited
21. Holyland Agroforestry Private Limited
22. Mangesh Agencies
23. Mangesh Enterprises
24. Mangesh Sales Corporation
25. Sapphire Promoters & Developers Private Limited
26. Shri Saptashrungi Oil Mills Pvt. Ltd.
27. Telesmell

D. S. Kulkarni Developers Ltd.

	2011-12 ₹ Lacs	2010-11 ₹ Lacs
2. Related party transactions		
1. Balance payable at end		
Amit & Company	—	0.01
Ambiance Ventures Estates & Developments Pvt. Ltd.	596.58	—
DSK Digital Technologies Private Limited	0.03	—
DSK Infotech Pvt. Ltd.	9.29	—
DSK Motors Ltd.	2.91	80.37
DSK Tricone Infrastructures & Construction Ltd.	4.11	—
D. S. Kulkarni & Associates	11,404.40	11,738.88
D. S. Kulkarni Constructions Pvt. Ltd.	14.43	14.43
D. S. Kulkarni & Company	993.10	5,941.07
Growrich Agroforestry Pvt. Ltd.	—	2.98
Mangesh Agencies	—	0.12
Skylap Marketing Pvt. Ltd.	—	2.74
Telesmell	0.01	—
Mrs. Hemanti D. Kulkarni	14,433.85	8,908.61
Sub total	27,458.71	26,689.21
2. Balance receivable at end		
Chandradeep Promoters & Developers Pvt. Ltd.	28.15	28.15
DSK Motors Ltd.	40.61	63.97
DSK Sales & Services	0.53	0.26
DSK Tricone Infrastructures & Construction Ltd.	425.65	—
DSK Worldman Computers Private Limited	0.18	—
D. S. Kulkarni & Associates	175.25	25.00
D. S. Kulkarni & Company	25.00	25.00
Gharkul	0.44	—
Growrich Agroforestry Private Limited	415.16	—
Mangesh Agencies	—	191.97
Hassonji & Co.	—	0.77
Mr. S. D. Kulkarni	14.00	—
Mrs. Tanvi S. Kulkarni	0.20	—
Sub total	1,125.17	335.12

D. S. Kulkarni Developers Ltd.

	2011-12 ₹ Lacs	2010-11 ₹ Lacs
3. Advances received / recovered		
Ambiance Ventures Estates & Developments Pvt. Ltd.	550.00	—
Chandradeep Promoters & Developers Pvt. Ltd.	—	388.50
DSK Prabhu Granite LLP	0.04	—
DSK Tricone Infrastructures & Construction Ltd.	297.16	—
D. S. Kulkarni & Company	10,542.70	26,993.18
D. S. Kulkarni & Associates	2,084.62	11,467.87
Mangesh Agencies	384.18	733.83
Mangesh Enterprises	60.00	—
Mrs. Hemanti D. Kulkarni	5,507.54	2,984.72
Mr. S. D. Kulkarni	87.85	—
Mrs. Tanvi S. Kulkarni	0.19	—
Sub total	19,514.28	42,568.10
4. Advances given / repaid		
Amit & Company	0.01	—
DSK Tricone Infrastructures & Construction Ltd.	290.15	—
Chandradeep Promoters & Developers Pvt. Ltd.	—	416.65
DSK Prabhu Granite LLP	0.04	—
D. S. Kulkarni & Company	15,557.43	22,197.59
D. S. Kulkarni & Associates	3,933.84	134.57
Growrich Agroforestry Private Limited	404.25	—
Mangesh Agencies	192.21	1,117.77
Mrs. Hemanti D. Kulkarni	370.00	1,212.30
Mrs. Tanvi S. Kulkarni	0.39	—
Sub total	20,748.32	25,078.88
5. Sales		
DSK Motors Ltd.	2.57	—
DSK Tricone Infrastructures & Construction Ltd.	2.77	—
DSK Worldman Computers Private Limited	—	0.14
D. S. Kulkarni & Associates	199.55	8.15
Gharkul	0.44	—
Shri Saptashrungi Oil Mills Pvt. Ltd.	—	173.45
Mr. S. D. Kulkarni	—	12.38
Sub total	205.33	194.12

D. S. Kulkarni Developers Ltd.

	2011-12 ₹ Lacs	2010-11 ₹ Lacs
6. Services rendered		
DSK Digital Technologies Pvt. Ltd.	0.47	—
DSK Infotech Pvt. Ltd.	—	0.57
DSK Motors Ltd.	15.91	5.96
DSK Sales & Services	0.27	—
DSK Tricone Infrastructures & Construction Ltd.	6.02	—
DSK Worldman Computers Private Limited	0.18	—
Sub total	22.85	6.53
7. Services availed		
Amit & Company	—	0.07
Calcutta Boarding House	—	1.62
DSK Digital Technologies Pvt. Ltd.	0.04	1.88
DSK Infotech Pvt. Ltd.	11.03	9.55
DSK Motors Ltd.	8.25	28.34
DSK Tricone Infrastructures & Construction Ltd.	744.94	—
DSK Worldman Computers Pvt. Ltd.	—	0.02
D.S.Kulkarni & Company	—	3.99
Growrich Agroforestry Pvt. Ltd.	—	3.43
Hexagon Capital Advisors Private Limited	—	2.31
Mangesh Agencies	—	0.04
Skylap Marketing Pvt. Ltd.	—	3.05
Telesmell	0.04	—
Mr. S. D. Kulkarni	—	—
Hassonji & Co.	—	25.76
Sub total	764.30	80.06
8. Interest Income		
Growrich Agroforestry Private Limited	12.13	—
sub total	12.13	—
9. Rent Recovery		
DSK Infotech Pvt. Ltd.	1.74	—
D. S. Kulkarni & Associates	1.32	—
Sub total	3.06	—

D. S. Kulkarni Developers Ltd.

	2011-12 ₹ Lacs	2010-11 ₹ Lacs
10. Purchase of materials		
DSK Digital Technologies Pvt. Ltd.	—	1.36
Hassonji & Co.	—	3.48
Mrs. Hemanti D. Kulkarni	—	0.69
Mangesh Agencies	—	2.26
Sub total	—	7.79
11. Purchase of fixed assets		
Amit & Company	—	0.01
DSK Digital Technologies Pvt. Ltd.	—	5.96
DSK Motors Ltd.	60.66	28.05
Sub total	60.66	34.02
12. Share Capital		
Mrs. Hemanti D. Kulkarni	244.50	244.50
Sub total	244.50	244.50
13. Remuneration		
Mr. Deepak S. Kulkarni	224.24	172.10
Mr. Shirish D. Kulkarni	23.81	19.56
Mrs. Jyoti D. Kulkarni	5.19	6.22
Mrs. Tanvi S. Kulkarni	3.60	—
Mr. Umesh N. Tashildar	25.60	28.60
Sub total	282.44	226.48
14. Sitting fees		
Mr. V. C. Joshi	1.14	0.75
Mr. K. K. Taparia	0.58	0.45
Dr. M. K. P. Setty	0.71	0.60
Mr. R. D. Kharosekar	0.35	0.20
Mrs. Hemanti D. Kulkarni	—	0.58
Dr. Vijaykumar Jagtap	0.10	—
Sub total	2.88	2.58
15. Rent Expenditure		
D. S. Kulkarni & Associates	39.71	33.09
D. S. Kulkarni & Company	39.71	33.09
Mr. Shirish D. Kulkarni	95.96	92.65
Sub total	175.38	158.83
16. Interest Expenditure		
Ambiance Ventures Estates & Developments Pvt. Ltd.	51.76	—
D. S. Kulkarni & Associates	1,396.12	359.01
D. S. Kulkarni & Company	31.02	701.64
Sub total	1,478.90	1,060.65
Grand Total	72,098.91	96,686.88



D. S. Kulkarni Developers Ltd.

	2011-12 ₹ Lacs	2010-11 ₹ Lacs
33. Disclosure for assets taken on lease as per AS 19:		
The Group has entered into operating lease arrangements for office space at Pune, Mumbai, Chennai and Bangalore. There are no future minimum lease payments under non-cancellable operating leases as all the lease arrangements are cancellable at the option of lessee.		
Minimum lease payments recognised in Profit and Loss Account		
Cancellable leases	168.03	167.50
Non-cancellable leases	—	—
General description of the lessee's significant leasing arrangements:		
Certain lease arrangements provide a clause for price escalation.		

As per our audit report of even date.

For Gokhale, Tanksale & Ghatpande

Firm Registration No. 103277W

Chartered Accountants

S. M. Ghatpande

Partner

Membership No. 30462

Place: Pune

Date: 23rd May, 2012

For and on behalf of the Board of Directors

D. S. Kulkarni

Chairman & Managing Director

V. C. Joshi

Director

Amol Purandare

Company Secretary

Place: Pune

Date: 23rd May, 2012

D. S. Kulkarni Developers Ltd.
Notes to the Consolidated Balance Sheet as at 31-Mar-12
Statement of Borrowings

Previous Year's figures are stated in italics.

Borrowings	Non-current maturity of the debt	Current maturity of the debts	Interest accrued but not due on borrowings	Total Amount	Ref
₹	₹	₹	₹	₹	
1 Long term borrowings					
a Secured					
1) Term loans					
i Project term loans					
1 ICICI Bank Ltd.	—	329,736,889	1,896,661	331,633,551	1
<i>ICICI Bank Ltd.</i>	<i>322,224,656</i>	<i>148,909,899</i>	<i>2,608,571</i>	<i>473,743,126</i>	
2 IDBI	—	—	—	—	2
<i>IDBI</i>	<i>—</i>	<i>56,831,418</i>	<i>—</i>	<i>56,831,418</i>	
3 Bank of Baroda	—	—	—	—	3
<i>Bank of Baroda</i>	<i>—</i>	<i>52,466,588</i>	<i>770,652</i>	<i>53,237,240</i>	
4 Bank Of Maharashtra	162,963,667	—	1,974,759	164,938,426	4
<i>Bank Of Maharashtra</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	
5 Central Bank of India	970,000,000	30,000,000	22,394,009	1,022,394,009	5
<i>Central Bank of India</i>	<i>864,133,592</i>	<i>124,800,000</i>	<i>23,513,327</i>	<i>1,012,446,919</i>	
6 1 st Constitution Bank	—	152,523,677	1,050,718	153,574,395	6
<i>1st Constitution Bank</i>	<i>—</i>	<i>119,729,475</i>	<i>893,000</i>	<i>120,622,475</i>	
Sub Total	1,132,963,667	512,260,566	27,316,147	1,672,540,381	
Sub Total	1,186,358,248	502,737,380	27,785,550	1,716,881,178	
ii Equipment Term Loans					
1 Srei Equipment Finance Pvt. Ltd.	170,456,604	112,566,171	—	283,022,775	7
<i>Srei Equipment Finance Pvt. Ltd.</i>	<i>—</i>	<i>13,381,513</i>	<i>—</i>	<i>13,381,513</i>	
2 Reliance Capital Ltd.	11,857,371	23,010,080	—	34,867,451	8
<i>Reliance Capital Ltd.</i>	<i>1,611,346</i>	<i>17,304,227</i>	<i>—</i>	<i>18,915,573</i>	
3 Reliance Consumer Finance Pvt. Ltd.	—	16,447,402	—	16,447,402	9
<i>Reliance Consumer Finance Pvt. Ltd.</i>	<i>16,447,392</i>	<i>33,892,492</i>	<i>—</i>	<i>50,339,884</i>	
Sub Total	182,313,975	152,023,653	—	334,337,628	
Sub Total	18,058,738	64,578,232	—	82,636,971	

D. S. Kulkarni Developers Ltd.

Previous Year's figures are stated in italics.

Borrowings	Non-current maturity of the debt	Current maturity of the debts	Interest accrued but not due on borrowings	Total Amount	Ref
	₹	₹	₹	₹	
iii Corporate Term Loans					
1 Indiabulls Financial Services Ltd.	—	—	—	—	10
<i>Indiabulls Financial Services Ltd.</i>	—	285,656,281	—	285,656,281	
2 Dewan Housing Finance Corporation Ltd.	93,487,942	34,680,194	8,227	128,176,363	11
<i>Dewan Housing Finance Corporation Ltd.</i>	128,168,136	41,489,909	—	169,658,045	
3 Dewan Housing Finance Corporation Ltd.	115,347,614	24,983,093	—	140,330,707	12
<i>Dewan Housing Finance Corporation Ltd.</i>	140,330,707	19,669,293	—	160,000,000	
4 Sangli Urban Cooperative Bank Ltd.	44,391,565	4,802,093	590,034	49,783,692	13
<i>Sangli Urban Cooperative Bank Ltd.</i>					
Sub Total	253,227,121	64,465,380	598,261	318,290,762	
Sub Total	268,498,843	346,815,483	—	615,314,326	
iv Vehicle Term Loans					
1 Kotak Mahindra Prime Ltd.	2,309,144	2,339,759	180,573	4,829,476	14
<i>Kotak Mahindra Prime Ltd.</i>	1,233,415	1,215,818	(6,457)	2,442,776	
2 Tata Capital Ltd.	3,385,076	3,198,626	—	6,583,702	15
<i>Tata Capital Ltd.</i>	4,193,477	2,231,921	(15,461)	6,409,937	
3 ICICI Bank Ltd.	—	—	—	—	16
<i>ICICI Bank Ltd.</i>	—	58,018	—	58,018	
Sub Total	5,694,220	5,538,385	180,573	11,413,178	
Sub Total	5,426,892	3,505,757	(21,918)	8,910,731	
v Term Loans secured by pledge of promoters' shares					
1 Blau -I Merchandising Pvt. Ltd.	—	—	—	—	17
<i>Blau -I Merchandising Pvt. Ltd.</i>	—	10,000,000	—	10,000,000	
2 Indigo Flavours Pvt. Ltd.	—	—	—	—	18
<i>Indigo Flavours Pvt. Ltd.</i>	—	20,000,000	—	20,000,000	
3 RR Chokhani Stock Brokers Pvt. Ltd.	—	20,000,000	—	20,000,000	19
<i>RR Chokhani Stock Brokers Pvt. Ltd.</i>	—	10,000,000	—	10,000,000	
4 Sicom Ltd.	—	—	—	—	20
<i>Sicom Ltd.</i>	—	29,000,000	—	29,000,000	

D. S. Kulkarni Developers Ltd.

Previous Year's figures are stated in italics.

Borrowings	Non-current maturity of the debt	Current maturity of the debts	Interest accrued but not due on borrowings	Total Amount	Ref
	₹	₹	₹	₹	
5 SKS Fincap Pvt. Ltd.	—	20,000,000	—	20,000,000	21
<i>SKS Fincap Pvt. Ltd.</i>	—	<i>20,000,000</i>	—	<i>20,000,000</i>	
6 Sprite Investment Pvt. Ltd.	—	—	—	—	22
<i>Sprite Investment Pvt. Ltd.</i>	—	<i>20,000,000</i>	—	<i>20,000,000</i>	
7 Western India Garments Pvt. Ltd.	—	—	—	—	23
<i>Western India Garments Pvt. Ltd.</i>	—	<i>20,000,000</i>	—	<i>20,000,000</i>	
8 Everest Flavours Pvt. Ltd.	—	20,000,000	—	20,000,000	24
<i>Everest Flavours Pvt. Ltd.</i>	—	—	—	—	
9 Pinkhem Investments Co. Pvt. Ltd.	—	20,000,000	—	20,000,000	25
<i>Pinkhem Investments Co. Pvt. Ltd.</i>	—	—	—	—	
Sub Total	—	80,000,000	—	80,000,000	
Sub Total	—	129,000,000	—	129,000,000	
Total Long Term Secured Loans	1,574,198,983	814,287,984	28,094,981	2,416,581,949	
Total Long Term Secured Loans	1,478,342,721	1,046,636,852	27,763,632	2,552,743,205	

References:

- The primary security for ICICI Bank project loan is registered mortgage of specified present and future immovable properties. The collateral security is registered mortgage of specified present immovable properties and a charge on the receivables of specified projects. In addition, the project loan is secured by the personal guarantee of Mr. D. S. Kulkarni & Mr. Shirish D. Kulkarni.
- The primary security for the IDBI project loan is the first charge on all project assets. The collateral security is equitable mortgage of specified present and future immovable properties. In addition, the project loan is secured by the personal guarantee of Mr. D. S. Kulkarni & Mrs. H. D. Kulkarni.
- The primary security for the Bank of Baroda project loan is equitable mortgage of specified present and future immovable properties and hypothecation of project current assets. In addition, the project loan is secured by the personal guarantee of Mr. D. S. Kulkarni & Mr. Shirish D. Kulkarni.
- The primary security for the Bank of Maharashtra project loan is equitable mortgage of specified present and future immovable properties and hypothecation of project receivables. In addition, the project loan is secured by the personal guarantee of Mr. D. S. Kulkarni & Mrs. H. D. Kulkarni.
- The term loan from CBI is primarily & collaterally secured by mortgage of specified immovable properties, hypothecation of specified movables, corporate guarantee of D. S. Kulkarni Developers Ltd. and personal guarantee of Mr. D. S. Kulkarni & Mrs. H. D. Kulkarni.
- The loan from 1st Constitution Bank New Jersey Branch is secured by a first mortgage lien on property known as Block 5.03 Lots 16 & 61, Schalks Crossing Road, Plainsboro Township, Middlesex County, New Jersey. Additional security provided by the Company includes fixtures, equipment, inventory, account, receivable and general intangibles; assignments of contracts, leases and rents. Mrs. H. D. Kulkarni and Mr. D. S. Kulkarni are the joint and severally liable guarantors for the repayment and performance of the



D. S. Kulkarni Developers Ltd.

terms and conditions of the said construction loan agreement.

- 7 The primary security for the several equipment term loans from Srei Equipment Finance Pvt. Ltd. is hypothecation of various construction equipments. The collateral security is registered mortgage of various immovable properties. In addition, these loans are secured by the personal guarantee of Mr. D. S. Kulkarni & Mr. S. D. Kulkarni.
- 8 The primary security for the several equipment term loans from Reliance Capital Ltd. is hypothecation of various construction equipments. In addition, these loans are secured by the personal guarantee of Mr. D. S. Kulkarni.
- 9 The primary security for the several equipment term loans from Reliance Consumer Finance Pvt. Ltd. is hypothecation of various construction equipments. In addition, these loans are secured by the personal guarantee of Mr. D. S. Kulkarni.
- 10 There is no primary security for the corporate loan from Indiabulls Financial Services Ltd. The collateral security is registered mortgage of specified present immovable properties. In addition, this loan is secured by the personal guarantee of Mr. Shirish D. Kulkarni.
- 11 There is no primary security for the corporate loan from Dewan Housing Finance Corporation Ltd. The collateral security is registered mortgage of various immovable properties. In addition, this loan is secured by the personal guarantee of Mrs. Hemanti D. Kulkarni.
- 12 There is no primary security for the corporate loan from Dewan Housing Finance Corporation Ltd. The collateral security is registered mortgage of various immovable properties. In addition, this loan is secured by the personal guarantee of Mr. D. S. Kulkarni & Mr. Shirish D. Kulkarni.
- 13 There is no primary security for the corporate loan from Sangli Urban Co-operative Bank Ltd. The collateral security is registered mortgage of specified present immovable properties. In addition, this loan is secured by the corporate guarantee of Growrich Agroforestry Pvt. Ltd. & Chandradeep Promoters & Developers Pvt. Ltd.
- 14 The vehicle term loan from Kotak Mahindra Prime Ltd. is secured by hypothecation of specific vehicles.
- 15 The vehicle term loan from Tata Capital Ltd. is secured by hypothecation of specific vehicles.
- 16 The vehicle term loan from ICICI Bank Ltd. is secured by hypothecation of specific vehicles.
- 17 The loan from Blau - I Merchandising Pvt. Ltd. is secured by pledge of Nil (P. Y. 4,00,000) Equity shares of the Company held by the Company's promoters.
- 18 The loan from Indigo Flavours Pvt. Ltd. is secured by pledge of Nil (P. Y. 8,01,000) Equity shares of the Company held by the Company's promoters.
- 19 The loan from RR Chokhani Stock Brokers Pvt. Ltd. is secured by pledge of 6,96,000 (P. Y. 4,88,000) Equity shares of the Company held by the Company's promoters.
- 20 The loan from Sicom Ltd. is secured by pledge of Nil (P. Y. 14,85,000) Equity shares of the Company held by the Company's promoters.
- 21 The loan from SKS Fincap Pvt. Ltd. is secured by pledge of 8,00,000 (P. Y. 7,45,000) Equity shares of the Company held by the Company's promoters.
- 22 The loan from Sprite Investment Pvt. Ltd. is secured by pledge of 4,00,000 (P. Y. 8,00,000) Equity shares of the Company held by the Company's promoters.
- 23 The loan from Western India Garments Pvt. Ltd. is secured by pledge of Nil (P. Y. 8,01,000) Equity shares of the Company held by the Company's promoters.
- 24 The loan from Everest Flavours Pvt. Ltd. is secured by pledge of 8,20,000 (P. Y. Nil) Equity shares of the Company held by the Company's promoters.
- 25 The loan from Pinkhem Investments Co. Pvt. Ltd. is secured by pledge of 8,20,000 (P. Y. Nil) Equity shares of the Company held by the Company's promoters.

D. S. Kulkarni Developers Ltd.

Previous Year's figures are stated in italics.

Borrowings	Non-current maturity of the debt	Current maturity of the debts	Interest accrued but not due on borrowings	Total Amount	Ref
	₹	₹	₹	₹	
b Unsecured					
1 Deferred payment liabilities	—	—	—	—	
2 Deposits					
Public	779,885,000	783,070,000	—	1,562,955,000	
<i>Public</i>	<i>493,521,000</i>	<i>559,860,000</i>	—	<i>1,053,381,000</i>	
Others	1,278,913	—	36,367	1,315,280	
<i>Others</i>	<i>1,438,373</i>	—	—	<i>1,438,373</i>	
Inter corporate deposits					
Aakarshan Housing Pvt. Ltd.	—	4,200,000	—	4,200,000	
<i>Aakarshan Housing Pvt. Ltd.</i>	—	—	—	—	
Alok Properties Pvt. Ltd.	—	—	—	—	
<i>Alok Properties Pvt. Ltd.</i>	—	<i>100,000</i>	—	<i>100,000</i>	
Ambiance Ventures Estate & Developments Pvt. Ltd.	—	55,000,000	4,658,424	59,658,424	
<i>Ambiance Ventures Estate & Developments Pvt. Ltd.</i>	—	—	—	—	
Chemo Pharma Laboratories Ltd	—	8,400,000	—	8,400,000	
<i>Chemo Pharma Laboratories Ltd</i>	—	—	—	—	
Kaveri Impex Pvt. Ltd.	—	800,000	—	800,000	
<i>Kaveri Impex Pvt. Ltd.</i>	—	—	—	—	
Maroo Steel Pvt. Ltd.	—	600,000	—	600,000	
<i>Maroo Steel Pvt. Ltd.</i>	—	—	—	—	
Moonroik Finvest Pvt. Ltd.	—	700,000	—	700,000	
<i>Moonroik Finvest Pvt. Ltd.</i>	—	—	—	—	
Niskam Trading Pvt. Ltd.	—	600,000	—	600,000	
<i>Niskam Trading Pvt. Ltd.</i>	—	—	—	—	
Seksaria Industries Pvt. Ltd.	—	21,350,000	—	21,350,000	
<i>Seksaria Industries Pvt. Ltd.</i>	—	<i>12,800,000</i>	—	<i>12,800,000</i>	
Seksaria Trading Co. Pvt. Ltd.	—	300,000	—	300,000	
<i>Seksaria Trading Co. Pvt. Ltd.</i>	—	—	—	—	
Shethi Developers Ltd.	—	1,500,000	—	1,500,000	
<i>Shethi Developers Ltd.</i>	—	—	—	—	
Shri Krishna Rice & Oil Mills Pvt. Ltd.	—	1,600,000	—	1,600,000	
<i>Shri Krishna Rice & Oil Mills Pvt. Ltd.</i>	—	—	—	—	

D. S. Kulkarni Developers Ltd.

Previous Year's figures are stated in italics.

Borrowings	Non-current maturity of the debt	Current maturity of the debts	Interest accrued but not due on borrowings	Total Amount	Ref
	₹	₹	₹	₹	
Skylap Marketing Pvt. Ltd.		100,000,000	8,469,863	108,469,863	
<i>Skylap Marketing Pvt. Ltd.</i>		—	—	—	
Sunako Chemo Industries Pvt. Ltd.		—	—	—	
<i>Sunako Chemo Industries Pvt. Ltd.</i>		7,000,000	—	7,000,000	
Sunako Trading & Investment Pvt. Ltd.		—	—	—	
<i>Sunako Trading & Investment Pvt. Ltd.</i>		3,000,000	—	3,000,000	
Tarshila Trading Pvt. Ltd.		700,000	—	700,000	
<i>Tarshila Trading Pvt. Ltd.</i>		—	—	—	
Vastushilp Promoters & Developers Pvt. Ltd.		100,000,000	8,469,863	108,469,863	
<i>Vastushilp Promoters & Developers Pvt. Ltd.</i>		—	—	—	
Vastusiddhi Promoters & Developers Pvt. Ltd.		100,000,000	8,469,863	108,469,863	
<i>Vastusiddhi Promoters & Developers Pvt. Ltd.</i>		—	—	—	
Vastuvisharad Promoters & Developers Pvt. Ltd.		73,525,000	6,227,467	79,752,467	
<i>Vastuvisharad Promoters & Developers Pvt. Ltd.</i>		—	—	—	
Sub Total	—	469,275,000	36,295,480	505,570,480	
Sub Total	—	22,900,000	—	22,900,000	
From related parties	1,443,385,061	—	—	1,443,385,061	
<i>From related parties</i>	929,631,222	—	—	929,631,222	
Total Long Term Unsecured Liabilities	2,224,548,974	1,252,345,000	36,331,847	3,513,225,821	
Total Long Term Unsecured Liabilities	1,424,590,595	582,760,000	—	2,007,350,595	

D. S. Kulkarni Developers Ltd.

Previous Year's figures are stated in italics.

Borrowings		Non-current maturity of the debt	Current maturity of the debts	Interest accrued but not due on borrowings	Total Amount	Ref
		₹	₹	₹	₹	
2	Short term borrowings					
a	Secured					
1)	Loans repayable on demand					
i	From banks					
1	Bank of Maharashtra FCDL	—	—	—	—	26
	<i>Bank of Maharashtra FCDL</i>	—	26,016,949	—	26,016,949	
2	Bank of Maharashtra Cash Credit	51,966,322	—	—	51,966,322	27
	<i>Bank of Maharashtra Cash Credit</i>	(26,632,799)	—	—	(26,632,799)	
3	The Kalyan Janata Sahakari Bank Ltd.	50,000,000	—	621,891	50,621,891	28
	<i>The Kalyan Janata Sahakari Bank Ltd.</i>	49,790,159	—	—	49,790,159	
4	IDBI Bank Ltd.	—	—	—	—	29
	<i>IDBI Bank Ltd.</i>	(193,066)	—	—	(193,066)	
5	Central Bank of India Demand Loan	—	—	—	—	30
	<i>Central Bank of India Demand Loan</i>	21,240,000	—	126,561	21,366,561	
6	Central Bank of India FDOD	37,170,000	—	1,239,779	38,409,779	31
	<i>Central Bank of India FDOD</i>	37,170,000	—	221,482	37,391,482	
7	Syndicate Bank	31,653,050	—	918,697	32,571,747	32
	<i>Syndicate Bank</i>	34,572,000	—	598,869	35,170,869	
8	Central Bank of India CC	(886,395)	—	—	(886,395)	
	<i>Central Bank of India CC</i>	(471,172)	—	—	(471,172)	
9	Tricone CC	—	—	—	—	
	<i>Tricone CC</i>	829,186	—	—	829,186	
Total Short Term Secured Loans		169,902,977	—	2,780,367	172,683,344	
Total Short Term Secured Loans		116,304,308	26,016,949	946,912	143,268,169	

- 26 The primary security for the FCDL from Bank of Maharashtra is the same as that for rupee working capital loan: hypothecation of inventories of materials and book debtors. The collateral security is equitable mortgage of the land in Bavdhan. Other Terms & Conditions:- **a)** FCDL shall be allowed subject to availability of drawing power in the cash credit accounts. **b)** The present working capital limit shall be earmarked to the extent of FCDL. **c)** Security for the existing working capital facilities will continue to be extended to FCDL. **d)** The Company shall book forward contract for repayment on due date. **e)** The disbursement & subsequent roll over of loan will be entirely at the discretion of the bank & subject to availability of foreign currency funds at the time of maturity. **f)** Bank shall be at liberty to crystallize the liability of borrower Company at any time during the currency of loan with due notice to the Company. **g)** Premature payment will be entirely at the discretion of the Bank and subject to exchange rate

D. S. Kulkarni Developers Ltd.

fluctuations & recovery of swap charges as the Bank may deem fit. h) The FCDL shall be disbursed at the Bank's Overseas branch, Pune. In addition, the FCDL is secured by the personal guarantee of 1) Mr. D. S. Kulkarni & 2) Mrs. H. D. Kulkarni.

- 27 The primary security for the Bank of Maharashtra cash credit limit is hypothecation of stock and debtors of encumbrance free projects. The collateral security is by way of equitable mortgage of land at Bavdhan. In addition, this cash credit limit is secured by the personal guarantee of Mr. D. S. Kulkarni & Mrs. H. D. Kulkarni.
- 28 There is no primary security for the cash credit limit from Kalyan Janata Sahakari Bank Ltd. The collateral security is registered mortgage of certain immovable properties. In addition, this cash credit limit is secured by the personal guarantee of 1) Mr. D. S. Kulkarni & 2) Mrs. H. D. Kulkarni & corporate guarantee of M/s Shri Saptashrungi Oil Mills Pvt. Ltd.
- 29 The primary security for the cash credit limit from IDBI Bank Ltd. is first charge on all the current assets pertaining to DSK Saptasur. The collateral security for the cash credit limit is equitable mortgage of immovable properties situated at Village Dhairy, Pune owned by D. S. Kulkarni & Company. In addition, this cash credit limit is secured by the personal guarantee of 1) Mr. D. S. Kulkarni & 2) Mrs. H. D. Kulkarni
- 30 The demand loan from Central Bank of India is secured by pledge of term deposit receipts.
- 31 The overdraft from Central Bank of India is secured by pledge of term deposit receipts.
- 32 The overdraft from Syndicate Bank is secured by pledge of term deposit receipts.
- 33 The rate of interest is not stated because it varied during the year.

D. S. Kulkarni Developers Ltd.
Notes to the Consolidated Balance Sheet as at 31st March, 2012
Statement of Investments

Sr. No.	Body corporate	Face Value per share	31-Mar-12 No. of Shares	31-Mar-12 Market Value per share ₹	31-Mar-12 Market Value ₹	31-Mar-12 Carrying Value ₹	31-Mar-11 No. of Shares	31-Mar-11 Market Value per share ₹	31-Mar-11 Market Value ₹	31-Mar-11 Carrying Value ₹
Non-current investments										
Other non-current investments: Shares										
i	Shree Sadguru Jangji Maharaj Sahakari Bank Ltd.	50	1,000	—	—	50,000	1,000	—	—	50,000
ii	Janata Sahakari Bank Ltd.	100	10	—	—	1,000	10	—	—	1,000
iii	Mahalaxmi Co-op. Bank Ltd.	50	10	—	—	500	10	—	—	500
iv	Greater Bombay Co-op. Bank Ltd.	25	4,080	—	—	102,000	4,080	—	—	102,000
v	Kalyan Janata Sahakari Bank Ltd.	25	20,000	—	—	500,000	19,968	—	—	499,200
vi	Pune Sahakari Bank Ltd.	100	100	—	—	10,000	100	—	—	10,000
vii	Greater Bombay Co-op. Bank Ltd.	—	—	—	—	—	40	—	—	460
viii	Sangli Urban Co-op Bank Ltd.	10	50,000	—	—	500,000	—	—	—	—
Total		—	—	—	—	1,163,500	—	—	—	663,160

D. S. Kulkarni Developers Ltd.						
Consolidated Financial Statements for the year ended						31-Mar-12
Primary reporting segments on the basis business activity						
Sr	Particulars	Year	Real Estate Development	Education	Contracting	Total
			₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
1	Segment revenue	2011-12	18,358.66	2,062.86	-	20,421.51
		2010-11	20,416.69	1,652.21	894.22	22,963.12
	Less: Inter-segment revenue	2011-12	(90.66)	-	-	(90.66)
		2010-11	(996.59)			(996.59)
	Net revenue	2011-12	18,268.00	2,062.86	-	20,330.85
		2010-11	19,420.10	1,652.21	894.22	21,966.53
2	Segment results (profit / loss)	2011-12	2,523.16	(1,356.71)		1,166.45
		2010-11	3,075.48	(298.32)	28.93	2,806.09
	Less: Interest	2011-12	(721.40)	(619.43)		(1,340.83)
		2010-11	(914.25)	(239.24)	(1.54)	(1,155.03)
	Profit before tax	2011-12	1,801.76	(1,976.13)	-	(174.38)
		2010-11	2,161.23	(537.56)	27.39	1,651.06
3	Capital employed (segment assets-liabilities)	2011-12	43,705.87	(5,643.44)	-	38,062.43
		2010-11	43,368.09	(1,911.95)	1.55	41,457.69
Secondary reporting segments on geographical basis						
			Domestic ₹ Lacs	Foreign ₹ Lacs	Total ₹ Lacs	
1	Segment revenue	2011-12	19,738.71	746.99	20,485.70	
		2010-11	21,952.74	1,010.38	22,963.12	
	Less: Inter-segment revenue	2011-12	(154.85)		(154.85)	
		2010-11	(120.68)		(120.68)	
	Net revenue	2011-12	19,583.86	746.99	20,330.85	
		2010-11	21,832.06	1,010.38	22,842.44	
2	Profit before tax & interest	2011-12	886.25	280.20	1,166.45	
		2010-11	2,830.08	(23.98)	2,806.10	
	Less: Interest	2011-12	(1,238.54)	(102.29)	(1,340.83)	
		2010-11	(1,155.03)	-	(1,155.03)	
	Profit before tax	2011-12	(352.29)	177.91	(174.38)	
		2010-11	1,675.05	(23.98)	1,651.07	
3	Capital employed (segment assets-liabilities)	2011-12	36,490.90	1,571.53	38,062.43	
		2010-11	42,626.11	(1,168.42)	41,457.69	



D. S. Kulkarni Developers Ltd.

Regd. Off. 'DSK House' 1187/60, J. M. Road, Shivajiangar, Pune 411 005

Dear Shareholder,
RE: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs ("MCA") has come up with the circulars bearing no.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 taking a step towards "Green Initiative in Corporate Governance" by allowing paperless compliances by companies in respect of servicing of documents through electronic mode. Consequently, companies can now send various notices /documents (including notice calling General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc.) to their members through electronic mode, to the registered email addresses of the members.

Your Company, continuing its endeavour to promote the environment, supports this Green Initiative of MCA and gives opportunity to every member to contribute this social cause. It is, therefore, proposed that henceforth all the documents will be sent to the members electronically to their e-mail addresses provided by them and made available to us by the Depositories viz. NSDL/CDSL.

All you have to do is to register your e-mail id with the Company to receive communication through electronic mode. We intend using your e-mail id to send various Notices/documents, etc.

Kindly send us your email id along with your Folio/ DPID and Client ID by sending an email to dsk@shareproservices.com so as to enable us to send you documents by email instead of physical form. This may be done by visiting our Company's website: www.dskdl.com under the head INVESTORS and registering your email ids, for receiving the documents in electronic mode.

The Annual Reports would also be available on Company's website:
http://www.dskdl.com/site/investors/annual_reports

We hope that you would appreciate and contribute towards this "Green Initiative".

Best Regards,
For D. S. Kulkarni Developers Ltd.

Amol Purandare
Company Secretary



D. S. Kulkarni Developers Ltd.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)
21st Annual General Meeting – 26th September, 2012

I hereby record my presence at the TWENTY FIRST ANNUAL GENERAL MEETING of the Company held at S. M. Joshi Socialist Foundation Auditorium, S. No. 191/192, Navi Peth, Ganjave Chowk, Opp. Patrakar Bhavan, Pune 411 030 on Wednesday, 26th September, 2012 at 9.30 a.m.

Full name of Member (IN BLOCK LETTERS) _____

Regd. Folio No./Client ID _____ No. of Shares held _____

Email ID _____

Full name of Proxy (IN BLOCK LETTERS) _____

Member's/Proxy's Signature _____



PROXY FORM

Reg. Folio No./Client ID _____ No. of Shares held _____

I/We _____ of _____ being the Member/Members
of D. S. Kulkarni Developers Ltd., Pune, do hereby appoint _____

____ of _____ or failing him/her _____ of _____ as my /

our proxy to attend and vote for me/us, and on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on Wednesday, 26th September, 2012 at 9.30 a.m. at S. M. Joshi Socialist Foundation Auditorium, S. No. 191/192, Navi Peth, Ganjave Chowk, Opp. Patrakar Bhavan, Pune 411 030 and at any adjournment thereof.

Signed this _____ day of _____, 2012

Signature _____

AFFIX
REVENUE
STAMP

Note: This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.



ઘરાળા ઘરપણ દેળારી માણસ

Notes



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Notes



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D. S. KULKARNI DEVELOPERS LTD.

AN ISO 9001, ISO 14001, OHSAS 18001 COMPANY

Real Estate and Construction



DSK TOYOTA

Authorised Toyota Dealers

**Largest volume
dealer in western
Maharashtra**



**Getting Hyosung Super bikes
in India**



DSK HINO

**Global market for
medium-duty trucks,
heavy-duty truck and buses**



DSK GLOBAL

**DSK SUPINFOCOM - First time
in India, world class education
in Animation, Video Games
& Industrial Design**



DSK SCHOOL

**ICSE Certified School
upto 10th std.**



DSK Digital

**IT Products and
Digital Devices**



**Manufacturer and Importer
of Dairy Equipment**



Travel Solutions



Hexagon

Wealth Management



Telephone Scenting Service

Gharkul Lawns



Hospitality Service

BOOK-POST



घराला घरपण देणारी माणसं®

D.S.KULKARNI DEVELOPERS LTD.

AN ISO 9001, ISO 14001, OHSAS 18001 COMPANY

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