

Your  
smile  
makes  
our  
success  
worthwhile



घराला घरपण देणारी माणसं®



**D.S.KULKARNI DEVELOPERS LTD.**

AN ISO 9001, ISO 14001, OHSAS 18001 COMPANY

**19<sup>th</sup>**  
**ANNUAL**  
**REPORT**  
**2009-10**



घराला घरपण देणारी माणसं®

An evidence that is circulated all over the world is that India is out of the economic slowdown. It is a true statement. Yes, India is marching ahead to progress, leaving behind other affluent nations. One must remember that Indians are made of different material; this particular stuff holds the Indian dignity in tough fists.

The Indian economy has been able to face up to the recent global economic recession and continues to grow backed by strong domestic demand and a young population. As the global economy begins to pull out of the crisis, India looks set to emerge from the downturn sooner and stronger than any other country. India's resurgent growth, despite the global slide, was owing to three drivers — domestic demand, young population and a democratic set up.

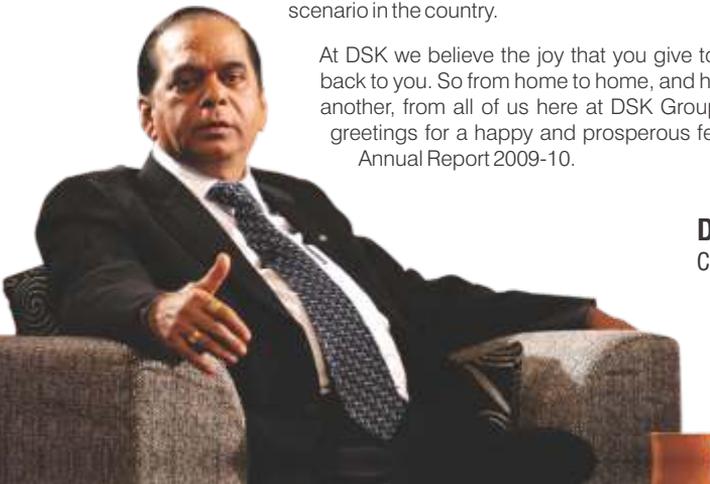
According to International Monetary Fund's (IMF) projections India's growth will accelerate to about 9.50 percent in 2010 as robust corporate profits and favourable financing conditions fuel investment, and then settle to 8.50 percent in 2011. This is in fact great news for investors ushering in growth like it was before the economic slump set in. And so India and Indians remain fairly unaffected by it. We, as a company built on strong foundations, remain focused and are gearing up for a new beginning.

Fuelling our growth, amongst others, are our ambitious projects at Pune and Bengaluru. A 250 acres township is proposed at Manjri Annexe, a suburb on the outskirts of Pune at Solapur Highway. This township will be a benchmark in this region and will combine the best of residential facilities with quality housing options at affordable rates to choose from for a whole new lifestyle experience. We are also in the course of making history at Bengaluru with a 42 storied residential tower at the upscale locality of Bannerghatta equipped with a state-of-the-art helipad. This tower will undoubtedly be South India's highest residential towers. The Bengaluru initiative is planned through our subsidiary company.

We strive to achieve new goals and set new benchmarks in our field while remaining focused on our priorities and committed to delivering superior shareholder value and returns to our patrons. With several new projects slated on the cards and an undying spirit towards sustainable growth, we at D.S. Kulkarni Developers Ltd. will herald a new era to transform the real estate scenario in the country.

At DSK we believe the joy that you give to others, is the joy that comes back to you. So from home to home, and heart to heart, from one place to another, from all of us here at DSK Group, with best wishes and warm greetings for a happy and prosperous festive season, I present to you Annual Report 2009-10.

**D. S. Kulkarni**  
Chairman & Managing Director





## **BOARD OF DIRECTORS**

**MR. D. S. KULKARNI**  
(Chairman & Managing Director)

**MRS. J. D. KULKARNI**  
(Wholetime Director)

**MR. KEDAR VANJAPE**  
(Executive Director) upto 18th August 2009

**MR. SHIRISH KULKARNI**  
(Executive Director) w.e.f. 27th July 2009

**MR. V. C. JOSHI**

**DR. M. K. P. SETTY**

**MR. VIJAY DIXIT**  
(upto 27th February 2010)

**MR. K. K. TAPARIA**

**MR. R. D. KHAROSEKAR**  
Additional Director (w.e.f. 27th May 2010)

## **COMPANY SECRETARY**

**MR. AMOL PURANDARE**

## **OUR BANKERS**

BANK OF MAHARASHTRA

BANK OF BARODA

CENTRAL BANK OF INDIA

INDIAN OVERSEAS BANK

IDBI BANK LTD

STATE BANK OF INDIA

SYNDICATE BANK

## **AUDITORS**

GOKHALE, TANKSALE & GHATPANDE,  
CHARTERED ACCOUNTANTS, PUNE

## **REGISTERED OFFICE**

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

# Contents

Notice of Annual General Meeting	05
Directors' Report	08
Report on Corporate Governance	13
Management Discussion and Analysis Report	27
Auditors' Report	31
Balance Sheet	35
Profit & Loss Account	36
Cash Flow Statement	37
Schedules forming part of the Balance Sheet and the Profit and Loss Account	39
Notes to and forming Part of the Accounts	47
Balance Sheet Abstract and Company's General Business Profile	60
Statement Under Section 212	61
Auditor's Report on Consolidated Financial Statements	62
Consolidated Balance Sheet	63
Consolidated Profit & Loss A/c	64
Consolidated Cash Flow Statement	66
Schedules Forming Part Consolidated Balance Sheet and Profit and Loss A/c	68
Notes on Consolidated Financial Statements	76
Proxy Form & Attendance Slip	81

## NOTICE

**NOTICE** is hereby given that the Nineteenth Annual General Meeting of the members of the Company will be held on Wednesday, the 29th day of September, 2010 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 business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010 and the Profit & Loss Account for the year ended on that date and the report 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 reappointment.
4. To appoint the auditors and fix their remuneration.

### SPECIAL BUSINESS:

#### 5. APPOINTMENT OF MR. R.D. KHAROSEKAR AS DIRECTOR

To consider and if thought fit, to pass with or without modifications, following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. R. D. Kharosekar who was appointed by the Board of Directors as an Additional Director of the Company on 27th May, 2010 and who holds office up to the date of this Annual General Meeting as per the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retirement by rotation.”

### 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) An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to Item No. 6 of the notice is annexed.
- (4) Members are requested to notify to the Company immediately any change in their address, quoting folio number and give 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.
- (5) The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 2010 to 29th September, 2010 (both days inclusive).
- (6) As per new SEBI circular no. MRD/DoP/Cir-05/2009 dated May 20, 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 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 cost effective measure the copies will not be given 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 Annual General Meeting.
- (9) The Company's shares are compulsorily traded in dematerialized mode. The Company has made completed the necessary arrangements with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dealings in dematerialised shares. Members are requested to get their shares dematerialized as early as possible.
- (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 29th September, 2010.
- (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.**  
Samhita Warehousing Complex  
Gala No-52 to 56, Bldg No.13 A-B  
Near Sakinaka Telephone Exchange  
Andheri -Kurla Road, Sakinaka, Mumbai – 400 072.
- (12) The Company has transferred unclaimed amounts of dividend paid up to 1997-1998 to the General Revenue Account / Investor Education and Protection Fund of the Central Government as required under Section 205 A and 205 C of the Companies Act, 1956.

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

**D. S. KULKARNI**  
(CHAIRMAN & MANAGING DIRECTOR)

Place : Pune

Date : 27th July, 2010

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, ANNEXED TO THE NOTICE CALLING THE NINETEENTH ANNUAL GENERAL MEETING ON WEDNESDAY, THE 29TH DAY OF SEPTEMBER, 2010 AT PUNE.**

**Item No. 6**

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

An ordinary resolution for appointment of Mr. R. D. Kharosekar as a Director of the Company is recommended for approval by the shareholders.

None of the directors other than Mr. R. D. Kharosekar is concerned or interested in the resolution.

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

**D. S. KULKARNI**  
(CHAIRMAN & MANAGING DIRECTOR)

Place : Pune

Date : 27th July, 2010

---

**DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING**

<b>PARTICULARS</b>	<b>DR. M. K. P. SETTY</b>	<b>MR. R.D. KHAROSEKAR</b>
<b>Date of Birth</b>	04/08/1933	08/11/1941
<b>Date of appointment</b>	30/09/1993	27/05/2010
<b>Qualifications</b>	M.Sc.	B. Sc., LL.B. ,IAS
<b>Expertise in specific functional area</b>	Financial Management	Legal Consultant
<b>Directorships held in other public companies</b>	1. Mysore Snack Foods Ltd. 2. The Mysore Vegetable Oil Products Ltd. 3. Bhoruka Aluminium Ltd. 4. Krishna Plastic Industries Ltd.	Nil
<b>Memberships / Chairmanships of committees in Public Companies</b>	Nil	Nil
<b>No. of shares held in the company</b>	450	Nil

## DIRECTORS' REPORT

Dear Member,

Your Directors have pleasure in presenting their 19th Annual Report of the Company for the year ended 31st March, 2010.

### FINANCIALS

Particulars	₹ in Lacs	
	2009-2010	2008-2009
<b>Operating Income &amp; Increase in stocks</b>	<b>15,246.23</b>	<b>28,704.10</b>
Profit before tax	2,998.98	1,143.48
Less : Provision for tax/deferred tax/FBT	820.65	141.02
<b>Profit after tax</b>	<b>2,178.33</b>	<b>1,002.46</b>
Less : Prior year adjustments	3.75	38.36
Add : Balance Brought forward	8,557.19	7,894.95
Profit available for Appropriation	10,731.78	8,859.05
<b>Proposed Dividend</b>	<b>258.01</b>	<b>258.01</b>
Tax on Dividend	43.85	43.85
Balance of Profit carried to Balance Sheet	10,429.92	8,557.19

### OPERATIONS:

The year under review turned out to be an eventful business year for the Company. The profitability was higher; the total income was lower. The total income was lower due to spill over effects of the economic downturn witnessed globally. Our country could regather economic momentum earlier than many other countries. Hence the impact of slow down on the Company's business was limited. The Company continued with execution of the projects on hand and planning for new projects. The total income for the year was ₹ 15,246.23 lacs as against ₹ 28,704.10 lacs for the year 2008-09. The Profit before tax was ₹ 2,998.98 lacs as against ₹ 1,143.48 lacs for the year 2008-09 showing an increase of about 162%. Many of the ongoing projects are either complete or at an advanced stage of completion. The drive to rationalize and contain expenses was continued during the year under review.

### DIVIDEND:

Your Directors have pleasure in recommending dividend @ 10% (i.e. Re.1 per equity share) on the paid up capital of the Company. The dividend payout will be ₹ 2,58,01,008/- (Previous Year: ₹ 2,58,01,008/-) and in addition, there will be outgo on account of dividend distribution tax of ₹ 43,84,881 /- (Previous Year: ₹ 43,84,881 /-)

## INTEGRATED TOWNSHIP

The Company proposes to develop an 'Integrated Township' at a large stretch of land acquired by it near Manjari, Pune. Earlier the Company had intentions to develop Multi-services SEZ at the said location, However, it was experienced that the government was effecting constant changes in the SEZ rules, resulting into non-clarity of policy approach. The recent economic slowdown also put the viability of SEZ to question. Accordingly, in the changed circumstances, the Company sought withdrawal of the formal approval of SEZ received by it from SEZ BOA. The withdrawal of approval has been notified.

## SUBSIDIARIES AND CONSOLIDATION:

The Company has in all five subsidiaries. Two subsidiaries are operating in the USA, one of which is a wholly owned subsidiary and other is a step-down subsidiary viz. 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 progressing normally. Eventhough the real estate market in the USA is still to recover, the company managed to sell two bungalows at competitive prices.

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 through its institute **DSK SUPINFOCOM INTERNATIONAL CAMPUS**. Being in the initial establishment years, it incurred a loss for the year 2009-10 The Institute is expected to turn profitable within next few years. Presently the Institute has a strength of 279 students. The educational activity has a bright future.

The fourth subsidiary is DSK SEZ Projects (Pune) Pvt. Ltd. ("DSK SEZ") which is a wholly owned subsidiary of the Company. DSK SEZ was incorporated as a SPV for development of erstwhile Special Economic Zone at Pune. The Company may use it as a vehicle for launching township project after suitable name change.

After the end of the financial year and till the date of reporting, DSK Southern Projects Pvt. Ltd. has become a subsidiary company by virtue of the Company controlling the composition of its Board of directors.

This annual report contains the stand alone financial statements and reports of D.S. Kulkarni Developers Ltd. and consolidated financial statements. The Company had made an application under section 212(8) of the Companies Act, 1956 for not attaching the annual reports of its subsidiaries as required by section 212(1). The Ministry of Corporate Affairs, Government of India has vide its letter No. 47/568/2010-CL-III dated 11-6-2010 has directed that in relation to the four subsidiaries of the Company namely, (i) DSK Developers Corporation, (ii) DSK Woods, LLC, (iii) DSK Global Education and Research Pvt. Ltd. and (iv) DSK SEZ Projects (Pune) Pvt. Ltd. the provisions contained in section 212 (1) of the Companies Act, 1956 shall not apply in respect of balance sheet, etc. for the financial year ended 31-03-2010, which are required to be attached to the Company's accounts for the year ended 31-3-2010. 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.

## JOINT VENTURES / JOINT DEVELOPMENTS

During the year under report, the Joint Venture Agreement with GTC Cyprus, a Kardan Group Company acting as a co-developer for the erstwhile multi-services SEZ project at Manjari, Pune was annulled and terminated w.e.f. 10th June, 2009.

During the year under report, the Company entered into Redemption and Share Sale Agreement for providing an exit route to ICICI Prudential Asset Management Company Ltd., ICICI Prudential PMS Real Estate Portfolio (ICICI Pru PMS) from JV Company named 'DSK Southern Projects Pvt. Ltd.' The said 50:50 Joint Venture company had been formed for development of a premium high-end residential project of 42 stories at Bangalore. This project will now be executed in association with M/s NuMart Developers Pvt. Ltd., a Sushil Mantri Group company.

The Company has two properties in Bangalore, one of which was to be developed under a Joint Venture Company DSK Southern Projects Pvt. Ltd. These two properties have been given to NuMart Developers Pvt. Ltd., a Mantri Group Company for the joint development. Both these projects will be launched in the nearest future.

**PROJECTS UNDER EXECUTION:**

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

Sr. No	Name of the Project	Project Area in Sq. Ft	Location
1	DSK Garden Enclave	2,44,368	Kondhwa, Pune
2	DSK Vishwa -IV-Saptasur	4,93,584	Sinhgad Road, Pune
3	DSK Sundarban Phase - II	83,466	Hadapsar, Pune
4	DSK Madhuban	4,17,525	Andheri, Mumbai
5	DSK Vishwa -Villa	34,328	Sinhgad Road, Pune
6	DSK Vishwa-Sayantara Phase II	1,64,792	Sinhgad Road, Pune
7	DSK Vishwa-Designer Bungalows	11,808	Sinhgad Road, Pune
8	DSK Vishwa -IT Park*	11,50,000	Sinhgad Road, Pune
9	DSK Meghamalhar	3,33,574	Sinhgad Road, Pune
10	Integrated township*	1,08,00,000	Fursungi, Pune
11	DSK Hariyali	25,988	Ganesh Khind Road, Pune

\*Under planning

**DIRECTORS:**

Pursuant to Article 73 of the Articles of Association of the Company, Dr. M. K. P. Setty retires by rotation. Dr. M. K. P. Setty being eligible, offer himself for reappointment.

During the year under report, two of the Directors of your Company ceased to be the directors of the Company. Mr. Kedar Vanjape, Executive Director resigned on 15th June, 2009 and Mr. Vijay Dixit, passed away on 27th February, 2010. Your Directors place on record their sincere appreciation for the rich contributions made by Mr. Kedar Vanjape and Late. Mr. Vijay Dixit and the valuable guidance given by them for the business of the Company.

Mr. R. D. Kharosekar was appointed as an additional director on 27th May, 2010. He seeks appointment at the ensuing Annual General Meeting.

**FIXED DEPOSITS:**

Fixed deposits accepted from the Public, Shareholders and Employees as on 31st March, 2010 stood at ₹ 13,916.34 lacs as against ₹ 3,956.55 lacs in the previous year. During the year under report, the Company collected ₹ 13,057.31 lacs as deposits against ₹ 3,498.38 lacs in the previous year. None of the fixed deposits which have matured have remained unpaid.

## 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 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 ₹ 91.87 Lacs (previous year ₹ 90.24 Lacs). The total Foreign Exchange used was ₹ 242.73 lacs (previous year ₹ 188.59 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
Mr. D. S. Kulkarni	61	B.Com.	Chairman & Managing Director	20/09/91	None	155.75	108.55

## AUDITORS:

The Auditors M/s Gokhale, Tanksale & Ghatpande, Chartered Accountants, Pune, (Membership No. 30462 and Registration No. 103277W) hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Appropriate certificate under Section 224 (1B) of the Companies Act, 1956, has been received from them. You are requested to reappoint the Auditors.

## AUDIT COMMITTEE:

Pursuant to 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 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, 2010, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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:**

The Directors wish to place on record their profound gratitude to the bankers, housing finance companies, financial institutions, customers, suppliers, contractors, architects, labourers, shareholders and depositors of the Company for their trust, support and co-operation. The Directors also place on record their sincere thanks to the various departments of State Governments, Government of India and authorities of different Municipal Corporations of different States for their valuable co-operation.

The Directors wish to express their sincere appreciation to all the employees for their dedication during the year under review.

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

**D. S. KULKARNI**  
(Chairman & Managing Director)

Place : Pune

Date : 27th May, 2010

## REPORT ON CORPORATE GOVERNANCE

### 1. PHILOSOPHY ON CORPORATE GOVERNANCE:

The Corporate Governance policies of the Company mainly focus on the compliance of various statutes, transparency, processes and customs by which the Company is administered, directed and controlled. It is desired to serve the needs of shareholders and other stakeholders, by directing and controlling management activities with good business practices, objectivity, accountability and integrity.

### 2. BOARD OF DIRECTORS:

The Company has seven directors. The Board consists of three whole-time directors individually titled as Chairman and Managing Director, Whole-time Director and one Executive Director respectively. The other three directors are independent Directors. The percentage of independent directors is 50 % 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	3	-
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	4	1
Mr. Kedar Vanjape**	01632307	Executive Director	-	-

\*Mr. Shirish Kulkarni was appointed as an Executive Director of the Company on 27th July, 2009.

\*\* Mr. Kedar Vanjape, Executive Director has resigned w.e.f 19th August, 2009.

- (i) The Company does not have any nominee director appointed by any institution.
- (ii) Other directorships of directors excluding Mr. D. S. Kulkarni, do not include alternate directorships, directorships held in private companies, section 25 companies and of the companies incorporated outside India. Mr. D. S. Kulkarni is having directorships of two companies incorporated in USA, one of which is a wholly owned direct subsidiary of D. S. Kulkarni Developers Ltd. and the other one is a step-down wholly owned subsidiary.
- (iii) During the year under review, the Company did not enter into any business transactions with independent directors.
- (iv) For the purpose of reckoning the limit of committee membership under clause 49(I)(C)(ii) of the Listing Agreement, chairmanship/ membership of the Audit Committee and the Shareholder Grievance Committee only have been considered.
- (v) The Board has laid down a code of conduct for all the Board Members and senior management 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 Company 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 had three directors as members throughout the FY 2009-10. All 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, 2009.
- e. The Audit Committee meetings are usually attended, along with its members, by Finance Head, Statutory Auditor, Internal Auditor and Secretarial Consultant. The Audit Committee invites such of the executives whenever it considers appropriate, to be present at the meetings of the committee. The Company Secretary acts as a Secretary to the Audit Committee.
- f. The composition of the Committee and the attendance of each member of the Committee are given below:

Name	Designation	Wholetime/ Independent	Profession	Committee Meetings	
				Held	Attended
Mr. V. C. Joshi	Chairman	Independent Director Management	Consultant	4	4
Dr. M. K. P. Setty	Member	Independent Director	Industrialist	4	2
Mr. K. K. Taparia	Member	Independent Director	Industrialist	4	4

- g. Four Audit Committee meetings were held during the year, the dates of which are 29th June 2009, 27th July, 2009, 26th October 2009 and 29th January, 2010 and the time gap between two meeting is not exceeding four months. There was a proper quorum of independent directors in all the convened meetings.

**The brief terms of reference of the Audit Committee include:**

- Overview of 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 auditor 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 statutory auditors before the commencement of audit.

- Draft financial statements and auditor's report (before submission to the Board).
- Accounting policies and practices.
- Related party transactions.
- 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 only one member.

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

The Company has allotted an exclusive email id for the purpose of investor grievances: secretarial@dskdl.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

\*Mr. Vijay Dixit ceased to be a member of the Committee due to his sad demise on 27th February 2010.

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

The remuneration policy is generally in line with the existing Industry practice/ current market trends.

One meeting was held during the year under report.

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

The aggregate value of salary and perquisites paid for the year ended 31st March, 2010 to the Managing / Whole-time Directors is as follows: -

₹ In Laacs

Name	Designation	Salary	Perquisites	Total
Mr. D. S. Kulkarni	Chairman & Managing Director	155.49	0.26	155.75
Mrs. J. D. Kulkarni	Wholetime Director	5.89	-	5.89
Mr. Shirish Kulkarni*	Executive Director	13.08	-	13.08
Mr. Kedar Vanjape**	Executive Director	6.39	-	6.39

\*Mr. Shirsh Kulkarni was appointed as an Executive Director of the Company on 27th July, 2009.

\*\*Mr. Kedar Vanjape, Executive Director has resigned w.e.f 19th August, 2009.

### 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 Board re-constituted the Finance committee on 27th July 2009 by way of a Board Resolution, thereby revising its constitution. Mr. D. S. Kulkarni, Chairman & Managing Director of the Company was appointed as a member of the Finance Committee w.e.f. 27th July 2009.

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

Six meetings were held during the year.

The Board has voluntarily formed committee for Planning of Projects above ₹ 100 Crores, Management & Monitoring Committee to oversee operations of foreign subsidiaries, Merger proposal considerations & Issuance of securities. These committees have well defined terms of reference by the Board and meet as and when required.

#### Remuneration Paid To Directors:

Details of remuneration paid to Directors are given below:

₹ in Lacs

Director	Relationship with other Directors	Business relationship with DSKDL if any	Loans and advances from DSKDL	Remuneration paid during 2009-10		
				Sitting Fees	Salary and perquisites	Total
Mr. D. S. Kulkarni	Husband of Mrs. J. D Kulkarni	Promoter	Nil	Nil	155.75	155.75
Mrs. J. D. Kulkarni	Wife of Mr. D. S. Kulkarni	Promoter	Nil	Nil	5.89	5.89
Mr. Shirish Kulkarni*	Son of Mr. D.S. Kulkarni	Promoter	Nil	Nil	13.08	13.08
Mr. V. C. Joshi	-	None	Nil	1.05	Nil	1.05
Dr. M. K. P. Setty	-	None	Nil	0.65	Nil	0.65
Mr. Vijay Dixit**	-	None	Nil	0.35	Nil	0.35
Mr. K. K. Taparia	-	None	Nil	0.65	Nil	0.65
Mr. Kedar Vanjape***	-	None	Nil	Nil	6.39	6.39

\*Mr. Shirsh Kulkarni was appointed as an Executive Director of the Company on 27th July, 2009.

\*\* Mr. Vijay Dixit ceased to be a director of the Company due to sad demise on 27th February, 2010.

\*\*\* Mr. Kedar Vanjape, Executive Director has resigned w.e.f 19th August, 2009.

### Board Meetings And Attendance At Board Meetings And The Last Annual General Meeting:

The Board of the Company met nine times during the year under report. The maximum time gap between two Board meetings does not exceed three months. The dates of Board Meeting are as follows:

6th May 2009	15th June 2009	29th June 2009	27th July 2009
29th September 2009	26th October 2009	1st January 2010	11th January 2010
29th January 2010			

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 Attendance At The Board Meetings And At The Last Annual General Meeting Was As Under:

Director	Attendance	
	Board Meetings during the Financial Year 2009-2010	Annual General Meeting dated 29th September, 2009
Mr. D. S. Kulkarni	9	Yes
Mrs. J. D. Kulkarni	8	Yes
Mr. Shirish Kulkarni*	4	Yes
Mr. V. C. Joshi	9	Yes
Dr. M. K. P. Setty	5	Yes
Mr. Vijay Dixit**	6	Yes
Mr. K. K. Taparia	7	Yes
Mr. Kedar Vanjape***	1	No

\*Mr. Shirsh Kulkarni was appointed as an Executive Director of the Company on 27th July, 2009.

\*\* Mr. Vijay Dixit ceased to be director of the Company due to sad demise on 27th February, 2010.

\*\*\* Mr. Kedar vanjape, Executive Director has resigned w.e.f 19th August, 2009.

### Management Discussion and Analysis Report:

The Management Discussion and Analysis Report for the year ended 31st March, 2010 is published separately in this Annual Report.

### General Body Meetings:

Year / Date of AGM/ EOGM	Location and time	Whether special resolution passed	Particulars
8th February, 2010	S. M. Joshi Socialist Foundation Auditorium, Navi Peth, Pune 411 030 at 9.30 a.m.	Yes	Raising long-term funds through further issue of securities

2008-09 29th September, 2009	S. M. Joshi Socialist Foundation Auditorium, Navi Peth, Pune 411 030 at 9.30 a.m.	Yes	1. To approve reduction in salary of the Chairman & Managing Director 2. To approve reduction in salary of the Wholetime Director 3. To approve reduction in salary of the former Executive Director 4. Application U/s 309(5B) of the Companies act, 1956. 5. To appoint Mr. Shirish Kulkarni as Executive Director.
2007-08 27th September, 2008	Gharkul Lawns, River Side 100 D.P. Road, Off Mhatre Brigde, Patwardhan Baug, Pune - 411 052 at 9.30 a.m.	No	N.A.
2006-07 29th September 2007	S. M. Joshi Socialist Foundation Auditorium, Navi Peth, Pune 411 030 at 9.30 a.m.	No	N.A.

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 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** was appointed as an Additional Director at the Board Meeting of the Company held on 27th May, 2010 and holds office upto the date of this 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 appointment of 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&CC/FITTC/CIR-16 dated 31st December, 2002, a qualified Practicing Company Secretary carried out secretarial 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 secretarial 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 are forwarded to BSE and NSE, where the equity shares are listed and 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](http://www.dskdl.com).

The Quarterly results were published as follows during the year:

Sr. No.	Quarter ended	Newspaper in which published	
		English	Vernacular
1.	31.03.2009	Financial Express	Loksatta
2.	30.06.2009	Financial Express	Loksatta
3.	30.09.2009	Economic Times	Maharashtra Times
4.	31.12.2009	Economic Times	Maharashtra Times

## GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting:

Date and time	29th September, 2010 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	End of July
-Quarter ending 30th September	End of October
-Quarter ending 31st December	End of January
-Year ending 31st March	End of May
Annual General Meeting	September

### iii. Dates of book closure

22nd September, 2010 to 29th September, 2010

### iv. Dividend payment date

4th October 2010

### v. Listing on Stock exchanges

- Bombay Stock Exchange Limited
- The National Stock Exchange of India Limited

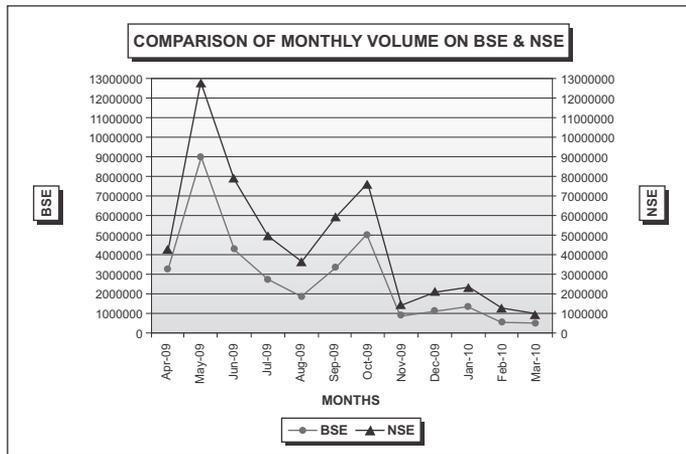
### vi. Stock Code

• Bombay Stock Exchange Limited	523890
• The National Stock Exchange of India Limited	DSKULKARNI

### vii. Market Price Data

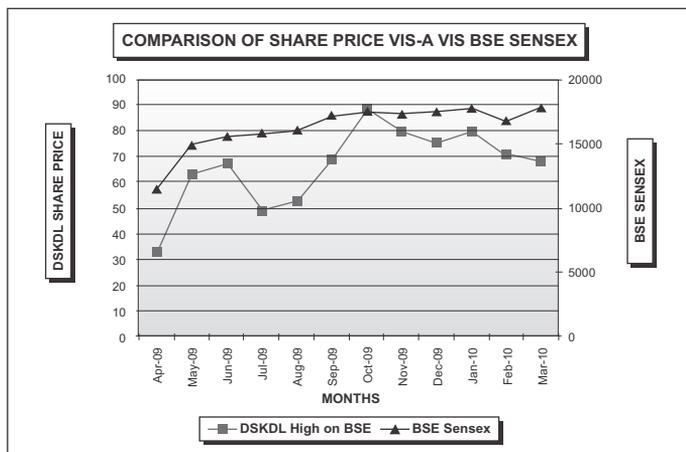
#### 1. Comparison of High and Low share price and volume on BSE and NSE

Month	BSE			NSE		
	High	Low	Monthly Volume	High	Low	Monthly Volume
April, 2009	32.95	20.20	3291739	33.30	19.90	4293762
May, 2009	63.40	28.70	8978396	63.80	28.80	12776575
June, 2009	67.25	41.25	4328042	67.90	41.03	7904612
July, 2009	49.00	32.75	2734633	48.80	33.20	4967191
August, 2009	52.35	39.85	1892530	52.10	39.00	3656106
September, 2009	68.75	49.55	3356840	69.15	49.70	5894154
October, 2009	87.90	64.70	5000003	87.50	64.60	7625885
November, 2009	79.75	63.05	888412	79.80	62.45	1418974
December, 2009	75.45	65.85	1113717	76.10	64.95	2101997
January, 2010	79.80	64.15	1374034	82.50	64.00	2336655
February, 2010	70.50	61.50	578978	70.50	57.50	1276964
March, 2010	67.90	60.00	536307	69.25	58.90	944392



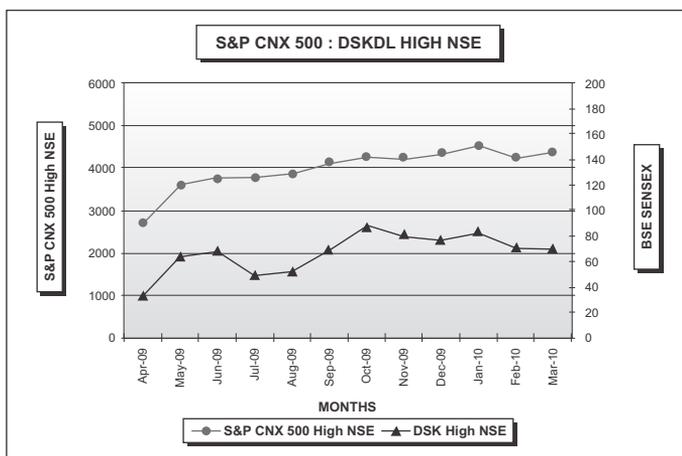
**2. Performance of the share prices of the Company on BSE in Comparison to BSE Sensex**

Month	DSKDL High on BSE	BSE Sensex	Month	DSKDL High on BSE	BSE Sensex
April, 2009	32.95	11,492.10	October, 2009	87.90	17493.17
May, 2009	63.40	14,930.54	November, 2009	79.75	17290.48
June, 2009	67.25	15,600.30	December, 2009	75.45	17530.94
July, 2009	49.00	15,732.81	January, 2010	79.80	17790.33
August, 2009	52.35	16,002.46	February, 2010	70.50	16669.25
September, 2009	68.75	17,142.52	March, 2010	67.90	17793.01



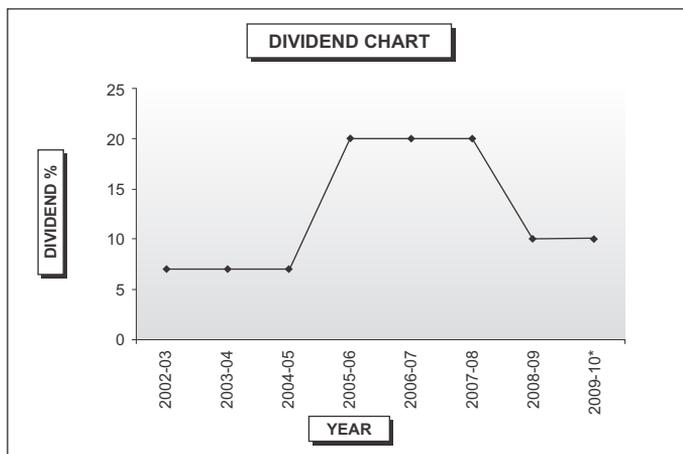
**3. Performance of the share prices of the Company on NSE in Comparison to S&P CNX 500**

Month	S&P CNX 500 HIGH NSE	DSK HIGH NSE	Month	DSK HIGH NSE	S&P CNX 500 HIGH NSE
April, 2009	2727.75	32.65	October, 2009	4239.95	87.50
May, 2009	3612.30	63.80	November, 2009	4216.90	79.80
June, 2009	3762.35	67.90	December, 2009	4346.40	76.10
July, 2009	3799.65	48.80	January, 2010	4524.30	82.50
August, 2009	3871.25	52.10	February, 2010	4242.75	70.50
September, 2009	4119.90	69.15	March, 2010	4348.05	67.95



**4. Dividend History:**

Sr. No.	Year	Dividend %
1	2002-03	7
2	2003-04	7
3	2004-05	7
4	2005-06	20
5	2006-07	20
6	2007-08	20
7	2008-09	10
8	2009-10*	10



\* Dividend for FY 2009-10 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 is required to be transferred to the Investor Education & Protection Fund administered by Central Government. Unclaimed Dividend upto 1997-98, has been transferred to the Investor Education & Protection Fund.

The table given below gives the dates of dividend declaration since 2002-03 and the 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
2002-03	Dividend	26th September, 2003	25th October, 2010
2003-04	Dividend	28th September, 2004	27th October, 2011
2004-05	Dividend	05th September, 2005	04th October, 2012
2005-06	Dividend	30th September, 2006	29th October, 2013
2006-07	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

#### **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 this committee are confirmed at the subsequent Board Meetings.
2. Sharepro Services (India) Pvt. Ltd., Registrar & Transfer agents 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 regards 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, 2010:

Slab of Shareholdings of Shares	No. of Shareholders	Percentage of total shareholders	Amount in ₹	Percentage of total paid up capital
1-500	33058	99.50	44987500	17.44
501-1000	65	0.20	4666940	1.81
1001-2000	36	0.11	5458510	2.12
2001 -3000	14	0.04	3414060	1.32
3001 -4000	9	0.02	3178510	1.23
4001 -5000	6	0.02	2760510	1.07
5001-10000	12	0.03	8880460	3.44
10000 and Above	25	0.08	184663590	71.57
<b>Total</b>	<b>33225</b>	<b>100.00</b>	<b>258010080</b>	<b>100.00</b>

#### Categories of shareholders as at 31st March, 2010

Categories	Number of shares	% to shareholding
Promoters, Directors & Relatives	9542625	36.99
Mutual Funds & UTI	597473	2.31
Banks / Financial Institutions / insurance Companies	2520	0.01
Foreign Institutional Investors	559198	2.17
Private Corporate Bodies	3001052	11.63
Indian Public	8026871	31.11
Non-resident Indians/OCBs	4071269	15.78
<b>Total</b>	<b>25801008</b>	<b>100.00</b>

### Dematerialisation of shares

As on 31st March, 2010, out of the total holding of 2,58,01,008 equity shares 2,14,89,655 shares representing 83.29% of the total holding are in dematerialized form.

### Investor Correspondence

<b>Registrar &amp; Transfer agents</b>	Sharepro Services (India) Pvt. Ltd. Samhita Warehousing Complex, Gala No-52 to 56, Bldg No.13 A-B, Near Sakinaka Telephone Exchange, Andheri -Kurla Road, Sakinaka, Mumbai-400072.
	Ph. No. 022-67720300/67720400
	Fax No. 022- 28591568/28508927
	sharepro@shareproservices.com
	Contact : Ms. Manisha Jadhav / Ms. Indira Karkera
<b>Company website</b>	www.dskdl.com
<b>Email id for investor grievances</b>	secretarial@dskdl.com
<b>Registered Office</b>	'DSK House', 1187/60, J. M. Road, Shivajinagar, Pune - 411005
<b>Mumbai Office</b>	DSK House, 1st & 2nd Floor, 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, 2010 complied with the Code of Conduct as applicable to them.

**D. S. Kulkarni**

Chairman & Managing Director

Place : Pune

Date : 27th May, 2010

## 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, 2010 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 the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Gokhale, Tanksale & Ghatpande,**  
Chartered Accountants

Firm Registration No. 103277W

**(S. M. Ghatpande)**

Partner

Membership No. 30462

Place : Pune

Date : 27th May, 2010

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### The Economy

The year behind was of revival with alert, caution and watchfulness on business evaluation wherever financial decision was involved. Many economies, enterprises and even individuals have changed the rules of the game to revitalize for speedier, unrelenting and healthy fiscal and monetary strengths.

For years together, it was surmised that the concentration of economic growth would shift to the third world countries and more particularly to China and India. This has become more clear and visible after the resurgence of third world countries from the slow down in western world.

Many developed countries have tried and taken steps to diagnose the problems and have applied boosters for their quicker economic recovery. Such measures have had an instantaneous effect but diverse impact with dissimilar degrees in different countries; however the understanding is loud and clear that the ball game is going to be different in the years to come in order to survive, grow and maintain the CPAG \ IRR. It is inevitable for investors to adopt newer and refined strategies and one must get ready for more and more changes likely to surface in near future.

### The Real Estate Industry-Housing Sector

The real estate industry in the cities of India including Pune and Mumbai has shown signs of revival in the past year. The decisions which were deferred with expectation of further fall in prices is no more a case, rather general feeling is to decide now in order to take advantage when it is affordable, in view of the price upsurge in major cities experienced a in short time span. The overall feel good factor began after the announcement of substantial budget allocation to infrastructure sector in the Union budget 2010, which is the 2nd largest employment generation industry. Clearly the increased surplus in the hands of the common man is driving the demand upward. More or less all the companies have restored the salary cuts which were undertaken in earlier year/s, further salary revisions have also been happening now across all the industries. The over all inflationary pressures are obvious when the economy is recovering from the ill-effects of a slow down, cured with loose monetary policies. RBI has stepped in with monetary tightening measures to curb the inflation. More of such measures or fiscal measures are expected to follow control the inflation at the desired levels. All these factors are forcing the buyers of houses to take early decision.

### Affordable Housing

As the direction set in the previous financial year for affordable housing due to various factors the same is continued and more and more population is inclined towards in the current period as well. It is also reiterated by CREDAI that Affordable Housing will be a key factor in driving the sector and real estate sector has already started with progressive solutions in this area for effective and customized implementation of such projects.

The demand shift towards affordability factor for making buying decisions is also convincing major players in industry to switch from commercial and luxury accommodation to affordable housing.

### The Outlook

The outlook for the sector, as per the experts in the industry, is very positive and the real estate sector, especially housing, is likely to grow more than the average economic growth in the years to come.

The contribution of Indian real estate sector in GDP is likely to grow to 6 % in next 5 years from its existing 5% share. This is clearly conducive situation for foreign investors to invest in the country on a large scale in near future.

Again focus is continued on tier II and III cities where the developments are far behind from the tier I cities. More and more townships are being planed on the outskirts of the cities to take advantage of cheap availability of land. The new generation is willing to travel an extra mile beyond current city limits to enjoy the advantages associated with the townships.

### **Opportunities**

1. Revival of Indian economy from recessionary phase without much damage .
2. Increase in allocation to Infrastructure sector in Union budget is likely to add to the growth of housing sector. Allocation for urban development was increased by more than 75 per cent from US\$ 660.3 million to US\$ 1.17 billion in 2010-11.
3. Geographical diversification of IT & ITES companies in II and III tier cities from tier I cities will create additional demand.
4. Financial institutions have again geared up to have bigger market share and are therefore becoming aggressive.
5. Branded and established players have regained demand for the confidence that they have gained over decades.
6. Inclination towards residential complexes and township facilities on the out skirts of cities at lower cost.

### **Threats**

1. Increase in inflation at grass root level is a matter of concern.
2. Increase in interest rate of home loans due to tightening money availability.
3. Introduction of Service tax and VAT on real estate has increased the cost to the buyer.
4. Small and unorganized players still lowering the prices for quick liquidation of their stocks.
5. Fear of recent worries in European economies has made FDIs cautious to some extent.

### **Risk Mitigation**

1. The Company has recognized need for developments on the outskirts of the city and more and more projects are away from crowded and expensive areas.
2. The Company has plans for Townships which are now being liked by the young generation which is the major segment in the customers list.
3. In order to have reasonable pricing, the company endeavors to follow strict cost controls by discovering new markets for procurements of materials.
4. The Company continuously make efforts to reduce its financing cost by exploring new avenues available to it.
5. The Company has switched over its earlier plan of multi service SEZ to a residential integrated township.

### **Business Strategy**

Understanding current market trends, the company has planned for township in the outskirts of Pune. The Company has entered in to joint developments for its projects in southern part of the country. This has enabled to make use of strengths at local level and to concentrate at business in Pune.

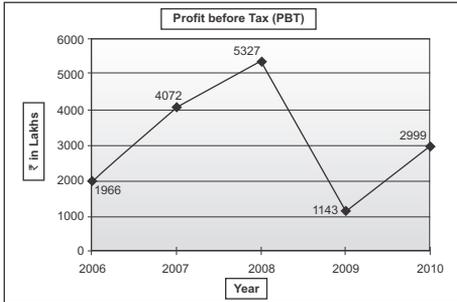
### **Customer Care and Satisfaction**

The Company believes in mouth to mouth publicity and depends on the strength of satisfied customers for its growth. Buying a new house is like a dream comes true for many buyers particularly in Small Income Group and Middle Income Group segment. The Company closely interacts with customers to find their needs and suggest them right product looking at their capacity. The Company educates customers to keep surrounding clean and also to maintain their buildings to ensure long life for their house.

## Financial Performance

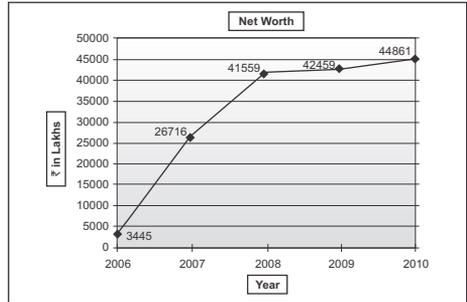
The following graphs depict important aspects of the Company's financials:

### Profit before Tax



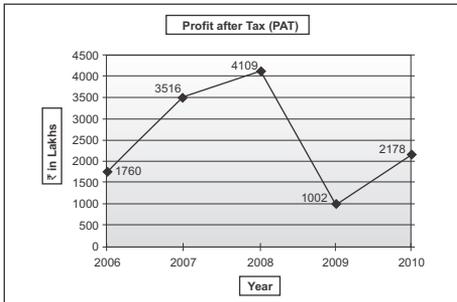
Profit before tax has risen by 162%

### Net Worth



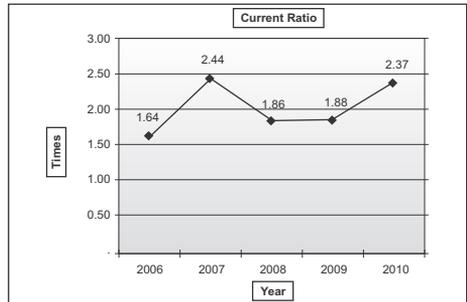
Net worth has gone up by 5%

### Profit after Tax



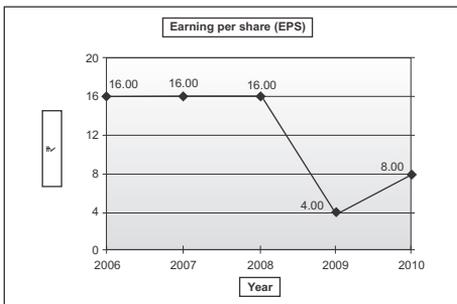
Profit after tax has increased by 117%

### Current Ratio



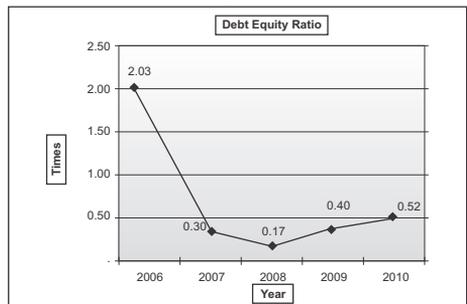
Comfortable current ratio

### Earnings per Share



EPS is up by 100%

### Debt Equity Ratio



Low gearing acceptable debt equity ratio

### **Internal Control System and their adequacy**

The Company has policy of reviewing and if necessary revising its systems and procedures to take care of business needs and induce controls at appropriate levels. The Company has introduced newer technologies to strengthen the controls and customer support. Independent firm of Chartered Accountants carry out internal audit and present their observations and reports to the Audit Committee of the Board of Directors. The meetings of Audit Committee are held at regular intervals to define and change the audit scope and to deliberate on reports of Internal Auditors in consultation with statutory auditors.

### **Development of Human Resources**

Human beings are the most important assets of any organization. HR policies play important role in the growth of an organization. The Company always endeavors to keep work place and working environment cheerful. The Company has implemented various welfare schemes and it follows good HR practices.

“Celebration” is part of our life. Joy enhances by sharing. The Company arranges many events during the whole year. It is insisted that all these events are planned, arranged and managed by the employees only. This helps to create leaders amongst them. The Company encourages every employee to participate in these events and make them enjoyable and successful. The Company thus provides various opportunities to its employees and tries to bring out hidden talents in them. Active participation of whole-time directors in such activities inspires employees at all the levels.

It is true that organization maintains its most valued assets not only by offering handsome compensation, but by appreciation. Research shows that one of the major reason for people leaving their jobs is lack of appreciation rather than compensation. The Company offers an environment where employees feel they are listened, recognized and appreciated.

Cultures of appreciation contribute to cultures of power, passion and profitability because people know they matter! Appreciation is part of the vitality of relationships and vital relationships produce the best that one can offer.

To motivate employees, the Company bestows rewards and appreciation certificates as well mementoes. Rewards and appreciation are given at the hands of prominent personalities at function arranged quarterly as well as annually.

Training is another important factor. To upgrade the knowledge of the employees and motivate them, the Company arranges training programmes on periodic basis covering areas such as Team Work, Motivation, Leadership Development, Soft Skill development, health and many more.

### **Corporate Social Responsibility**

Corporate social responsibility is a part and parcel of daily life and inherent ingredient of the company's main business. Any business or commercial decision is tested on social consideration before it is implemented and acted upon.

The Company continues to give DSK Energy Awards to those who have contributed towards energy conservations.

The Company continues to contribute for the betterment of environment by sponsoring tree plantation initiatives. Almost 5000 trees have been planted so far.

The Company has started a new award as “Self-made Man Award” for those who have started from scratch and become a successful businessman. This award is for those who contribute to the self employment initiative.

A cultural chat show “DSK Gappa” was organized wherein renowned personalities who share their experiences in their respective fields. Public presence for such program is always remarkable and intention is to share their personal values.

The Company is continuing the policy of giving donations to educational and other social institutions.

### **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 and economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc. over which Company does not have any control.

## **AUDITORS' REPORT TO THE MEMBERS OF D. S. KULKARNI DEVELOPERS LIMITED.**

1. We have audited the attached Balance Sheet of D.S. Kulkarni Developers Limited as at the 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (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 Companies Act, 1956, we enclose, on the basis of our opinion, our examination of the relevant records and according to the information and explanations given to us, in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, 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 Profit and Loss Account and 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of the written representation received from the directors as at 31st March, 2010, and taken on record by the Board of Directors, we do hereby certify that none of the directors of the Company as on 31st March 2010 is disqualified under Section 274(1)(g) of the Companies Act, 1956 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 Companies Act, 1956, state whether the cess payable u/s 441A of the Companies Act, 1956, 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) the amount of cess payable u/s 441A(2) and has not specified u/s 441A(4) the manner in which the said cess is to be paid.
- (vii) In our opinion, to the best of our information and according to the explanations given to us, the said accounts, read with the notes thereon, give the information required by the Companies Act, 1956, in the

manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at the 31st March 2010;
- b) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For Gokhale, Tanksale & Ghatpande**

Chartered Accountants

Firm Registration No. 103277W

**S. M. Ghatpande**

Partner

Membership No. 30462

Place : Pune.

Date : 27th May, 2010

## **Annexure Referred To In Paragraph 3 Of Our Report Of Even Date On The Accounts of D. S. Kulkarni Developers Limited For The Year Ended 31st March 2010.**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) All the assets have not been physically verified by the management 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) The contents of Paragraph 4(i)(c) of CARO, 2003 are not applicable since the company has not disposed of a substantial part of its fixed assets.
- (ii) (a) Physical verification of inventory has been conducted by the management at reasonable intervals during the year.  
(b) The procedures of physical verification of inventories followed by the management 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 company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.  
(b) The company has not taken loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iv) There are adequate internal control system 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 real estate, goods and services. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) The transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under Section 301, of the Companies Act, 1956 have been recorded in the register;  
(b) The transactions referred to under sub clause (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, 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, in our opinion, is commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales-tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, cess and other statutory dues with the appropriate authorities.

- (b) There are no disputed amounts outstanding in respect of Sales Tax / Wealth tax / Service tax / Customs Duty / Excise Duty / Cess as at the last day of the Financial year. The disputed amounts in respect of Income tax are as follows:

Sr.	Amount in ₹ Lacs	Forum where dispute is pending	Assessment Year
1	67.25	Income Tax Appellate Tribunal	2004-05
2	152.02	Income Tax Appellate Tribunal	2005-06
3	110.76	Commissioner of Income Tax (Appeals)	2006-07
4	418.79	Commissioner of Income Tax (Appeals)	2007-08
	<b>748.82</b>		

Of the aforesaid disputed amount, the Company has paid ₹ 490.63 lacs as at the date of this report.

- (x) The company has no accumulated losses at the end of the financial period and has not incurred any cash losses during the period and in the preceding year.
- (xi) The company has not defaulted in repayment of dues to any financial institution or bank. The company has no debentureholders.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore the question of maintenance of documents and records in respect thereof does not arise.
- (xiii) The company is not a chit fund, nidhi, mutual benefit / society.
- (xiv) The company is not dealing in shares, debentures and other securities and hence the question of maintenance of proper records of the transactions and contracts does not arise.
- (xv) The company has given guarantee of ₹ 108.84 crores for a loan taken by its subsidiary.
- (xvi) The company has applied the term loans obtained during the period for the purpose for which the said loans were obtained.
- (xvii) The company has not used for long term investment the funds raised on short term basis.
- (xviii) During the year under review, the company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has no debentures.
- (xx) During the year under review the company has not raised any money by public issue.
- (xxi) No fraud on or by the Company has been noticed or reported during the period.

**For Gokhale, Tanksale & Ghatpande**

Chartered Accountants

Firm Registration No. 103277W

**S. M. Ghatpande**

Partner

Membership No. 30462

Place : Pune.

Date : 27th May, 2010

## D. S. Kulkarni Developers Ltd.

Balance Sheet as at	Sch	31-Mar-10 ₹	31-Mar-10 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>Sources of Funds</b>					
Share Capital	1	258,010,080		258,010,080	
Reserves & Surplus	2	4,220,633,119	4,478,643,199	4,033,360,630	4,291,370,710
<b>Loan Funds</b>					
Secured Loans	3	2,585,598,034		3,203,228,837	
Unsecured Loans	4	1,407,634,000	3,993,232,034	395,655,139	3,598,883,976
Deferred Tax Liability			5,606,615		4,562,287
<b>Total</b>			<b>8,477,481,848</b>		<b>7,894,816,973</b>
<b>Applications of Funds</b>					
Fixed Assets	5				
Gross Block		402,165,985		395,419,094	
Less: Depreciation		(46,383,557)	355,782,428	(36,891,888)	358,527,206
Investments	6		367,342,701		367,342,701
Current Assets, Loans & Advances	7	10,525,335,265		11,149,115,005	
Less : Current Liabilities & Provisions	8	(2,793,701,095)	7,731,634,170	(4,025,613,045)	7,123,501,960
Miscellaneous Expenditure (to the extent not written off)	9		22,722,549		45,445,106
<b>Total</b>			<b>8,477,481,848</b>		<b>7,894,816,973</b>
Notes to & forming part of the Accounts	17				

As per our audit report of even date Schedules 1 to 9 & 17 form part of the Balance Sheet.

**For Gokhale, Tanksale & Ghatpande**

Chartered Accountants

Firm Registration No. 103277W

**For & on behalf of the Board of Directors**

**D. S. Kulkarni**

Chairman & Managing Director

**S. M. Ghatpande**

Partner

Membership No. 30462

Place : Pune

Date : 27th May, 2010

**V. C. Joshi**

Director

Place : Pune

Date : 27th May, 2010

**Amol Purandare**

Company Secretary

## D. S. Kulkarni Developers Ltd.

Profit & Loss Account for the year ended	Sch	31-Mar-2010 ₹	31-Mar-2010 ₹	31-Mar-2009 ₹	31-Mar-2009 ₹
<b>Income</b>					
Operating Income & Increase in Stocks	10		1,510,016,992		2,856,353,815
Other Income	11		14,605,892		14,056,496
<b>Total</b>			<b>1,524,622,884</b>		<b>2,870,410,311</b>
<b>Expenditure</b>					
Development Expenses	12		791,543,836		2,505,592,873
Administrative Expenses	13		55,522,324		46,841,407
Staff Expenses	14		57,919,597		58,156,636
Selling Expenses	15		71,430,256		82,226,795
Financial Expenses	16		214,851,499		29,501,374
Depreciation	5		10,734,559		9,724,054
Miscellaneous Expenses Written Off	9		22,722,556		24,018,858
<b>Total</b>			<b>1,224,724,627</b>		<b>2,756,061,996</b>
<b>Net Profit before tax and extra-ordinary items</b>			299,898,257		114,348,315
Less: Provision for corporate tax					
Current Tax Liability		(81,020,800)		(13,516,458)	
Deferred Tax Asset		(1,044,328)		1,428,876	
Fringe Benefit Tax		-	(82,065,128)	(2,014,911)	(14,102,492)
<b>Profit after tax</b>			217,833,129		100,245,823
Less: Prior Years' Adjustments			(374,751)		(3,835,807)
Add : Opening Balance			855,719,352		789,495,225
<b>Profit available for Appropriation</b>			<b>1,073,177,730</b>		<b>885,905,241</b>
<b>Appropriations</b>					
Proposed Dividend			25,801,008		25,801,008
Tax on Dividend			4,384,881		4,384,881
Balance Carried to Balance Sheet			1,042,991,841		855,719,352
			<b>1,073,177,730</b>		<b>885,905,241</b>
Earnings per share-Basic & Diluted			8.44		3.89
Number of shares			25,801,008		25,801,008
Notes to & forming part of the Accounts	17				

As per our audit report of even date. Schedules 5 and 10 to 17 form part of the Profit & Loss Account.

**For Gokhale, Tanksale & Ghatpande**

Chartered Accountants

Firm Registration No. 103277W

**S. M. Ghatpande**

Partner

Membership No. 30462

Place : Pune

Date : 27th May, 2010

**For & on behalf of the Board of Directors**

**D. S. Kulkarni**

Chairman & Managing Director

**V. C. Joshi**

Director

Place : Pune

Date : 27th May, 2010

**Amol Purandare**

Company Secretary

## D. S. Kulkarni Developers Ltd.

Cash Flow Statement For The Year Ended	31-Mar-2010 ₹	31-Mar-2010 ₹	31-Mar-2009 ₹	31-Mar-2009 ₹
<b>A) Cash Flow From Operating Activities</b>				
Net Profit before Tax & Extraordinary Items		299,898,257		114,348,315
Adjustments for				
Depreciation	10,734,559		9,724,054	
Miscellaneous Expenses Written off	22,722,556		24,018,858	
Loss/(Profit) on Sale of Assets	368,739		652	
Prior Years' Adjustments	(374,751)		(188,307)	
Interest Expenditure	214,851,499		29,501,374	
Interest & Dividend Received	(2,712,207)	245,590,394	(537,647)	62,518,984
<b>Operating Profit before Working Capital Changes</b>		<b>545,488,651</b>		<b>176,867,299</b>
Adjustments for				
(Increase) Decrease in Inventories	613,678,300		(1,269,103,160)	
Increase (Decrease) in Trade Payables	(1,312,932,750)		1,012,721,714	
(Increase) Decrease in Receivables	(230,379,175)		714,013	
(Increase) Decrease in Loans & Advances	499,458,744	(430,174,880)	76,098,937	(179,568,496)
<b>Cash generated from Operations</b>		<b>115,313,771</b>		<b>(2,701,197)</b>
Income Tax Paid		(84,022,618)		(18,551,078)
<b>Net Cash from Operating Activities (A)</b>		<b>31,291,153</b>		<b>(21,252,275)</b>
<b>B) Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(8,883,521)		(45,223,683)	
Sale of Fixed Assets	525,000		266,015	
Interest & Dividend Received	2,712,207		537,647	
Decrease (Increase) in Investments	-		(323,399,625)	
<b>Net Cash used in Investing Activities(B)</b>		<b>(5,646,314)</b>		<b>(367,819,646)</b>
<b>C) Cash Flow from Financing Activities</b>				
Interest Paid	(214,851,499)		(29,501,374)	
Dividend Paid	(25,801,008)		(51,602,016)	
Dividend Tax Paid	(4,384,881)		(8,769,763)	
Public Issue Expenses Paid	-		-	
Merger Expenses Paid	-		(191,060)	
Increase (Decrease) in Secured Loans	(617,630,802)		59,434,657	
Increase (Decrease) in Unsecured Loans	1,011,978,861		324,418,120	
<b>Net Cash used in Financing Activities (C)</b>		<b>149,310,671</b>		<b>293,788,565</b>

<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>		<b>174,955,510</b>		<b>(95,283,357)</b>
<b>Cash &amp; Cash Equivalent as a beginning of the year</b>		20,311,536		115,594,892
<b>Cash &amp; Cash Equivalent as at end of the year</b>		195,267,045		20,311,536

Note to the Cash Flow Statement : Cash and Cash Equivalents include Cash and Bank Balances  
This is the Cash Flow Statement referred to in our report of even date.

**For Gokhale, Tanksale & Ghatpande**

Chartered Accountants

Firm Registration No. 103277W

**S. M. Ghatpande**

Partner

Membership No. 30462

Place : Pune

Date : 27th May, 2010

**For & on behalf of the Board of Directors**

**D. S. Kulkarni**

Chairman & Managing Director

**V. C. Joshi**

Director

Place : Pune

Date : 27th May, 2010

**Amol Purandare**

Company Secretary

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Balance Sheet as at	31-Mar-2010 ₹	31-Mar-2010 ₹	31-Mar-2009 ₹	31-Mar-2009 ₹
<b>Schedule 1: Share Capital</b>				
<b>Authorised:</b>				
50,000,000 Equity Shares of ₹ 10/- each		500,000,000		500,000,000
<b>Issued, Subscribed &amp; Fully Paid up :</b>				
25,801,008 Equity Shares of ₹ 10/- each		258,010,080		258,010,080
Of the above, in FY 2007-08, 3,800,000 Equity Shares of ₹ 10/- each were issued by way of consideration other than cash to the promoters of the amalgamating company in pursuance of the Mumbai High Court Order dated 17th July 2008 u/s 391-394 of the CA, 1956 at a premium of ₹ 282.76 per share				
<b>Total</b>		<b>258,010,080</b>		<b>258,010,080</b>
<b>Schedule 2: Reserves &amp; Surplus</b>				
<b>General Reserve</b>				
Balance as per last balance sheet		95,370,072		95,370,072
Profit & Loss Account		1,042,991,841		855,719,352
Share Premium Account		3,082,271,206		3,082,271,206
<b>Total</b>		<b>4,220,633,119</b>		<b>4,033,360,630</b>
<b>Schedule 3: Secured Loans</b> (secured as stated in Schedule 17)				
<b>From Banks / Others</b>				
Working Capital Limits	148,471,582		(4,154,058)	
Project / Term Loans	2,310,442,903	2,458,914,485	3,200,631,380	3,196,477,322
<b>Other Loans</b>				
Vehicle Term Loans	7,306,289		6,751,514	
Loans against pledge of Promoters' Shares	119,377,260	126,683,549	-	6,751,514
<b>Total</b>		<b>2,585,598,034</b>		<b>3,203,228,836</b>
<b>Schedule 4: Unsecured Loans</b>				
<b>Fixed Deposits</b>				
From shareholders & guaranteed by directors	331,531,000		20,418,000	
From others	1,060,103,000	1,391,634,000	375,237,139	395,655,139
Inter-corporate Deposits		16,000,000		-
<b>Total</b>		<b>1,407,634,000</b>		<b>395,655,139</b>

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Balance Sheet as at 31st March, 2010

### Schedule 5: Fixed Assets & Depreciation

	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 1-Apr-09 ₹	Additions 2009-10 ₹	Transfers 2009-10 ₹	As at 31-Mar-10 ₹	As at 1-Apr-09 ₹	Additions 2009-10 ₹	Transfers 2009-10 ₹	As at 31-Mar-10 ₹	As at 31-Mar-10 ₹	As at 31-Mar-09 ₹	
Land & Building	259,202,673	—	—	259,202,673	—	—	—	—	259,202,673	259,202,673	
Plant & Machinery	54,987,843	4,045,638	—	59,033,481	2,312,314	2,652,671	—	4,964,986	54,068,495	52,675,529	
Office Machinery	36,028,178	2,634,106	—	38,662,284	22,650,665	4,203,541	—	26,854,206	11,808,078	13,377,512	
Furniture & Fixtures	4,054,862	—	—	4,054,862	800,018	248,559	—	1,048,577	3,006,285	3,254,844	
Vehicles	41,145,538	2,203,777	(2,136,630)	41,212,686	11,128,891	3,629,787	(1,242,890)	13,515,788	27,696,898	30,016,647	
<b>Total</b>	<b>395,419,094</b>	<b>8,883,521</b>	<b>(2,136,630)</b>	<b>402,165,985</b>	<b>36,891,888</b>	<b>10,734,559</b>	<b>(1,242,890)</b>	<b>46,383,557</b>	<b>355,782,428</b>	<b>358,527,206</b>	
<b>Previous Year</b>	<b>91,475,736</b>	<b>304,426,356</b>	<b>(482,998)</b>	<b>395,419,094</b>	<b>27,384,166</b>	<b>9,724,054</b>	<b>(216,332)</b>	<b>36,891,888</b>	<b>358,527,206</b>	<b>64,091,570</b>	

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Balance Sheet as at	31-Mar-2010 ₹	31-Mar-2010 ₹	31-Mar-2009 ₹	31-Mar-2009 ₹
<b>Schedule 6: Investments</b>				
<b>Trade Investments; Unquoted, at cost</b>				
<b>Investment in Subsidiaries :</b>				
10,00,000 Shares of US \$ 1 each in DSK Developers Corporation USA	50,950,000		50,950,000	
25,50,000 Equity Shares of ₹ 10/- each in DSK Global Education and Research Pvt. Ltd	25,500,000		25,500,000	
20,00,000 Equity Shares of ₹ 10/- each in DSK SEZ Projects (Pune) Pvt. Ltd	20,000,000	96,450,000	20,000,000	96,450,000
<b>Investment in Joint Ventures :</b>				
25,000 Ordinary Equity Shares of ₹ 10/- each in DSK Southern Projects Pvt. Ltd	250,000		250,000	
10,000 Class B Equity Shares of ₹ 10/- each in DSK Southern Projects Pvt. Ltd	100,000		100,000	
26,96,500 Optionally Convertible Debentures Series II of ₹ 100/- each in DSK Southern Projects Pvt. Ltd	269,650,000		269,650,000	
23,000 Equity Shares of ₹ 10/- each in DSK Tricon Infrastructure Construction Ltd	230,000	270,230,000	230,000	270,230,000
<b>Non-Trade Investments; Unquoted, at cost</b>				
1,000 Shares of ₹ 50/- each fully paid up in Shree Sadguru Jangli Maharaj Sahakari Bank Ltd.	50,000		50,000	
10 Shares of ₹ 100/- each fully paid up in Janata Sahakari Bank Ltd.	1,000		1,000	
10 Shares of ₹ 50/- each fully paid up in Mahalaxmi Co-op. Bank Ltd.	500		500	
4,080 Shares of ₹ 25/- each fully paid up in Greater Bombay Co-op. Bank Ltd.	102,000		102,000	
19,968 Shares of ₹ 25/- each fully paid up in Kalyan Janata Sahakari Bank Ltd.	499,200		499,200	
100 Shares of ₹ 100/- each fully paid up in Pune Sahakari Bank Ltd.	10,000	662,700	10,000	662,700
<b>Total</b>		<b>367,342,700</b>		<b>367,342,700</b>

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Balance Sheet as at	31-Mar-2010 ₹	31-Mar-2010 ₹	31-Mar-2009 ₹	31-Mar-2009 ₹
<b>Schedule 7: Current Assets, Loans &amp; Advances</b>				
<b>Inventories</b>				
(Taken , Valued & Certified by the Management)				
Material at site	16,813,433		12,411,948	
Sample Flat Furniture	-		1,378,864	
Expenses allocable to Projects	19,033,308		19,033,308	
Work in Progress & Finished Tenements	9,599,868,636	9,635,715,377	10,216,569,557	10,249,393,677
<b>Sundry Debtors</b>				
(Unsecured, considered good)				
Outstanding for more than six months	2,062,976		23,771,221	
Others	252,618,635	254,681,611	531,215	24,302,436
(Due by concerns in which Directors are interested - Nil (P.Y. Nil))				
<b>Cash &amp; Bank Balances</b>				
Cash on hand	2,294,028		3,428,778	
Balance with Scheduled Banks				
On Current Accounts	165,756,530		13,403,870	
On Deposit Accounts	27,216,488	195,267,045	3,478,888	20,311,536
<b>Loans &amp; Advances</b>				
(Unsecured, considered good)				
Advances towards land, goods & services	19,286,258		212,909,163	
Advance to Subsidiary Company / JV	138,088,905		444,787,703	
Advance Tax & Tax deducted at source	272,017,280		187,994,659	
Deposits	10,278,789	439,671,232	9,415,831	855,107,356
<b>Total</b>		<b>10,525,335,265</b>		<b>11,149,115,005</b>

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Balance Sheet as at	31-Mar-10 ₹	31-Mar-10 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>Schedule 8 : Current Liabilities &amp; Provisions</b>				
<b>Current Liabilities</b>				
Sundry Creditors	196,817,961		38,010,936	
Advance against tenements / Plots	1,185,419,694		3,517,915,914	
Unclaimed Dividend	1,824,687		1,460,296	
Unclaimed Deposits	34,529,000		2,175,000	
Advance from Subsidiary	14,915,659		17,417,659	
Deposits	10,000		3,025,000	
Deposits from Subsidiary	2,500,000		2,500,000	
Other Liabilities	1,024,585,255	2,460,602,257	191,030,202	3,773,535,007
<b>Provisions</b>				
Provision for Income Tax & FBT	302,912,949		221,892,148	
Proposed Dividend	25,801,008		25,801,008	
Tax on Dividend	4,384,881	333,098,838	4,384,881	252,078,038
<b>Total</b>		<b>2,793,701,095</b>		<b>4,025,613,045</b>
<b>Schedule 9: Miscellaneous Expenditure</b>				
Preliminary Expenses :				
Composite Issue Expenses				
Balance b/d	45,445,106		68,167,662	
Add : Expenses incurred during the year	-		-	
Less: Written off during the year	(22,722,556)	22,722,550	(22,722,556)	45,445,106
Merger Expenses				
Balance b/d	-		1,105,242	
Add : Expenses incurred during the year	-		191,060	
Less: Written off during the year	-	-	(1,296,302)	-
<b>Total</b>		<b>22,722,550</b>		<b>45,445,106</b>

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Profit & Loss Account for the year ended	31-Mar-2010 ₹	31-Mar-2010 ₹	31-Mar-2009 ₹	31-Mar-2009 ₹
<b>Schedule 10:</b>				
<b>Operating Income &amp; Increase in Stocks</b>				
<b>Operating Income</b>				
Sales of Tenements	1,796,560,634		856,498,023	
Sale of Land & Development Rights	305,552,628		591,654,133	
Transfer of land to Fixed Assets	-		259,202,673	
Labour Charges	10,999,311		83,282,204	
Rent	13,605,340	2,126,717,913	11,021,594	1,801,658,627
<b>Increase in Stock of WIP &amp; Finished Tenements</b>				
Closing Stock	9,599,868,636		10,216,569,557	
Opening Stock	(10,216,569,557)	(616,700,921)	(9,161,874,369)	1,054,695,188
<b>Total</b>		<b>1,510,016,992</b>		<b>2,856,353,815</b>
<b>Schedule 11: Other Income</b>				
Interest from Subsidiary / JV		10,851,711		11,585,343
Bank Interest		1,342,674		537,647
Other Interest		1,369,533		267,216
Foreign Exchange Difference		-		904,495
Commission Received		-		171,694
Miscellaneous Receipts		721,316		147,271
Other Receipts		320,658		442,831
<b>Total</b>		<b>14,605,892</b>		<b>14,056,496</b>
<b>Schedule 12: Development Expenses</b>				
Land & Development Rights		59,066,339		1,346,961,273
Sub-Contractors' Charges (Including Material)		355,517,352		593,354,814
Other Development Expenses		376,960,145		565,276,786
<b>Total</b>		<b>791,543,836</b>		<b>2,505,592,873</b>

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Profit & Loss Account for the year ended	31-Mar-10 ₹	31-Mar-10 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>Schedule 13: Administrative Expenses</b>				
Professional Fees		11,628,875		10,540,174
Postage, Telephone & Telegram		4,663,388		5,654,695
Rent, Rates & Taxes		16,201,229		8,210,596
Repairs & Maintenance		3,469,640		3,415,492
Printing & Stationery		2,946,382		4,196,868
Legal Charges		2,388,363		2,857,918
Conveyance		4,025,787		5,017,657
Electricity Charges		2,721,504		1,857,607
Office Expenses		1,585,038		1,290,277
Subscription		1,000,401		860,916
Insurance		702,813		677,999
Audit Fees				
Company Audit Fees	248,175		137,875	
Tax Audit Fees	55,150	303,325	55,150	193,025
Other Administrative Expenses		3,885,578		2,068,182
<b>Total</b>		<b>55,522,324</b>		<b>46,841,407</b>
<b>Schedule 14: Staff Expenses</b>				
Salaries, Wages, Bonus etc.	34,240,655		29,460,224	
Contribution to Provident & Other Funds	2,971,097	37,211,752	3,694,102	33,154,326
Directors' Remuneration		18,206,526		20,589,333
Staff Welfare		1,869,839		3,919,211
Directors' Sitting Fees		270,000		395,000
Recruitment Charges		361,480		98,766
<b>Total</b>		<b>57,919,597</b>		<b>58,156,636</b>

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Profit & Loss Account for the year ended	31-Mar-10 ₹	31-Mar-10 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>Schedule 15: Selling Expenses</b>				
Advertisement		46,332,681		56,625,286
Domestic Travel Expenses		3,577,611		6,345,543
Foreign Travel Expenses		3,178,448		5,262,326
Sales Promotion		4,782,719		2,551,026
Domestic Exhibition Expenses	5,149,924		7,090,777	
Foreign Exhibition Expenses	474,242	5,624,166	45,600	7,136,377
Brokerage		114,420		836,740
Donations		136,000		370,052
Miscellaneous Balances w/off		16,197		15,800
Entertainment Expenses		114,435		837,145
Other Selling Expenses		7,553,579		2,246,501
<b>Total</b>		<b>71,430,256</b>		<b>82,226,795</b>
<b>Schedule 16: Financial Expenses</b>				
Deposits & Loans		151,711,542		21,729,877
Banks		27,069,072		5,358,199
Interest Others		145,105		381,331
Vehicle Loans		1,484,176		906,345
Brokerage for Fixed Deposit		5,208,643		1,125,622
Foreign Exchange Loss on Unsettled Forward Contracts		29,232,960		-
<b>Total</b>		<b>214,851,499</b>		<b>29,501,374</b>

# D.S. Kulkarni Developers Limited

Balance Sheet as at 31st March, 2010

## Schedule - 17 Notes to & forming part of the Accounts

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 Companies Act, 1956, inasmuch as its equity securities are listed on the National & Bombay Stock Exchanges, it did have borrowings (including public deposits) in excess of ₹10 crores at any time during the immediately preceding accounting year and its turnover (excluding other income) exceeded ₹50 crores in the immediately preceding accounting year.

Accordingly, these financial statements comply in all material respects with the relevant provisions of the Companies Act, 1956, the Generally Accepted Accounting Principles in India, and the following 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 under section 211(3C) read with sections 210A(1) and 642(1)(a) of the said Act:

### A. Significant Accounting Policies:

1. **AS 1: Disclosure of Accounting Policies** - The accounting policies followed in the preparation of these financial statements are disclosed below.
2. **AS 2: Valuation of Inventories** -
  - (i) Inventories of finished tenements are valued at the carrying value or estimated net realizable value, (as certified by the management) whichever is the less.
  - (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 has been 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 will not be lower than the costs so included therein.
  - (iii) Inventories of construction materials are valued at cost of acquisition or net replacement value (as certified by the management), whichever is the less.
3. **AS 3: 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.
4. **AS 4: Contingencies and Events occurring after the Balance Sheet Date** - This AS is not applicable since there are no such contingencies nor events.
5. **AS 5: Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies** - The Company's Profit & Loss Account presents profit / loss form ordinary activities. There are no extra-ordinary items or changes in accounting estimates and policies during the year under review. The prior period adjustments represent interest paid for delay in payment of income tax
6. **AS 6: Depreciation Accounting** - In accordance with AS 6 issued by the Institute of Chartered Accountants of India, depreciation is provided as per the straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
7. **AS 7: Construction Contracts** - This AS is not applicable since the Company is not engaged in execution of construction contracts.
8. **AS 9: Revenue Recognition** - In accordance with AS 9 issued by the Institute of Chartered Accountants of India, 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. 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.

- 9 AS 10: Accounting for Fixed Assets** - In accordance with AS 10 issued by the Institute of Chartered Accountants of India, Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operative expenses and interest in case of construction.
- 10 AS 11: The Effects of Changes in Foreign Exchange Rates** - In accordance with AS 11 issued by the Institute of Chartered Accountants of India, transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the rate of exchange prevailing on the balance sheet date.

In the case of forward exchange contracts, the premium or discount arising at the inception is amortised as income or expense over the life of the contract. Such contracts outstanding at the year end are marked to market, and the resultant exchange difference is recognised as income or expense in the profit and loss account. The profit or loss arising on cancellation or renewal of such contracts is recognised as income or expense for the year.

- 11 AS 12: Accounting for Government Grants** - This AS is not applicable since the Company has not so far received any Government Grants.
- 12 AS 13: Accounting for Investments** - In accordance with AS 13 issued by the Institute of Chartered Accountants of India, investments are classified into long term and current investments. Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognize a decline other than of a temporary nature. Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.
- 13 AS 14: Accounting for Amalgamations** - This AS is not applicable since the Company has not entered into any amalgamation during the year under review.
- 14 AS 15: Employee Benefits** - In accordance with Accounting Standard 15 issued by the Institute of Chartered Accountants of India, benefits to the employees comprising of payments under defined contribution plans like provident fund and family pension fund are charged to Profit & Loss Account. There are no defined benefit plans.

The liability for gratuity is funded through Group Gratuity scheme of the Life Insurance Corporation of India which is in nature of a Defined Contribution Plan and accordingly periodic contributions to the LIC are charged to Profit & Loss Account.

- 15 AS 16: Borrowing Costs** - In accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India, borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which those are incurred.
- 16 AS 17: Segment Reporting** - The company operates only in one segment, namely, integrated real estate development and construction of residential and commercial tenements. Hence the requirements of Segment Reporting pursuant to AS 17 issued by the Institute of Chartered Accountants of India are not applicable.

- 17 **AS 18: Related Party Disclosures** - Please see Annexure.
- 18 **AS 19: Leases** - In accordance with Accounting Standard 19, issued by the Institute of Chartered Accountants of India, assets given / taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease income / payments under operating leases are recognised as an income / expense on a straight-line basis over the lease term.
- 19 **AS 20: Earnings per Share** - The Company reports basic and diluted Earnings per share (EPS) in accordance with Accounting Standard 20, issued by the Institute of Chartered Accountants of India. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive. The basic & diluted EPS is stated in the Profit & Loss Account as well as in the Notes to Accounts.
- 20 **AS 21 & 27: Consolidated Financial Statements** - In accordance with AS 21 and AS 27 issued by the Institute of Chartered Accountants of India, the consolidated financial statements of the Company and its Subsidiaries and Jointly Controlled Entities 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.
- 21 **AS 22: Accounting for taxes on Income** - In accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India, Tax expense comprises current corporate tax and deferred corporate tax. Current corporate tax is measured at the amount expected to be paid to the tax authorities using the applicable tax rates and tax laws. Minimum Alternative Tax (MAT) credit for a particular assessment year is recognised as an asset only after the assessment for that year is complete and such credit is finally quantified. The recognition of such credit is limited to the extent there is convincing evidence that the Company's corporate tax liability under the normal scheme of taxation, during the period in which the MAT Credit can be carried forward u/s 115JAA of the IT Act, 1961, will exceed the MAT liability u/s 115JB. In accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), in the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as "MAT credit entitlement" under the head "Current Assets".
- The Company reviews the "MAT credit entitlement" at each balance sheet date and writes down its carrying amount to the extent such credit is set-off u/s 115JAA or there is no longer convincing evidence as stated supra. Deferred corporate 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 corporate tax assets are not recognized unless, in the judgement of the management, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred corporate tax is reviewed at each balance sheet date.
- 22 **AS 23: Accounting for Investments in Associates in Consolidated Financial statements** - This AS is not applicable because the Company has no associates.
- 23 **AS 24: Discontinuing Operations** - This AS is not applicable since the Company has not so far discontinued operations.
- 24 **AS 25: Interim Financial Reporting** - This AS is not applicable to the financial statements under review.

- 25 AS 26: Intangible Assets** - In accordance with AS 26 issued by the Institute of Chartered Accountants of India, the Company has charged against revenue the amalgamation expenses incurred in the year under review and in earlier years. However, share Issue expenses (which are outside the purview of AS 26) are deferred and written off over a period of five years.
- 26 AS 27: Financial Reporting of Interests in Joint Ventures** - In accordance with Para 53 of AS 27 issued by the Institute of Chartered Accountants of India, the Company has made the necessary disclosures in Annexure 1 hereto. The Consolidated Financial Statements include the book values of like items of assets, liabilities, incomes and expenses of the Company's Joint Ventures after fully eliminating intra-group balances, intra-group transactions and unrealised profits and losses.
- 27 AS 28: Impairment of Assets** - In accordance with AS 28 issued by the Institute of Chartered Accountants of India, the carrying amount of cash generating units / assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or "value in use", whichever is the higher. Impairment loss, if any, is recognized whenever the carrying amount exceeds the recoverable amount.
- 28 AS 29: Provisions, Contingent Liabilities and Contingent Assets** - In accordance with Accounting Standard 29 issued by the Institute of Chartered Accountants of India, provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized.
- 29 AS 30, 31 & 32: Financial Instruments: Recognition & Measurement, Presentation & Disclosures** - The said standards issued by the Institute of Chartered Accountants of India are recommendatory in nature for the initial period of two years, i.e; FY's 2009-10 & 2010-11 and will become mandatory w.e.f 01st April, 2011. Moreover, the said standards have not so far been notified by the Central Government u/s 211(3C) of the Companies Act, 1956. Hence, the Company has not applied these accounting standards in the preparation and presentation of these financial statements.
- 30 Accounting Convention:** These financial statements are prepared under the historical cost convention.
- 31 Accrual Method of Accounting:** As required by Section 211 of the Companies Act, 1956, 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.
- 32 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.
- 33 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.
- 34 Previous Year Figures :** The figures for the previous year have been rearranged to facilitate comparison.

### Annexure 1 referred to in Para A (26) of Schedule 17

**Disclosure in respect of Company's Joint Ventures in India pursuant to AS 27**

**₹ Lacs**

Sr.	Particulars	Name of the Joint Venture	
		DSK Southern Projects Pvt. Ltd.	DSK Tricone Infrastructure and Construction Ltd.
	Location	India	India
1	Nature of Joint Venture	Jointly Controlled Entity	Jointly Controlled Entity
2	Proportion of Ownership Interest	50%	46%
3	Reserves & Surplus	-	-
4	Loans / Borrowings	1,746	7.35
5	Current Liabilities	19.13	348.62
6	Deferred Tax Liability	-	6.78
7	Fixed Assets (Net)	-	106.04
8	Investments	-	0.005
9	Current Assets	3,109.12	226.39
10	Profit & Loss Account	10.01	32.61
11	Gross Income	72.37	675.72
12	Expenses (excluding interest, depreciation & taxes)	73.33	690.47
13	Interest	1.11	9.57
14	Depreciation	-	6.20
15	Provision for Taxation	-	3.35
16	Profit after Tax	(2.07)	(33.87)
17	Contingent Liabilities	-	-
18	Capital Commitments	-	-

**B Additional Information:****1 Security for Term Loans from Banks / Institutions / Others :**

- 1.1 All the Term Loans / Corporate Loans for construction projects are secured by equitable / registered mortgage of specific immovable properties and are also secured by a hypothecation charge on the Company's movables at the respective sites.
- 1.2 The term loans for acquisition of vehicles are secured by hypothecation of the respective vehicles.
- 1.3 The charges securing the term loans obtained from Bank of Maharashtra, Central Bank of India, Indian Overseas Bank and Kalyan Janata Sahakari Bank include a collateral pari passu charge on a specific immovable property.
- 1.4 Repayment of all the term loans and payment of interest thereon is personally guaranteed by the Company's Chairman & Managing Director and in certain cases, other specified individuals.
- 1.5 The cash credit limit from Bank of Maharashtra is secured by personal guarantee of the Company's Chairman & Managing Director and other specified individuals. The said limit is also collaterally secured by mortgage of some immovable properties.
- 1.6 The Promoters have pledged 38,75,805 equity shares held by them in order to secure loans advanced to Company by certain lenders for the purposes of the Company's business.

- 2 Interest accrued & due on Term Loans:** The balance of term loans as at the balance sheet date includes interest accrued & due as follows:

₹ Lacs

Particulars	31-Mar-10	31-Mar-09
Banks / Others	211.77	280.94

**3 Installments of Term Loans due in next one year:**

₹ Lacs

Particulars	2009-10	2008-09
Banks / Others	15,020.51	19,251.34

- 4 Investments in Subsidiary:** In the opinion of the management, no loss is expected to arise in respect of investments for which an additional provision is required to be made in the accounts.
- 5 Current assets, loans and advances:** In the opinion of the management the current assets, loans and advances are stated at the value which will be realized if they are sold in the ordinary course of the Company's business.

**6 TDS on Interest & rent received:**

₹ Lacs

		Gross	TDS	Net
Interest	2009-10	13.43	1.87	11.56
	2008-09	44.35	10.07	34.28
Rent	2009-10	100.03	16.33	83.70
	2008-09	110.22	20.74	89.48
Commission	2009-10	-	-	-
	2008-09	1.91	0.21	1.70
Labour Charges	2009-10	121.32	2.43	118.90
	2008-09	918.60	20.82	897.78
<b>Total</b>	<b>2009-10</b>	<b>234.79</b>	<b>20.63</b>	<b>-</b>
	<b>2008-09</b>	<b>1,075.08</b>	<b>51.84</b>	<b>1,023.24</b>

**7 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.	Particulars	31-Mar-10	31-Mar-09
(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	NA	NA
(ii)	The interest due on the principal amount remaining unpaid to any such supplier as at the end of the accounting year	NA	NA
(iii)	The amounts of payments made to such supplier beyond the appointed day during the accounting year	NA	NA
(iv)	The amount of interest paid by the company in terms of S 16 of MSMED Act, 2006, during the accounting year	NA	NA
(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.	NA	NA
(vi)	The amount of interest accrued and remaining unpaid at the end of the accounting year	NA	NA
(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	NA	NA

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

**9 Contingent Liabilities not provided for:**

₹ Lacs

		2009-10	2008-09
a)	Claims against the Company not acknowledged as debts	-	-
b)	Guarantees	-	-
c)	Guarantee in respect of secured loans obtained by subsidiary Balance of secured loans as at 31/03/2010	10,884.00 8,510.06	10,884.00 6,425.16
d)	Tax Matters under appeal	748.83	330.03
e)	Cases filed against the Company	796.64	921.50
f)	Estimated amount of contracts remaining to be executed on capital account	-	-
g)	Bills discounted by the Company's suppliers Balance on 31/03/2010 ₹ (P.Y. ₹ 399.82 lacs)	500.00 497.96	500.00 399.82
		<b>12,929.47</b>	<b>12,635.53</b>

**10 Payment to Directors:****(₹ Lacs)**

Name	Designation		Salary	Perks	Total
Mr. D.S. Kulkarni (Previous Year)	Chairman & Managing Director	2009-10 2008-09	156.70 183.48	0.26 -	<b>156.96</b> <b>183.48</b>
Mrs. J. D. Kulkarni (Previous Year)	Whole-time Director	2009-10 2008-09	5.89 6.23	- -	<b>5.89</b> <b>6.23</b>
Mr. S. D. Kulkarni (Previous Year)	Executive Director w.e.f.27/07/2009	2009-10 2008-09	13.08 -	- -	<b>13.08</b> <b>-</b>
Mr Kedar Vanjape (Previous Year)	Executive Director upto 18/08/2009	2009-10 2008-09	6.39 16.19	- -	<b>6.39</b> <b>16.19</b>
<b>Total</b>		<b>2009-10</b> <b>2008-09</b>	<b>182.06</b> <b>205.90</b>	<b>0.26</b> <b>-</b>	<b>182.32</b> <b>205.90</b>

**11 Computation of Net Profit in accordance with S.198 & S.349 of the Companies Act, 1956:****₹ Lacs**

	2009-10	2009-10	2008-09	2008-09
Profit before tax as per Profit & Loss A/c		2,998.98		1,143.48
Add : Book Depreciation	107.35		97.24	
Directors' Remuneration	182.06		205.89	
(Profit) / Loss on sale of fixed assets	3.69		0.01	
Preliminary expenses	227.23	520.32	240.19	543.33
		<b>3,519.30</b>		<b>1,686.81</b>
Less : Depreciation as per S.350		107.35		97.24
Net Profit / (Loss) u/s 198 of the CA 1956		3,411.95		1,589.57
11% of Net Profit		375.31		174.85
10% of Net Profit		341.20		158.96

**12 Payment to Auditors:****₹ Lacs**

	2009-10	2008-09
Company Audit Fees	2.25	1.25
Tax Audit Fees	0.50	0.50
Service Tax	0.28	0.18
<b>Total</b>	<b>3.03</b>	<b>1.93</b>

**13 Earning in foreign exchange:**
**₹ Lacs**

	2009-10	2008-09
Advance against Tenements	2.38	13.26
Interest from Subsidiary	89.49	76.98

**14 Expenditure in foreign currency:**
**₹ Lacs**

	2009-10	2008-09
Foreign Travel Expenses	9.68	23.78
Exhibition Expenses	1.67	0.31
Professional Fees	-	13.94
Interest on FCDL Loan	231.38	103.11
Purchase of Material	-	47.45
<b>Total</b>	<b>242.73</b>	<b>188.59</b>

**15 Expenditure on employees in receipt of remuneration exceeding ₹24 lacs p.a. or ₹2 lacs per month when employed for a part of the year**
**₹ Lacs**

Sr	Name	Age	Educational Qualification	Designation	Date of Joining	Previous Employment	Gross Remuneration	Net Remuneration
1	D. S. Kulkarni	61	B. Com	Chairman & Managing Director	20/9/1991	None	155.75	108.55

**16 Earnings Per Share (EPS):**

Earnings per share is calculated in accordance with the Accounting Standard 20- 'Earnings Per Share'

**₹ Lacs**

Particulars	2009-10	2008-09
Profit after tax (₹ lacs)	2,184.11	1,002.46
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 (in ₹)	8.45	3.89

**17 Deferred Tax Liability:**

The deferred tax liability comprises of the following:

₹ Lacs

	As at 31.03.2010	As at 31.03.2009
Timing difference between book depreciation and tax depreciation	56.07	45.62
<b>Total</b>	<b>56.07</b>	<b>45.62</b>

**18 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	
	31/3/2010	31/3/2009	2009-10	2008-09
<b>A Subsidiaries</b>				
(i) DSK Developers Corporation	1,662.15	1,310.03	1,662.15	1,310.03
(ii) DSK SEZ Projects (Pune) Pvt. Ltd.	-	-	-	-
(iii) DSK Global Education and Research Pvt. Ltd.	-	-	-	-
(iv) DSK Woods LLC USA	1.51	0.00	1.51	0.00
<b>B Jointly Controlled Entities</b>				
(i) DSK Southern Projects Pvt. Ltd.	169.33	2,629.50	169.33	2,629.50
(ii) DSK Tricone Infrastructure and Construction Ltd.	420.85	-	420.85	-

**19 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.

**i) Minimum lease payments recognised in Profit and Loss Account**

₹ Lacs

	2009-10	2008-09
Cancellable leases	156	70
Non-cancellable leases	-	-

**ii) General description of the lessee's significant leasing arrangements:**

Certain lease arrangements provide a clause for price escalation.

## 20 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.

Sr. No.	Particulars of asset	Gross Block as at 31-03-2010	Accumulated Depreciation as at 1-4-2009	Depreciation provided for the year	Total accumulated depreciation as at 31-3-2010	Net block as at 31-3-2010
i)	Land (₹ Lacs)	2,592.03	-	-	-	2,592.03

ii)	Future minimum lease payments receivable in respect of non-cancellable leases (₹ Lacs)	2009-10	2008-09
	Due within one year from the Balance Sheet date	100	100
	Due in the period between one year and five years	400	400
	Due after five years	9,225	9,325
	<b>Total</b>	<b>9,725</b>	<b>9,825</b>

## 21 The company has not so far entered into any finance lease as at the balance sheet date.

**22 Estimates :** The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of the assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates.

## 23 Related Party Disclosures:

### (I) The Company has identified following related parties:

#### A Subsidiaries:

- (i) DSK Developers Corporation
- (ii) DSK Woods LLC
- (iii) DSK SEZ Projects (Pune) Pvt. Ltd.
- (iv) DSK Global Education and Research Pvt. Ltd.

#### B Jointly Controlled Entities

- (i) DSK Southern Projects Pvt. Ltd.
- (ii) DSK Tricone Infrastructure and Construction Ltd.

#### C Key Management Personnel

- (i) Mr. D. S. Kulkarni                      Managing Director
- (ii) Mrs. J. D. Kulkarni                    Whole-time Director
- (iii) Mr. Kedar Vanjape                    Executive Director                    upto 18/08/2009
- (iv) Mr. S. D. Kulkarni                    Executive Director                    w.e.f.27/07/2009

#### D Relatives of Key Management Personnel having control or significant control over the Company by reason of voting power.

None

**E Companies / Other Organisations under the control of KMP / relatives where transactions are entered into and / or outstanding balance exists as at the Balance sheet date:**

- (i) Amit & Company
- (ii) Calcutta Boarding House
- (iii) Chandradeep Promoters & Developers Pvt. Ltd.
- (iv) DSK Developers Corporation
- (v) DSK Global Education & Research Pvt. Ltd
- (vi) DSK Motors Limited
- (vii) DSK Sales & Services
- (viii) DSK SEZ Project ( Pune ) Pvt. Ltd
- (ix) DSK Southern Projects Pvt. Ltd.
- (x) DSK Tricone Infrastructure and Construction Ltd.
- (xi) DSK Woods LLC
- (xii) Holyland Agroforestry Pvt. Ltd.
- (xiii) Mangesh Agencies
- (xiv) Sanjeevani Developers
- (xv) Skylap Marketing Pvt. Ltd.
- (xvi) Vastushilp Promoters & Developers Pvt. Ltd
- (xvii) Vastuvisharad Promoters & Developers Pvt. Ltd.

**F Companies / Other Organisations under the control of KMP / relatives where no transactions are entered into and / or no outstanding balance exists as at the Balance sheet date.**

- (i) Ambiance Ventures Estates & Development Pvt. Ltd.
- (ii) Ascent Promoters & Developers Pvt. Ltd.
- (iii) Chandrasha Tours & Travels Pvt. Ltd.
- (iv) Crystal Promoters & Developers Pvt. Ltd.
- (v) D. S. Kulkarni Constructions Pvt. Ltd.
- (vi) DSK Chemicals Pvt. Ltd.
- (vii) DSK Durgamaya Developers Pvt. Ltd.
- (viii) Fairyland Promoters & Developers Pvt. Ltd.
- (ix) Gharkul
- (x) Growrich Agroforestry Pvt. Ltd.
- (xi) Hamlet Technology Valves & Fittings Pvt. Ltd.
- (xii) Mula Valley Agroforestry Pvt. Ltd.
- (xiii) Sampada Leasing & Finance Company Pvt. Ltd.
- (xiv) Sapphire Promoters & Developers Pvt. Ltd.
- (xv) Shri Saptashrunji Oil Mills Pvt. Ltd.
- (xvi) Subhastu Promoters & Developers Pvt. Ltd.
- (xvii) Swagelok Technology Valves & Fittings Pvt. Ltd.
- (xviii) Telesmell
- (xviii) Vastusankalp Promoters & Developers Pvt. Ltd.

II) Following are the transactions with the related parties mentioned in A, B & C above

₹ Lacs

Sr. No.	Nature of transaction	Subsidiaries		Jointly Controlled Entities		Companies / Other Organisations under the control of KMP / relatives		Key Management Personnel / Relatives of KMP		Net Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
(i)	Advances received /recovered	2.67	409.41	1,878.94	-	3,639.57	-	3,316.83	266.67	8,838.02	676.08
(ii)	Advances given / repaid	1,545.03	2,324.80	1,617.90	1,480.09	1,608.05	3,197.66	3,332.74	15.00	8,103.72	7,017.55
(iii)	Balance payable at end	601.41	199.18	18.26	113.35	140.55	74.50	75.60	268.32	835.82	655.35
(iv)	Balance receivable at end	1,663.66	4,435.11	608.53	609.09	99.58	1,681.37	14.00	105.00	2,385.77	6,830.56
(v)	Investments at the year end	964.50	964.50	2,702.30	2,702.30	-	-	-	-	3,666.80	3,666.80
(vi)	Sales during the year	-	6,703.05	-	5,585.23	-	417.50	-	-	-	12,705.78
(vii)	Services rendered	221.32	769.84	1.28	-	-	156.90	-	-	222.60	926.74
(viii)	Interest Income	89.49	76.98	-	38.88	-	-	-	-	89.49	115.86
(ix)	Rent Recovery	-	-	-	-	-	-	-	17.50	-	17.50
(x)	Services availed	-	-	1,171.50	95.39	12.71	49.29	84.00	-	1,268.21	144.68
(xi)	Purchase of materials	-	-	166.44	1,213.84	76.16	-	-	-	242.60	1,213.84
(xii)	Purchase of land	-	-	-	-	-	-	-	6,287.21	-	6,287.21
(xiii)	Purchase of fixed assets	-	-	-	-	13.96	32.56	-	-	13.96	32.56
(xiv)	Additional Investments	-	528.00	-	2,701.00	-	-	-	-	-	3,229.00
(xv)	Remuneration	-	-	-	-	-	-	182.96	205.90	182.96	205.90
(xvi)	Sitting fees	-	-	-	-	-	-	2.70	3.95	2.70	3.95
(xvii)	Guarantees given	10,884.00	10,884.00	-	-	-	-	-	-	10,884.00	10,884.00

## D. S. Kulkarni Developers Ltd.

### 24. Statement pursuant to Part IV of Schedule VI to the Companies Act,1956

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

I	Registration Details			
	Registration No.	63340	State Code	25
	Balance Sheet Date	March 31, 2010		
II.	Capital Raised during the Year (Amount in ₹ Thousands)			
	Public Issue	-	Rights Issue	-
	Bonus Issue	-	Private Placement	-
III.	Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)			
	<b>Total Liabilities</b>	<b>8,477,482</b>	<b>Total Assets</b>	<b>8,477,482</b>
	<b>Sources of Funds</b>			
	Paid-Up Capital	258,010	Reserves & Surplus	4,220,633
	Secured Loans	2,585,598	Unsecured Loans	1,413,241
	<b>Application of Funds</b>			
	Net Fixed Assets	355,782	Investments	367,343
	Net Current Assets	7,731,634	Misc. Expenditure	22,723
	Accumulated Losses	-		
IV.	Performance of Company (Amount in ₹ Thousands)			
	Turnover	1,524,623	Total Expenditure	1,224,725
	Profit before Tax*	299,898	Profit after Tax*	217,833
	Earnings per Share in ₹* (Basic & Diluted)	8.44	Dividend rate %	10.00%
	*Before extraordinary items			
V.	Generic Names of Three Principal Products / Services of Company (as per monetary terms)			
	Item Code No.(ITC Code)	NA		
	Product Description	Real Estate Development		

Schedules 1 to 17 are hereby signed. As per our audit report of even date.

**For Gokhale, Tanksale & Ghatpande**

Chartered Accountants

Firm Registration No. 103277W

**For & on behalf of the Board of Directors**

**D. S. Kulkarni**

Chairman & Managing Director

**S. M. Ghatpande**

Partner

Membership No. 30462

Place : Pune

Date : 27th May, 2010

**V. C. Joshi**

Director

Place : Pune

Date : 27th May, 2010

**Amol Purandare**

Company Secretary

# D. S. Kulkarni Developers Ltd.

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

In exercise of the powers conferred by Section 212(8) of the Companies Act, 1956, the Central Government has, by its approval dated 11th June 2010, directed that the provisions of Section 212(1) of the Companies Act, 1956, shall not apply in respect of the balance sheet etc. of the following subsidiaries of D. S. Kulkarni Developers Ltd. (the Company) for the financial year ended 31st March 2010 subject to certain conditions. There fore the balance sheet etc. of the following subsidiaries for the financial year ended 31st March 2010 have not been attached to the accounts of the Company for the financial year ended 31st March 2010.

Sr.	Name of the Subsidiary	DSK Developers Corporation	DSK Woods LLC	DSK SEZ Projects (Pune) Pvt. Ltd.	DSK Global Education & Research Pvt Ltd.
1	Financial year of the subsidiary ended on	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010
2	Date from which it became subsidiary	16-May-06	3-Jan-07	11-Feb-09	21-Oct-08
3	Holding Company's interest in the subsidiary at the end of the Financial Year	100 Equity shares	Nil, since all the shares are held by DSKDC	2,000,000	2,550,000
4	Extent of Holding	100%	100%	100%	51%
5	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	(274.23)	(946.66)	(0.47)	(752.24)
	ii) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	(56.84)	(8.40)	(29.00)	(374.26)
6	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
	ii) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary	Nil	Nil	Nil	Nil
7	Disclosure of information specified in condition (iii) of the aforesaid approval:				
	i) Paid up capital	403.68	0.0045	200.00	500.00
	ii) Reserves (Loss)	(247.25)	(900.29)	(29.65)	(2,218.43)
	iii) Total Assets	1,859.66	2,529.93	172.76	14,431.03
	iv) Total Liabilities	1,703.24	3,430.21	2.40	16,149.45
	v) Investments	0.0045	-	-	-
	vi) Turnover	297.11	-	-	783.30
	vii) Profit (Loss) before taxation	(234.24)	(946.66)	(0.40)	(1,474.97)
	viii) Provision for taxation	(39.99)	-	(0.08)	-
	ix) Proposed Dividend	-	-	-	-

## **AUDITORS' REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF D. S. KULKARNI DEVELOPERS LIMITED.**

- 1 We have audited the attached Consolidated Balance Sheet of D. S. Kulkarni Developers Limited ("the Company") and its four Subsidiaries and two Jointly Controlled Entities (the Company and its Subsidiaries and Jointly Controlled Entities constitute "the Group") as at the 31st March 2010, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding Subsidiaries and Jointly Controlled Entities. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 We did not audit the financial statements of certain subsidiaries and one jointly controlled entity. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included (in the CFS) in respect of these subsidiaries / jointly controlled entity, is based solely on the reports of such other auditors. The financial statements of such subsidiaries and jointly controlled entity reflect as of 31st March 2010 total assets of ₹ 282 lacs and total liabilities of ₹ 282 lacs and total revenues of ₹ 883.34 lacs, total expenses of ₹ 2,184.30 lacs and net cash flows amounting to ₹ 138.23 lacs for the year then ended. These assets, liabilities, revenues, expenses and cash flows have been considered in the Consolidated Financial Statements.
- 4 Subject to our remarks in paragraph 3 above:
  - (i) We report that the Consolidated Financial Statements have been prepared in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and AS 27 - Financial Reporting of Interests in Joint Ventures 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:
    - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at the 31st March 2010;
    - b) In the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
    - 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**  
Chartered Accountants  
Firm Registration No. 103277W

**S. M. Ghatpande**  
Partner  
Membership No. 30462  
Place : Pune.  
Date : 27th May, 2010

## D. S. Kulkarni Developers Ltd.

Consolidated Balance Sheet as at	Sch	31-Mar-2010 ₹	31-Mar-2010 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>Sources of Funds</b>					
Share Capital	1	258,010,080		258,010,080	
Reserves & Surplus	2	3,960,814,877	4,218,824,957	3,975,037,895	4,233,047,975
Minority Interest			(84,202,871)		(11,458,589)
<b>Loan Funds</b>					
Secured Loans	3	3,602,744,967		4,034,921,574	
Unsecured Loans	4	2,297,871,635	5,900,616,603	775,598,674	4,810,520,248
Deferred Tax Liability			6,291,760		4,907,018
<b>Total</b>			<b>10,041,530,449</b>		<b>9,037,016,651</b>
<b>Applications of Funds</b>					
<b>Fixed Assets</b>					
Gross Block	5	1,825,131,443		1,526,945,646	
Less: Depreciation		(86,680,430)	1,738,451,013	(48,210,230)	1,478,735,417
Investments	6		135,488,160		135,488,160
Current Assets, Loans & Advances	7	11,034,432,586		11,459,944,503	
Less : Current Liabilities & Provisions	8	(2,889,563,860)	8,144,868,726	(4,082,596,535)	7,377,347,968
Miscellaneous Expenditure (to the extent not written off)	9		22,722,550		45,445,106
<b>Total</b>			<b>10,041,530,449</b>		<b>9,037,016,651</b>
Notes to & forming part of the Accounts	19				

As per our audit report of even date Schedules 1 to 9 & 19 form part of the Balance Sheet.

**For Gokhale, Tanksale & Ghatpande**

Chartered Accountants

Firm Registration No. 103277W

**For & on behalf of the Board of Directors**

**D. S. Kulkarni**

Chairman & Managing Director

**S. M. Ghatpande**

Partner

Membership No. 30462

Place : Pune

Date : 27th May, 2010

**V. C. Joshi**

Director

Place : Pune

Date : 27th May, 2010

**Amol Purandare**

Company Secretary

## D. S. Kulkarni Developers Ltd.

Consolidated Profit & Loss Account for the year ended	Sch	31-Mar-10 ₹	31-Mar-10 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>Income</b>					
Operating Income & Increase in Stocks	10		1,605,349,304		3,373,956,532
Other Income	11		7,750,554		11,124,141
Educational Fees	12		77,652,134		22,035,270
<b>Total</b>			<b>1,690,751,991</b>		<b>3,407,115,943</b>
<b>Expenditure</b>					
Development Expenses	13		897,110,126		3,018,047,683
Administrative Expenses	14		93,149,065		60,282,449
Staff Expenses	15		156,330,441		109,340,755
Selling Expenses	16		119,088,899		92,376,067
Financial Expenses	17		234,442,688		32,747,574
Educational Expenses	18		8,224,160		2,707,464
Pre-operative Expenses Written Off	5		-		16,732,183
Depreciation	5		39,747,578		20,983,248
Inventory Write-down Loss			97,878,951		
Miscellaneous Expenses Written Off	9		22,722,556		25,248,562
<b>Total</b>			<b>1,668,694,464</b>		<b>3,378,465,986</b>
<b>Net Profit before tax and extra-ordinary items</b>			22,057,527		28,649,957
Less: Provision for corporate tax					
Current Tax Liability		(85,019,973)		(13,620,115)	
Deferred Tax Asset		(1,384,742)		1,058,280	
Fringe Benefit Tax		-	(86,404,715)	(2,468,214)	(15,030,048)
<b>Profit after tax</b>			(64,347,189)		13,619,909
<b>Add: Minority Interest in loss</b>			72,273,720		35,958,589
Profit after Minority Interest			7,926,531		49,578,498
Less: Prior Years' Adjustments			(881,782)		(3,884,632)
Add : Opening Balance			785,728,709		770,220,732
<b>Profit available for Appropriation</b>			<b>792,773,459</b>		<b>815,914,598</b>

Consolidated Profit & Loss Account for the year ended	Sch	31-Mar-10 ₹	31-Mar-10 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>Appropriations</b>					
Proposed Dividend		25,801,008			25,801,008
Tax on Dividend		4,384,881	30,185,889		4,384,881
Balance Carried to Balance Sheet			762,587,570		785,728,709
			<b>792,773,459</b>		<b>815,914,598</b>
Earnings per share-Basic & Diluted (₹)			0.31		1.92
Number of shares			25,801,008		25,801,008

Notes to & forming part of the Accounts 19

As per our audit report of even date. Schedules 5 and 9 to 19 form part of the Profit & Loss Account.

**For Gokhale, Tanksale & Ghatpande**

Chartered Accountants

Firm Registration No. 103277W

**S. M. Ghatpande**

Partner

Membership No. 30462

Place : Pune

Date : 27th May, 2010

**For & on behalf of the Board of Directors**

**D. S. Kulkarni**

Chairman & Managing Director

**V. C. Joshi**

Director

Place : Pune

Date : 27th May, 2010

**Amol Purandare**

Company Secretary

## D. S. Kulkarni Developers Ltd.

Consolidated Cash Flow Statement For The Year Ended	31-Mar-10 ₹	31-Mar-10 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>A) Cash Flow From Operating Activities</b>				
Net Profit before tax and extra-ordinary items		22,057,527		28,649,957
Adjustments for				
Minority Interest	72,273,720		35,958,589	
Depreciation	39,747,578		20,983,248	
Miscellaneous Expenses Written off	22,722,556		25,248,562	
Loss/(Profit) on Sale of Assets	414,225		652	
Prior Years' Adjustments	(881,782)		(3,884,632)	
Interest Expenditure	234,442,688		32,747,574	
Interest & Dividend Received	(7,750,554)	360,968,431	(11,124,141)	99,929,852
Operating Profit before Working Capital Changes		<b>383,025,958</b>		<b>128,579,810</b>
Adjustments for				
(Increase) Decrease in Inventories	722,005,015		(1,464,907,280)	
Increase (Decrease) in Trade Payables	(1,278,052,640)		1,061,513,689	
(Increase) Decrease in Receivables	(238,548,932)		(7,595,328)	
(Increase) Decrease in Loans & Advances	220,192,728	(574,403,830)	351,959,009	(59,029,911)
<b>Cash generated from Operations</b>		<b>(191,377,872)</b>		<b>69,549,899</b>
Income Tax Paid		(81,857,297)		(23,399,709)
<b>Net Cash from Operating Activities (A)</b>		<b>(273,235,169)</b>		<b>46,150,190</b>
<b>B) Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(300,971,680)		(1,435,776,664)	
Sale of Fixed Assets	1,094,274		266,015	
Interest & Dividend Received	7,750,554		11,124,141	
Decrease (Increase) in Investments	-		(135,194,460)	
<b>Net Cash used in Investing Activities(B)</b>		<b>(292,126,852)</b>		<b>(1,559,580,968)</b>

<b>Consolidated Cash Flow Statement` For The Year Ended</b>	<b>31-Mar-10 ₹</b>	<b>31-Mar-10 ₹</b>	<b>31-Mar-09 ₹</b>	<b>31-Mar-09 ₹</b>
<b>C) Cash Flow from Financing Activities</b>				
Foreign Currency Translation Reserve	8,918,121		40,673,130	
Minority Interest	(72,744,281)		(11,458,589)	
Interest Paid	(234,442,688)		(32,747,574)	
Dividend Paid	(25,801,008)		(51,602,016)	
Dividend Tax Paid	(4,384,881)		(8,769,763)	
Public Issue Expenses Paid	-		(1,229,705)	
Merger Expenses Paid	-		(191,060)	
Increase (Decrease) in Secured Loans	(432,176,607)		774,015,295	
Increase (Decrease) in Unsecured Loans	1,522,272,961		706,536,655	
<b>Net Cash used in Financing Activities (C)</b>		<b>761,641,617</b>		<b>1,415,226,374</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>		<b>196,279,596</b>		<b>(98,204,405)</b>
<b>Cash &amp; Cash Equivalent as at beginning of the year</b>		<b>23,047,695</b>		<b>121,252,100</b>
<b>Cash &amp; Cash Equivalent as at end of the year</b>		<b>219,327,292</b>		<b>23,047,695</b>

Note to the Cash Flow Statement : Cash and Cash Equivalents include Cash and Bank Balances  
This is the Cash Flow Statement referred to in our report of even date.

**For Gokhale, Tanksale & Ghatpande**

Chartered Accountants

Firm Registration No. 103277W

**S. M. Ghatpande**

Partner

Membership No. 30462

Place : Pune

Date : 27th May, 2010

**For & on behalf of the Board of Directors**

**D. S. Kulkarni**

Chairman & Managing Director

**V. C. Joshi**

Director

Place : Pune

Date : 27th May, 2010

**Amol Purandare**

Company Secretary

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Consolidated Balance Sheet as at	31-Mar-2010 ₹	31-Mar-2010 ₹	31-Mar-2009 ₹	31-Mar-2009 ₹
<b>Schedule 1: Share Capital</b>				
Authorised:				
50,000,000 Equity Shares of ₹10/- each		500,000,000		500,000,000
Issued, Subscribed & Fully Paid up :				
25,801,008 Equity Shares of ₹10/- each		258,010,080		258,010,080
<b>Total</b>		<b>258,010,080</b>		<b>258,010,080</b>
<b>Schedule 2: Reserves &amp; Surplus</b>				
<b>General Reserve</b>				
Balance as per last balance sheet		95,370,072		95,370,072
Profit & Loss Account		762,587,570		785,728,709
Share Premium Account		3,082,271,206		3,082,271,206
Foreign Currency Translation Reserve		20,586,029		11,667,908
<b>Total</b>		<b>3,960,814,877</b>		<b>3,975,037,895</b>
<b>Schedule 3: Secured Loans (secured as stated in Schedule 17)</b>				
From Banks / Others				
Working Capital Limits	146,104,282		(4,154,058)	
Project / Term Loans	3,329,821,363	3,475,925,646	4,031,157,486	4,027,003,428
Other Loans				
Vehicle Term Loans	7,442,061		6,751,514	
Loans against pledge of Promoters' Shares	119,377,260	126,819,321	-	6,751,514
Interest payable to Bank		-		1,166,632
<b>Total</b>		<b>3,602,744,967</b>		<b>4,034,921,574</b>
<b>Schedule 4: Unsecured Loans</b>				
<b>Fixed Deposits</b>				
From shareholders & guaranteed by directors	331,531,000		20,418,000	
From others	1,060,103,000	1,391,634,000	375,237,139	395,655,139
From Director		714,284,135		204,354,285
Loan from others		1,128,500		764,250
Inter-corporate Deposits		16,000,000		-
Optionally Convertible Debentures Series I of ₹100/- each		174,825,000		174,825,000
26,96,500 Optionally Convertible Debentures Series II of ₹100/- each		-		-
<b>Total</b>		<b>2,297,871,635</b>		<b>775,598,674</b>

# D. S. Kulkarni Developers Ltd.

## Schedules forming part of the Consolidated Balance Sheet as at 31-Mar-10

### Schedule 5: Fixed Assets & Depreciation

Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-Apr-09 ₹	Additions 2009-10 ₹	Transfers 2009-10 ₹	As at 31-Mar-10 ₹	As at 1-Apr-09 ₹	Additions 2009-10 ₹	Transfers 2009-10 ₹	As at 31-Mar-10 ₹	As at 31-Mar-10 ₹	As at 1-Apr-09 ₹
Leasehold Land	1,968,000	-	-	1,968,000	-	-	-	-	1,968,000	1,968,000
Land	259,202,673	-	-	259,202,673	-	-	-	-	259,202,673	259,202,673
Buildings	135,000,000	-	-	135,000,000	2,622,375	2,200,500	-	4,822,875	130,177,125	132,377,625
Plant & Machinery	65,569,405	4,226,762	(571,754)	69,224,413	2,381,273	3,133,191	(27,158)	5,487,306	63,737,107	63,188,131
Office Machinery	76,192,560	34,682,227	(77,500)	110,797,287	25,864,388	13,890,854	(7,329)	39,747,914	71,049,373	50,328,172
Furniture & Fixtures	10,130,975	7,280,230	-	17,411,205	1,113,731	1,001,908	-	2,115,640	15,295,565	9,017,243
Vehicles	42,340,047	2,283,026	(2,136,630)	42,486,444	11,282,223	3,747,030	(1,242,890)	13,786,363	28,700,081	31,057,824
Student Library Books	185,886	342,122	-	528,008	18,589	75,133	-	93,722	434,286	167,297
Intangible Assets	68,987,097	40,872,678	-	109,859,775	4,927,650	15,698,962	-	20,626,612	89,233,163	64,059,447
Capital WIP	867,369,004	211,284,635	-	1,078,653,639	-	-	-	-	1,078,653,639	867,369,004
<b>Total</b>	<b>1,526,945,646</b>	<b>300,971,680</b>	<b>(2,785,883)</b>	<b>1,825,131,443</b>	<b>48,210,230</b>	<b>39,747,578</b>	<b>(1,277,378)</b>	<b>86,680,430</b>	<b>1,738,451,013</b>	<b>1,478,735,417</b>
Previous Year	91,651,980	1,571,480,659	(136,186,994)	1,526,945,646	27,443,313	20,983,248	(216,332)	48,210,230	1,478,735,417	64,208,667

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Consolidated Balance Sheet as at	31-Mar-2010 ₹	31-Mar-2010 ₹	31-Mar-2009 ₹	31-Mar-2009 ₹
<b>Schedule 6: Investments</b>				
<b>Trade Investments; Unquoted, at cost</b>				
26,96,500 Optionally Convertible Debentures Series II of ₹ 100/- each in DSK Southern Projects Pvt. Ltd.		134,825,000		134,825,000
<b>Non-Trade Investments; Unquoted, at cost</b>				
1,000 Shares of ₹ 50/- each fully paid up in Shree Sadguru Jangli Maharaj Sahakari Bank Ltd.	50,000		50,000	
10 Shares of ₹ 100/- each fully paid up in Janata Sahakari Bank Ltd.	1,000		1,000	
10 Shares of ₹ 50/- each fully paid up in Mahalaxmi Co-op. Bank Ltd.	500		500	
4,080 Shares of ₹ 25/- each fully paid up in Greater Bombay Co-op. Bank Ltd.	102,000		102,000	
19,968 Shares of ₹ 25/- each fully paid up in Kalyan Janata Sahakari Bank Ltd.	499,200		499,200	
100 Shares of ₹ 100/- each fully paid up in Pune Sahakari Bank Ltd.	10,000		10,000	
Shares with Greater Bombay Co-operative Bank Ltd.	460	663,160	460	663,160
<b>Total</b>		<b>135,488,160</b>		<b>135,488,160</b>
<b>Schedule 7: Current Assets, Loans &amp; Advances</b>				
<b>Inventories</b>				
(Taken , Valued & Certified by the Management)				
Material at site	20,229,260		16,893,812	
Sample Flat Furniture	-		1,378,864	
Expenses allocable to Projects	19,033,308		19,033,308	
Stationary Stock on Hand	1,140,623		-	
Work in Progress & Finished Tenements	10,171,468,479	10,211,871,670	10,896,570,701	10,933,876,685
<b>Sundry Debtors</b>				
(Unsecured, considered good)				
Outstanding for more than six months	6,649,512		25,190,572	
Others	264,511,197	271,160,709	7,421,205	32,611,777
(Due by concerns in which Directors are interested - Nil (P.Y. Nil))				

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Consolidated Balance Sheet as at	31-Mar-2010 ₹	31-Mar-2010 ₹	31-Mar-2009 ₹	31-Mar-2009 ₹
<b>Cash &amp; Bank Balances</b>				
Cash on hand	2,571,717		3,603,672	
Balance with Scheduled Banks	-			
On Current Accounts	175,599,028		15,030,741	
On Deposit Accounts	27,216,488		3,478,888	
Balance with Other Banks	-			
On Current Accounts	13,940,059	219,327,292	934,395	23,047,696
<b>Loans &amp; Advances</b> (Unsecured, considered good)				
Advances towards land, goods & services	34,944,345		253,924,530	
Advance to Subsidiary Company / JV	8,084,947		638,437	
Advance Tax & Tax deducted at source	278,294,862		196,437,565	
Deposits	10,748,762	332,072,915	19,407,815	470,408,345
<b>Total</b>		<b>11,034,432,586</b>		<b>11,459,944,503</b>
<b>Schedule 8 : Current Liabilities &amp; Provisions</b>				
<b>Current Liabilities</b>				
Sundry Creditors	260,919,232		73,383,577	
Advance from Customers	1,188,863,905		3,518,605,914	
Unclaimed Dividend	1,824,687		1,460,296	
Unclaimed Deposits	34,529,000		2,175,000	
Deposits	10,000		3,147,280	
Other Liabilities	1,065,759,454	2,551,906,279	231,186,851	3,829,958,918
<b>Provisions</b>				
Provision for Income Tax & FBT	307,471,692		222,451,728	
Proposed Dividend	25,801,008		25,801,008	
Tax on Dividend	4,384,881	337,657,581	4,384,881	252,637,617
<b>Total</b>		<b>2,889,563,860</b>		<b>4,082,596,535</b>

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Consolidated Balance Sheet as at	31-Mar-10 ₹	31-Mar-10 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>Schedule 9 : Miscellaneous Expenditure</b>				
Preliminary Expenses :				
Composite Issue Expenses				
Balance b/d	45,445,106		68,167,662	
Add : Expenses incurred during the year	-		1,229,705	
Less: Written off during the year	(22,722,556)	22,722,550	(23,952,261)	45,445,106
<b>Pre-operative Expenses</b>				
Balance b/d	-		-	
Add : Expenses incurred during the year	-		16,732,183	
Less: Written off during the year	-	-	(16,732,183)	-
<b>Merger Expenses</b>				
Balance b/d	-		1,105,242	
Add : Expenses incurred during the year	-		191,060	
Less: Written off during the year	-	-	(1,296,302)	
<b>Total</b>		<b>22,722,550</b>		<b>45,445,106</b>

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Consolidated Profit & Loss Account for the year ended	31-Mar-10 ₹	31-Mar-10 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>Schedule 10 : Operating Income &amp; Increase in Stocks</b>				
<b>Operating Income</b>				
Sales of Tenements	1,796,560,634		856,498,023	
Sale of Land & Development Rights	305,552,628		591,654,133	
Transfer of land to Fixed Assets	-		259,202,673	
Labour Charges	10,999,311		83,282,204	
Rent	4,250,199		4,496,347	
Contract Receipts	60,804,580		52,171,446	
Designing Fees	4,188,011		4,486,073	
Sale of Material	146,925,003	2,329,280,366	9,167,313	1,860,958,211
<b>Increase in Stock of WIP &amp; Finished Tenements</b>				
Closing Stock	10,180,417,843		10,904,348,905	
Opening Stock	(10,904,348,905)	(723,931,063)	(9,391,350,584)	1,512,998,321
<b>Total</b>		<b>1,605,349,304</b>		<b>3,373,956,532</b>
<b>Schedule 11: Other Income</b>				
Interest from Subsidiary / JV		1,902,347		3,887,782
Bank Interest		1,627,422		3,172,053
Other Interest		2,398,425		2,311,281
Foreign Exchange Difference		-		945,303
Commission Received		-		171,694
Miscellaneous Receipts		856,043		193,197
Other Receipts		966,316		442,831
<b>Total</b>		<b>7,750,554</b>		<b>11,124,141</b>
<b>Schedule 12: Educational Fees</b>				
Academic		64,236,515		20,798,957
Hostel		12,679,485		926,983
Canteen		350,134		181,830
Examination		386,000		127,500
<b>Total</b>		<b>77,652,134</b>		<b>22,035,270</b>

## D. S. Kulkarni Developers Ltd.

Schedules forming part of the Consolidated Profit & Loss Account for the year ended	31-Mar-10 ₹	31-Mar-10 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>Schedule 13 : Development Expenses</b>				
Land & Development Rights		99,792,890		1,761,340,409
Sub-Contractors' Charges (Including Material)		381,225,377		614,499,932
Other Development Expenses		376,970,957		566,392,961
Site Development		8,863,815		35,156,082
Labour Charges		26,019,950		19,432,753
Professional Fees		3,790,066		10,444,128
Purchases - Trading		407,085		9,146,370
Local Authority Charges		39,986		1,277,911
Legal Charges		-		357,136
<b>Total</b>		<b>897,110,126</b>		<b>3,018,047,683</b>
<b>Schedule 14 : Administrative Expenses</b>				
Professional Fees		13,802,187		11,573,040
Postage, Telephone & Telegram		6,067,877		6,575,346
Rent, Rates & Taxes		17,482,875		9,676,639
Repairs & Maintenance		4,366,380		3,590,282
Printing & Stationery		5,998,001		4,857,220
Legal Charges		2,394,034		3,033,285
Conveyance		5,048,227		5,685,354
Electricity Charges		7,116,384		1,922,633
Office Expenses		1,653,546		1,526,708
Subscription		4,302,088		4,207,516
Insurance		993,402		1,010,393
Audit Fees				
Company Audit Fees	836,129		586,526	
Tax Audit Fees	77,210	913,339	77,210	663,736
Canteen Expenses		3,893,225		1,560,379
Other Administrative Expenses		19,117,500		4,399,920
<b>Total</b>		<b>93,149,065</b>		<b>60,282,449</b>

## D. S. Kulkarni Developers Ltd.

Consolidated Profit & Loss Account for the year ended	31-Mar-10 ₹	31-Mar-10 ₹	31-Mar-09 ₹	31-Mar-09 ₹
<b>Schedule 15: Staff Expenses</b>				
Salaries, Wages, Bonus etc.		128,312,502		77,320,574
Contribution to Provident & Other Funds		3,539,566		4,047,260
Directors' Remuneration		21,566,526		23,462,000
Staff Welfare		2,220,366		4,001,155
Directors' Sitting Fees		330,000		411,000
Recruitment Charges		361,480		98,766
<b>Total</b>		<b>156,330,441</b>		<b>109,340,755</b>
<b>Schedule 16: Selling Expenses</b>				
Advertisement		77,431,543		58,482,914
Domestic Travel Expenses	8,236,100		10,527,502	
Foreign Travel Expenses	6,382,900	14,619,000	6,961,294	17,488,796
Sales Promotion		4,965,012		2,867,650
Domestic Exhibition Expenses	9,989,457		8,533,243	
Foreign Exhibition Expenses	474,241	10,463,698	45,600	8,578,843
Brokerage		114,420		836,740
Donations		136,000		370,052
Miscellaneous Balances w/off		41,021		15,800
Entertainment Expenses		3,247,075		1,053,029
Other Selling Expenses		8,071,130		2,682,244
<b>Total</b>		<b>119,088,899</b>		<b>92,376,067</b>
<b>Schedule 17: Financial Expenses</b>				
Deposits & Loans		169,573,334		23,914,329
Banks		28,034,851		6,043,769
Vehicle Loans		1,522,440		1,663,854
Brokerage for Fixed Deposit		5,208,643		1,125,622
Foreign Exchange Difference		30,103,419		-
<b>Total</b>		<b>234,442,688</b>		<b>32,747,574</b>
<b>Schedule 18: Educational Expenses</b>				
Royalty		6,524,649		2,248,213
Student Expenses		1,005,101		197,931
Hostel Expenses		663,739		43,358
Student Medical Insurance		-		59,294
Other Student Expenses		30,671		158,668
<b>Total</b>		<b>8,224,160</b>		<b>2,707,464</b>

## D. S. Kulkarni Developers Limited

### Financial Accounting Statements for the year ended 31st March, 2010

#### Schedule 19 - Notes on Consolidated Financial Statements

##### 1 Basis of Consolidation:

- a) These Consolidated Financial Statements relate to D.S. Kulkarni Developers Limited ("the Company") and its Subsidiaries and Jointly Controlled Entities. The Company and its Subsidiaries and Jointly Controlled Entities constitute "the Group". The Consolidated Financial Statements have been prepared on the following basis:
- (i) The financial statements of the Company and its Subsidiaries and Jointly Controlled Entities have been combined 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 as per Accounting Standard 21 "Consolidated Financial Statements" and AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India. (ICAI)
  - (ii) In the case of foreign subsidiaries, revenue items are consolidated at the average exchange rate prevailing during the year. All assets and liabilities have been converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.
  - (iii) The financial statements of the Subsidiaries and Jointly Controlled Entities used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March 2010.
  - (iv) Since the Company acquired control over all the Subsidiaries / Jointly Controlled Entities soon after their incorporation, there is no goodwill on consolidation representing the excess of the cost to the Company of its investment in Subsidiaries / Jointly Controlled Entities over the Company's portion of equity in the said Subsidiaries / Jointly Controlled Entities. For the same reason, there is no capital reserve on consolidation representing the excess of the Company's portion of equity in the Subsidiaries / Jointly Controlled Entities over the cost to the Company of its investment in the said Subsidiaries / Jointly Controlled Entities
- (b) The list of Subsidiaries and Jointly Controlled Entities whose financial statements are included in the consolidated financial statements, their respective country of incorporation and the Group's ultimate holdings therein are stated below:

Sr.	Name of Subsidiary / JCE	Country of Incorporation	Holding %
(i)	DSK Developers Corporation	United States of America	100%
(ii)	DSK Woods LLC	United States of America	100%
(iii)	DSK SEZ Projects (Pune) Private Ltd.	India	100%
(iv)	DSK Global Education and Research P. Ltd.	India	51%
(v)	DSK Southern Projects Pvt. Ltd.	India	50%
(vi)	DSK Tricone Infrastructure and Construction Ltd.	India	46%

## 2 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:

- a) **Segment Information:** The Group has identified in line with AS 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India three primary reporting segments on the basis of business activity and two secondary reporting segments on geographical basis. Hence pursuant to AS 17 the following particulars are stated:

### Primary reporting segments on the basis of business activity

₹ Lacs

Sr.	Particulars		Real Estate Development	Education	Contracting	Total
1	Segment Revenue	2009-10	15,637.99	783.30	675.72	17,097.01
		2008-09	33,291.65	246.69	711.65	34,249.99
	Less: Inter segment Revenue	2009-10	(189.49)	-	-	(189.49)
		2008-09	(178.84)	-	-	(178.84)
	Net Revenue	2009-10	15,448.50	783.30	675.72	16,907.52
		2008-09	33,112.81	246.69	711.65	34,071.15
2	Segment Results: Profit / (Loss) before tax & interest	2009-10	3,847.75	(629.06)	(20.95)	3,197.74
		2008-09	1,313.88	(365.31)	25.01	973.58
	Less: Interest	2009-10	(2,254.42)	-	-	(2,254.42)
		2008-09	(295.61)	(13.90)	(17.97)	(327.48)
	Profit before tax	2009-10	1,593.33	(629.06)	(20.95)	943.32
		2008-09	1,018.27	(379.21)	7.04	646.10
3	Capital employed (Segment assets - Segment liabilities)	2009-10	43,304.02	(1,461.83)	(66.65)	41,775.54
		2008-09	40,414.70	(427.21)	(30.21)	39,957.28

**Secondary reporting segments on geographical basis****₹ Lacs**

Sr.	Particulars		Domestic	Foreign	Total
(i)	Segment Revenue	2009-10	16,799.90	297.11	17,097.01
		2008-09	32,805.49	1,444.50	34,249.99
	Less: Inter segment Revenue	2009-10	(189.49)	-	(189.49)
		2008-09	(178.84)	-	(178.84)
	Net Revenue	2009-10	16,610.41	297.11	16,907.52
		2008-09	32,626.65	1,444.50	34,071.15
(ii)	Profit before tax & Interest	2009-10	4,378.69	(1,180.95)	3,197.74
		2008-09	993.43	(19.85)	973.58
	Less: Interest	2009-10	(2,254.42)	-	(2,254.42)
		2008-09	(327.48)	-	(327.48)
	Profit before tax	2009-10	2,124.27	(1,180.95)	943.32
		2008-09	665.95	(19.85)	646.10
(iii)	Capital employed	2009-10	42,479.14	(703.60)	41,775.54
		2008-09	39,489.93	467.35	39,957.28

**3 Additional Information:**

The additional information stated in Schedule 17 to the Reporting Company's Financial Statements may also be referred to in the case of the Consolidated Financial Statements. The transactions of the Subsidiaries do not have a material effect on such additional information except as follows:

**a) Payment to Auditors:****₹ Lacs**

	2009-10	2008-09
Company Audit Fees	8.06	5.69
Tax Audit Fees	0.70	0.70
Service Tax	0.37	0.25
<b>Total</b>	<b>9.13</b>	<b>6.64</b>

b) The related parties of the Group, in addition to those listed in Para B 23 of Schedule 17 to the financial statements of DSKDL, are as follows:

**A Key Management Personnel**

- |                            |                         |
|----------------------------|-------------------------|
| 1 Mrs. Hemanti D. Kulkarni | 4 Mr. T. S. Bhagavat    |
| 2 Dr. A. S. Kolaskar       | 5 Mr. Mustafa Hassonjee |
| 3 Mr. U. N. Tashildar      | 6 Mr. Taizun Hassonjee  |

**B Relatives of Key Management Personnel having control or significant control over the respective Companines by reason of voting power.**

None

**C Companies / Other Organisations under the control of KMP / relatives where transactions are entered into and / or outstanding balance exists as at the Balance sheet date:**

- 1 DSK Digital Technologies Pvt. Ltd.
- 2 D.S. Kulkarni & Company
- 3 DSK Infotech Pvt. Ltd.
- 4 DSK Worldman Computers Pvt. Ltd.
- 5 Growrich Agro Forestry Pvt. Ltd

**D Companies / Other Organisations under the control of KMP / relatives where no transactions are entered into and / or no outstanding balance exists as at the Balance sheet date.**

- |   |   |
|---|---|
| 1 Ameristar Construction LLC (USA)      | 8 Maharashtra Knowledge Corporation Ltd         |
| 2 Bioinnovat Research Services Pvt. Ltd | 9 Mangesh Enterprises                           |
| 3 Bioter Industries Ltd                 | 10 Mangesh Sales Corporation                    |
| 4 D. S. Kulkarni & Associates           | 11 Oasis Farms & Fields Pvt. Ltd.               |
| 5 Green Gold Farms & Forests Pvt. Ltd.  | 12 Omkar Promoters & Developers Pvt. Ltd        |
| 6 H H Green Construction (USA)          | 13 Vastusiddhi Promoters & Developers Pvt. Ltd. |
| 7 Hexagon Capital Advisors Pvt. Ltd.    |   |

The related party transactions of the Group are found in the Annexure.

Schedules 1 to 19 are hereby signed.

As per our audit report of even date.

**For Gokhale, Tanksale & Ghatpande**

Chartered Accountants

Firm Registration No. 103277W

**For & on behalf of the Board of Directors**

**D. S. Kulkarni**

Chairman & Managing Director

**S. M. Ghatpande**

Partner

Membership No. 30462

Place : Pune

Date : 27th May, 2010

**V. C. Joshi**

Director

Place : Pune

Date : 27th May, 2010

**Amol Purandare**

Company Secretary

## II ) Following are the transactions with the related parties mentioned in A, B &amp; C above

₹ Lacs

Sr No	Nature of transaction	Companies / Other Organisations under the control of KMP / relatives		Key Management Personnel / Relatives of KMP	Net Total		
		2009-10	2008-09		2009-10	2008-09	
(i)	Advances received / recovered	4,749.11	38.60	9,084.81	980.83	13,833.92	1,019.43
(ii)	Advances given / repaid	1,828.23	3,236.52	3,737.49	15.00	5,565.72	3,251.52
(iii)	Balance payable at end	285.54	207.78	7,211.09	2,040.59	7,496.63	2,248.37
(iv)	Balance receivable at end	179.24	1,681.37	75.60	105.00	254.84	1,786.37
(v)	Investments at the year end	-	-	-	-	-	-
(vi)	Sales during the year	1.42	417.50	-	-	1.42	417.50
(vii)	Services rendered	64.70	156.90	84.00	-	148.70	156.90
(viii)	Interest Income	18.24	-	-	-	18.24	-
(ix)	Rent Recovery	10.00	-	-	17.50	10.00	17.50
(x)	Services availed	16.00	453.93	-	-	16.00	453.93
(xi)	Purchase of materials	76.23	-	-	-	76.23	-
(xii)	Purchase of land	-	-	-	6,287.21	-	6,287.21
(xiii)	Purchase of fixed assets	13.96	34.62	-	-	13.96	34.62
(xiv)	Additional Investments	-	-	244.50	244.50	244.50	244.50
(xv)	Remuneration	-	-	216.56	257.01	216.56	257.01
(xvi)	Sitting fees	-	-	3.30	4.13	3.30	4.13



दत्ता श्रवण केवारी माणस®

## D. S. Kulkarni Developers Ltd.

### ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)  
19th Annual General Meeting - 29th September, 2010

I hereby record my presence at the NINETEENTH 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, 29th September, 2010 at 9.30 a.m.

Full name of Member (IN BLOCK LETTERS): \_\_\_\_\_

\_\_\_\_\_

Regd. Folio No./Client Id \_\_\_\_\_ No. of Shares held \_\_\_\_\_

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 Nineteenth Annual General Meeting of the Company to be held on Wednesday, 29th day of September, 2010 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 \_\_\_\_\_ 2010

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.





**घराला घरपण देणारी माणसं®**



**DSK MOTORS LTD.**  
Authorised Toyota Dealers

**Largest volume dealer in western region**



**DSK GLOBAL**  
EDUCATION & RESEARCH PVT. LTD.

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



**DSK Digital**  
Technologies Pvt. Ltd.

**IT Products and Digital Devices**



**DSK SCHOOL**

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

**D.S.Kulkarni Group of Companies**



**DSK TRAVEL CORPORATION**  
Complete Travel Solutions

**Travel Solutions**



**Hexagon**  
CAPITAL ADVISORS PVT. LTD.

**Wealth Management**



**Scented Telephone Service**



**MedStream**  
Pharmaceuticals

**Ayurvedic Formulations Manufactures**

**Gharkul Lawns**



**Royal Park**

**Hospitality Services**

BOOK-POST



धरतला घरपण देणारी माणसं®

## **D.S.KULKARNI DEVELOPERS LTD.**

AN ISO 9001, ISO 14001, OHSAS 18001 COMPANY

---

**Pune Office:** DSK House, 1187/60, J.M. Road, Shivajinagar,  
Pune - 411 005. India. Ph.: **+91 20 660 47 100** Fax : **+91 20 255 35 772**

---

**Mumbai Office :** DSK House, Caddle Road, Next Lane of Barista, Towards Hinduja Hospital,  
Shivaji Park, Mumbai 400 028. India. Ph. : **+91 22 244 66 446** Fax : **+91 022 244 40 163**

---

E-mail : **sales@dskdl.com**

Website : **www.dskdl.com**

---

**DSK Projects in Pune, Mumbai, Nasik, Bengaluru, Chennai & USA.**