



घरला घरपण देणारी माणसं®

Marching towards green excellence



21st

ANNUAL
REPORT
2011-2012

D.S.KULKARNI DEVELOPERS LTD.

AN ISO 9001, ISO 14001, OHSAS 18001 COMPANY



घराला घरपण देणारी माणसं®

The optimism continues...

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

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

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

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

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

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



D. S. Kulkarni
Chairman &
Managing Director

BOARD OF DIRECTORS

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

COMPANY SECRETARY

- ◆ **MR. AMOL PURANDARE**

CREDIT SOURCES

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

AUDITORS

GOKHALE, TANKSALE & GHATPANDE,
CHARTERED ACCOUNTANTS, PUNE

REGISTERED OFFICE

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

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NOTICE

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

ORDINARY BUSINESS:

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

NOTES:

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



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

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

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

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

D. S. KULKARNI
(CHAIRMAN & MANAGING DIRECTOR)

Place : Pune
Date : 8th August, 2012

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

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



DIRECTORS' REPORT

Dear Member,

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

FINANCIALS

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

OPERATIONS:

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

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

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

DIVIDEND:

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

SUBSIDIARIES AND CONSOLIDATION:

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

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

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

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

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

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

INTEGRATED TOWNSHIP

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

PROJECTS UNDER EXECUTION:

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

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



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

DIRECTORS:

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

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

FIXED DEPOSITS:

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

LISTING

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

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

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

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

PARTICULARS REGARDING EMPLOYEES:

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

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

AUDITORS:

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