

**Purity of thoughts,  
conviction and  
zest for creativity...**



**22<sup>nd</sup>**  
**ANNUAL  
REPORT  
2012-2013**



घराला भरपण देणारी माणस®

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

AN ISO 9001, ISO 14001, OHSAS 18001 COMPANY

# Welcome opportunities for sustainable growth...

The contemporary market scenario reflects the economic health of the nation. Parameters like GDP growth, industrial developments, reforms, stock exchange mood, foreign investments and the climatic conduciveness for agriculture...all could be judged by the pulse of the market. Having said that, I must agree that present situation is not as good as it should have been. Though not gloomy, but it certainly lacks the luster and the charm. Falling Rupee has become a concern of every ambitious businessman as it has already crossed the limit of stability. The Gold and the fuel prices are uncontrollably spreading bad news in a regular interval. The helplessness of the people in power is visibly seen and sensed. US is seriously managing to come out of the crisis but many countries in Europe are still struggling to come to terms with the present recessionary clouds.

But friends, my inner voice is as stable and throbbing with enthusiasm as ever. We are going through a passing phase and the situation will only change for the better in due course of time. First & foremost, I sincerely feel, things are not as bad as they appear to be. And secondly, I have always advocated the thought of 'opportunity in disguise'. This thought has encouraged me to make concrete steps forward, while many organizations are perplexedly sitting on the fence. And the results almost all the time have been satisfying. Today I think the opportunities are knocking the door of the people vigilantly thinking beyond. Let us make business sense of them and grow.

On this background, I feel glad to share with you that DSK Group of Companies is steadily marching ahead on the path of excellence. All the businesses the Group has ventured in have shown consistent growth. Whereas the performance of the DSKDL, the real estate arm, has been appreciably good. The grand launch of Sadafuli at Talegaon was an emblem of people's love for DSK brand. I was thrilled to see the overwhelming response. Other projects at various locations of the city continue to top the list of most preferred choices in their respective areas. Excited to see this, many owners have approached us for small & medium scale redevelopment projects. Two major launches are on the cards. These two outstanding creations will keep the DSK flag fly high. One is the Sportscity at Fursungi and the other one is at Pirangut. The Sportscity is an amazing concept articulated by a renowned Dubai-based architect. This project will certainly take the markets by storm for sure. And the Pirangut residential development will be spread over a 3.5 lakhs square feet of land blessed by the bountifully invigorating nature.

In anticipation of the good times ahead, I am positively charged and expect the same from my employees, stakeholders and associates. Our association has always proved to be a bond of care & trust and has strengthened year by year. I am sure, we shall make things happen in the future as well...

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



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



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## BOARD OF DIRECTORS

- ◆ **MR. D. S. KULKARNI**  
(Chairman & Managing Director)
- ◆ **MR. V. C. JOSHI**
- ◆ **DR. M. K. P. SETTY**
- ◆ **MR. K. K. TAPARIA**
- ◆ **MR. R. D. KHAROSEKAR**
- ◆ **MR. SHIRISH KULKARNI**  
(Executive Director)

## 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.
- ◆ PUNJAB NATIONAL 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 Second Annual General Meeting of the members of D. S. Kulkarni Developers Ltd. will be held on Friday, the 27th day of September, 2013 at 9.30 a.m. at Maratha Chambers of Commerce, Pudumjee Hall, 1014, Shukrawar Peth, Tilak Road, Pune 411 002 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account and Cash flow Statement 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 Mr. V. C. Joshi who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K. K. Taparia 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 dematerialised 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 25th September, 2013 to 27th September, 2013 (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.

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9. The Company's shares are compulsorily traded in dematerialised mode. The Company has made necessary arrangements with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dealings in dematerialised shares. Members holding shares in physical form are requested to get their shares dematerialized at the earliest which will enhance effectiveness of the 'Green Initiative'.
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 27th September, 2013.
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 2004-2005 and Refund of Follow on Public Issue made in FY 2006-2007 to the **Investor Education and Protection Fund** of the Central Government. Pursuant to the provisions of Investor Education & Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26th September, 2012 (i.e. the date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs
13. The details of the dividend declared for and from the Financial Year 2005-06 till 2011-12 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.**

Place: Pune  
Date: 14th August, 2013

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

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

PARTICULARS	Mr. V. C. Joshi	Mr. K. K. Taparia
Date of Birth	11/02/1932	27/06/1951
Date of first appointment	30/09/1993	02/01/2008
Date of re-appointment	26/09/2011	26/09/2011
Qualifications	MA (Mumbai) Political Science (Cambridge) Tripos in Economics	BE Mechanical Chartered Engineer
Expertise in specific functional area	Financial Management	Techno-Commercial Management
Directorships held in other public companies	Nil	Archidply Industries Ltd. Universal Construction Machinery & Equipment Ltd. HNG Cement Ltd.
Memberships / Chairmanships of committees in Public Companies	Nil	2
No. of shares held in the company	Nil	Nil

## DIRECTORS' REPORT

Dear Member,

Your Directors have pleasure in presenting their 22nd Annual Report of the Company for the year ended 31st March, 2013.

### FINANCIALS

Particulars	₹ Lacs	
	2012-2013	2011-2012
<b>Operating Income and Increase in stocks</b>	<b>23433.34</b>	<b>18377.44</b>
Profit before tax	2842.82	2524.00
Less: Provision for tax/deferred tax	999.96	792.46
<b>Profit after tax</b>	<b>1842.86</b>	<b>1731.55</b>
Add: Balance of Profit Brought forward	13221.40	11787.73
Profit available for Appropriation	15064.26	13521.27
Prior Year Adjustments	18.44	0.00
<b>Proposed Dividend</b>	<b>258.01</b>	<b>258.01</b>
Tax on Dividend	43.85	41.86
Balance of Profit carried to Balance Sheet	14743.96	13221.40

### OPERATIONS:

The year under review witnessed a growth in the total income from ₹ 183.77 crores to ₹ 234.33 crores principally attributable to increase in construction activity because the projects undertaken were in different stages of completion. The profit for the year was ₹ 18.43 crores against ₹ 17.33 crores for the earlier year.

The Indian Real Estate industry had many reformist expectations in the year just gone by, which did not materialize. On the contrary, due to lack of definitive policy initiatives, high inflation and therefore high interest rates, the real estate market, probably temporarily, lost its sheen from buyers' perspective. The present economic conditions do not augur well to contain inflation and interest rates. The ever widening Current Account Deficit (CAD) may throw the currency out of gear and nudge Reserve Bank of India to tighten liquidity to control ill-effects of the above. Liquidity tightening may dampen buyers' interest in real estate. Though the immediate future looks hazy, the Company is confident of its progress and growth in the business on account of unmatched brand pull and launching of "never-seen-before" township in the outskirts of Pune.

### 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 ₹ 43,84,881 /-.

### SUBSIDIARIES AND CONSOLIDATION:

The Company has in all four 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, 6 bungalows have already been sold and construction of the rest 5 is in progress. The slowdown of the USA real estate market has hampered the performance of the USA subsidiaries.



Another subsidiary company is DSK Township Projects Pvt. Ltd. ("DSK Township") – which was *formerly known as DSK SEZ Projects (Pune) Pvt. Ltd.* DSK Township is retained as a SPV (Special Purpose Vehicle) for future use. DSK Township is yet to commence business.

The fourth 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". Out of the total 133 units, 68 units have been sold so far. The progress of the project is satisfactory.

During the year under report, your Company substantially disinvested its shareholding in DSK Global Education & Research Pvt. Ltd. ("DSK Global") which had been its subsidiary. The current shareholding stands at 19% versus 51% earlier. The losses incurred and continued to be incurred by DSK Global were adversely affecting the consolidated financial position of the Company. Mrs. H. D. Kulkarni bought over the disinvested shares at par value and the Company was relieved of its obligation to contribute towards past, present and future losses of DSK Global.

While being a subsidiary of the Company, DSK Global closed down its subsidiary DSK Global Education & Research (Singapore) Pte. Ltd.

This Annual Report contains the standalone 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, 2013 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 also at those of the subsidiaries concerned. The holding company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on request.

In view of the change in status of an erstwhile subsidiary, the consolidated financial figures of the year 2012-13 are not comparable with those of the year 2011-12.

#### **INTEGRATED TOWNSHIP:**

The Company is desirous of developing a novel township on its land situate near Manjari, Pune. The Township Regulations underwent changes in the year 2012-2013 which are beneficial to the Company. Accordingly the Company changed its earlier plans and rescheduled the launch year. The township will exhibit Sports City. Locational clearance has been received and the township has been notified. The Company is pursuing remaining approvals as also nearing finalisation of contours and designs under the able guidance of an internationally renowned architect. The Company intends to launch this prestigious project during the financial year 2013-14.

#### **PROJECTS UNDER EXECUTION:**

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

Sr. No.	Name of the Site	Saleable Area in Sq. Ft	Location
1	DSK – Gandhakosh	1,74,210	Baner, Pune
2	DSK – Vishwa Villa	34,328	Dhayari, Sinhgad Road, Pune
3	DSK – Meghmalhar Row Houses	43,344	Dhayari, Sinhgad Road, Pune
4	DSK – Meghmalhar-PH II	4,23,752	Dhayari, Sinhgad Road, Pune
5	DSK Vishwa Phase VI	7,55,741	Dhayari, Sinhgad Road, Pune

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Sr. No.	Name of the Site	Saleable Area in Sq. Ft	Location
6	DSK Madhukosh	1,75,148	Andheri, Mumbai
7	DSK Sundarban Plot B	35,880	Hadapsar, Pune
8	DSK Kasturi	30,875	Bavdhan, Pune
9	DSK Nandanvan	3,58,209	Pirangut, Pune
10	Integrated Township	1,79,54,244	Manjri, Hadapsar, Pune

### DIRECTORS:

Pursuant to Article 73 of the Articles of Association of the Company, Mr. V. C. Joshi and Mr. K. K. Taparia retire by rotation. Both being eligible, offer themselves for re-appointment.

Details of Mr. V. C. Joshi and Mr. K. K. Taparia have been given in the Corporate Governance Report.

### FIXED DEPOSITS:

Fixed deposits accepted from the public, shareholders and employees as on 31st March, 2013 stood at ₹ 155.62 crores as against ₹ 156.30 crores at the end of the previous year. During the year under report, the Company collected ₹ 19.65 crores and repaid ₹ 20.33 crores as deposits as against ₹ 99.23 crores collected and ₹ 48.27 crores repaid 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 ₹ 191.83 lacs (previous year ₹ 154.85 lacs). The total Foreign Exchange outgo was ₹ 82.83 Lacs (previous year ₹ 46.08 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	63	B.Com.	Chairman & Managing Director	20/09/91	None	245.54	171.09	17.48%

### 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 reappointment. Appropriate certificate under Section 224 (1B) of the Companies Act, 1956, has been received from them. You are requested to reappoint the Auditors.