DB REALTY®
THE NEXT LEVEL

# GROWTH. ON THE RISE.

ANNUAL REPORT 2014

DB Acre
MIRA ROAD
Mira Road
W.E. Highway
DB Ozone
DAHISAR
Dahisar
DB Garden
DAHISAR
Dahisar Toll Naka
Orchid Hills
DAHISAR
Manori Beach
Borivali
Orchid Surburbia
KANDIVALI
Kandivali
Sanjay Gandhi National Park
Madh Beach
Prem Nagar
MALAD (W)
Malad
DB Hill Park
GOREGAON (E)
DB West View
MALAD (W)
Chandivali
Film City
DB Hills
CHANDIVALI
DB Woods
GOREGAON (E)
Goregaon
Ghatkopar
Versova Beach
Versova
JVLR
Mahal Pictures
JVLR
Andheri
DB Corporate Park
SAHAR
Sahar
Mahul Nagar
CHEMBUR
Thane Creek
Chembur
DB Skypark
INTL. AIRPORT
Juhu Beach
Juhu
Vile Parle
Mumbai Airport
Santacruz
E.E. Highway
Government Colony
Redevelopment
BKC
Khar
BKC
DB Paradise
BKC
DB Tower
BKC
Bandra
Jeejamata Nagar
WORLI
Mankhurd
DB Apartments
MANKHURD
Mahim Bay
Worli
Arabian Sea
DB Crown
PRABHADEVI
Prabhadevi
Lower Parel
Jacob Circle
DB Views
JACOB CIRCLE
DB Turf View
RACE COURSE ROAD
Haji Ali
DB Orchid Heights
MAHALAXMI
Mahalaxmi
Byculla
DB Skyz
BYCULLA
DB Splendor
BYCULLA
DB Central
MUMBAI CENTRAL
DB Enclave 2
MUMBAI CENTRAL
Eastern Bay
DB Park
MUMBAI CENTRAL
DB Baug
MUMBAI CENTRAL
Mumbai Central
Back Bay
Resham Bhavan
CHURCHGATE
Churchgate
Colaba
Johnny Castle
COLABA
RESIDENTIAL
COMMERCIAL
Includes upcoming, ongoing and delivered projects.
N
MAP OF MUMBAI
Map not to scale

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# DB Realty:
## The name behind Mumbai's landmarks

Ever since its inception in 2007, DB Realty has been redefining the skyline of Mumbai by transforming spaces into landmarks and has emerged as one of India's leading real estate developers. With a legacy built on excellence, DB Realty has been successful in creating iconic landmarks in residential, commercial and gated community developments.

At DB Realty we focus on creating developments that set new benchmarks across all market segments and are deeply committed to delivering promises to our customers and stakeholders. Today, it boasts of an expanding portfolio of 90 million sq. ft. of prime property, 31 luxury projects and over 20,000 delighted customers.

With projects spread across the length and breadth of Mumbai, DB Realty has a truly enviable repertoire and is known for adding new dimensions to luxury living with a wide range of premium condominiums and duplexes built in association with reputed architects. In tandem with the evolving lifestyle trends, it always strives to design residences that are ahead of the times in terms of aesthetics and functionality.

Backed by an experienced team of experts from diverse backgrounds, DB Realty endeavours to create a new paradigm in urban living with more unique projects. Going forward, DB Realty hopes to continue changing the landscape of Mumbai with growth and sustainability.

# CEO's letter

**Vipul Bansal**, CEO, DB Realty

Dear Shareholders,

It gives me great pleasure to share with you the highlights of our company's performance in the FY 2013-14. It was a year where we witnessed significant progress - specifically on the approvals, surpassing all challenges. We are all set to embark on a new journey in the coming year and are determined to leave no stone unturned in the pursuit of excellence.

This financial year, with all the necessary approvals for our projects underway and various project launches in the pipeline, DB Realty is forging ahead. We hope the coming year will be marked by a more favorable environment in terms of business that fosters opportunities and will witness a substantial growth in sales.

I take this opportunity to thank you - our shareholders, customers, employees, bankers and regulators for reposing your faith in us and motivating us to take our business to greater heights.

With best regards,

Vipul Bansal

# CORPORATE INFORMATION

## Board of Directors

**Mr. Vinod Goenka**
(Managing Director, Non-Independent Director, Chairman from 10-12-2011)

**Mr. Shahid Balwa**
(Vice Chairman & Managing Director, Non-Independent Director from 10-12-2011)

**Mr. Mahesh Gandhi**
(Independent Director)

**Mr. Jagat Killawala**
(Independent Director)

**Mr. Janak Desai**
(Independent Director)

**Mr. N.M Rafique**
(Independent Director )

**Mr.Salim Balwa**
(Non-Independent Director)

**Mr.Jayvardhan Goenka**
(Non-Independent Director)

**Chief Finance Officer**
Mr.N.M.Gattu

**Company Secretary and Compliance Officer**
Mr. S.A.K.Narayanan

**Statutory Auditors**
M/s. Haribhakti & Co.,
Chartered Accountants

**General Counsel**
M/s. Negandhi Shah & Himayatullah
Advocates & Solicitors

**Registered Office**
DB House, Gen. A.K. Vaidya Marg,
Goregaon (East), Mumbai 400 063.
Tel: +91 22 4077 8600
Fax: + 91 22 2842 2444
Website: www.dbrealty.co.in
CIN: L70200MH2007PLC166818

# CORPORATE INFORMATION

**Board Committees:**

**Audit Committee:**
Mr. Mahesh Gandhi (from 17.3.2011)
Mr. Janak Desai (from 17-5-2011)
Mr. Shahid Balwa (from 10-12-2011)

**Finance & Investment Committee:**
Mr. Mahesh Gandhi (from 17-3-2011)
Mr. Vinod Goenka (from 10-12-2011)
Mr.Jagat Killawala (from 10-12-2011)

**Remuneration Committee:**
Mr. Mahesh Gandhi (from 17-3-2011)
Mr. Jagat Killawala (from 17-5-2011)
Mr.Janak Desai (from 10.12.2011)

**Share Transfer Committee & Shareholders/Investors Grievances Committee:**
Mr. Janak Desai (from 17-5-2011)
Mr. Jagat Killawala (from 17-5-2011)
Mr.Shahid Balwa (from 10-12-2011)

**Bankers**
Oriental Bank of commerce
Punjab National Bank
HDFC Limited

**Registrar & Share Transfer Agent**
Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai 400 078.
SEBI Registration No: INR000004058
Tel: +91 22 2596 3838
Fax: + 91 22 2594 6969
Website: www.linkintime.co.in
CIN: U67190MH1999PTC118368

# NOTICE

NOTICE IS is hereby given that the 8th Annual General Meeting of the Members of the Company will be held on Saturday, the 27th September, 2014 at 3.00 P.M. at Lakshdham High School Auditorium, Lakshdham High School, Gokuldham, Goregaon (East), Mumbai 400 063 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014, Statement of Profit and Loss for the year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shahid Balwa, who retires by rotation and offers himself for re- appointment.
3. To appoint a Director in place of Mr. Jayvardhan Goenka, who retires by rotation and offers himself for re- appointment.
4. Appointment of Auditors:

   To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   **RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, as amended from time to time and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai ( Reg No. 103523W) be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Tenth AGM of the Company, (subject to ratification of the appointment by the members at the next AGM) and that the Board of Directors be and is hereby authorised to fix such remuneration along with service tax, and out of pocket expenses as may be recommended / determined by the Audit Committee / Board of Directors in consultation with the Auditors

**SPECIAL BUSINESS**

5. **Appointment of Mr. Mahesh Gandhi as an Independent Director**

   To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

   **"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Mahesh Gandhi (DIN 00165638), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 27th September, 2014 to 26th September, 2019."

6. **Appointment of Mr. N.M. Rafique as an Independent Director**

   To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

   **"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. N.M. Rafique (DIN 01623598), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 27th September, 2014 to 26th September, 2019."

7. **Appointment of Mr. Jagat Killawala as an Independent Director**

   To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

   **"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Jagat Killawala (DIN 00262857), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 27th September, 2014 to 26th September, 2019."

8. **Appointment of Mr. Janak Desai as an Independent Director**

   To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

   **"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Janak Desai (DIN 03527571), a non-executive independent director of the Company, who has submitted a declaration that

he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 27th September, 2014 to 26th September, 2019."

9. **Introduction of "ESOP Scheme - 2014":**

To consider and if deemed fit, to pass, with or without modification(s), the following as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("ESOS Guidelines"), including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be required from appropriate bodies and authorities, and subject to such conditions or modifications as may be prescribed, imposed or suggested while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any duly constituted Committee/s thereof including the Compensation and Benefits Committee of directors), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue and grant at any time to or to the benefit of such Employees (as defined under the Explanatory Statement attached hereto and hereinafter referred to as the "Employees"), either directly or through an employee benefit trust formed for this purpose as determined by the Administrator (as defined under the Explanatory Statement attached hereto), such number of options not exceeding 1,21,00,000 (One Crore Twenty One Lakhs) as per terms and conditions of the Employees Stock Option Plan (hereinafter referred to as the "ESOP Scheme-2014"), which entitles the option-holders to subscribe to one equity share of Rs. 10/- each of the Company against each option granted to them, i.e. in total 1,21,00,000 (One Crore Twenty One Lakhs) equity shares of Rs. 10/- each of the Company, or such other adjusted number of equity shares for any bonus, stock split, consolidation or other reorganization of the capital structure of the Company as may be applicable from time to time, at such price, in one or more tranches, and on such other terms and conditions as set out in the "ESOP Scheme-2014" and as amended from time to time.

**RESOLVED FURTHER THAT** subject to the terms as approved by the members, the Board be and is hereby authorised to formulate a detailed "ESOP Scheme-2014" in compliance with the guidelines issued by Securities and Exchange Board of India (SEBI) at such time or times as it may in its' absolute discretion decide.

**RESOLVED FURTHER THAT** the shares may be allotted to the employees in accordance with the "ESOP Scheme – 2014" either directly or through an employee benefit trust as determined in the sole discretion by the Board which may be set up by the Company or by a designee of the Company in its sole discretion and / or in any other permissible manner and that accordingly approval be and is hereby accorded for providing financial assistance to the trust to enable the said trust to acquire, purchase or subscribe to the equity shares of the Company for the purpose of issuance/transfer to the employees under the "ESOP Scheme – 2014".

**RESOLVED FURTHER THAT** the vesting of the options under the "ESOP Scheme - 2014" may be subject to such criteria as may be decided by the Administrator at its own discretion including but not limited to the date of joining of the Employee, performance evaluation, current compensation, criticality or any other criteria, as the Administrator determines.

**RESOLVED FURTHER THAT** the equity shares issued and allotted on exercise of the Stock Option(s) granted under the "ESOP Scheme - 2014" shall rank *pari passu* in all respects, including rights in relation to dividend, with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted pursuant to conversion of the Stock Option(s) granted under the "ESOP Scheme – 2014", on the Stock Exchanges where the shares of the Company are listed.

**RESOLVED FURTHER THAT** for the purpose of giving effect to all or any of the foregoing Resolutions, the Board be and is hereby authorized in its absolute discretion to make and give effect in compliance with Applicable Laws (as defined under the Explanatory Statement attached hereto), to any modification(s), change(s) or revision(s) in the "ESOP Scheme – 2014" or the terms and conditions of the trust deed made for setting up of the employee benefit trust from time to time or to suspend, withdraw or revive the same from time to time, settlement of the trust and execution of the trust deed for the purposes of implementing the "ESOP Scheme – 2014", and to do all such acts, things and deeds whatsoever, including settling any question, doubt or difficulty that may arise in relation to the setting up of the employee benefit trust or the said "ESOP Scheme - 2014" or with regard to or in connection with the offer, subscription, issue, allotment or payment of any equity shares arising out of conversion of Stock Options granted under the "ESOP Scheme - 2014" or setting up of the said employee benefit trust as the Board may consider necessary, expedient or proper without being required to seek further consent or approval of members or otherwise, to the end and intent that the members shall be deemed to have given the approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers or authorities herein conferred to any Committee of Directors as may be formed by them in accordance with the ESOS Guidelines for the aforesaid purpose."

10. **To extend the benefits of "ESOP Scheme - 2014" to the Employees of the Company's Subsidiaries or holding company**

To consider and if deemed fit, to pass, with or without modification(s), the following as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("ESOS Guidelines"), including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be required from appropriate bodies and authorities and subject to such conditions or modifications as may be prescribed, imposed or suggested while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which term shall include any duly constituted Committee/s thereof including Compensation and Benefits Committee of directors), consent of the Company be and is hereby accorded to the Board to extend the benefits of the "ESOP Scheme - 2014" proposed in the Resolution under Item No.9 of this Notice to or for the benefit of the Employees of the Company's Subsidiaries (as defined under the Explanatory Statement attached hereto) or a holding company, whether in India or outside India and whether they are shareholders of the Company or not, as may from time to time be allowed under prevailing laws, rules and regulations and/or amendments thereto from time to time, either directly or through an employee benefit trust formed for this purpose as determined by the Administrator under "ESOP Scheme - 2014" on such terms and conditions as may be decided by the Board.

**RESOLVED FURTHER THAT** for the purpose of giving effect to all or any of the foregoing Resolutions, the Board be and is hereby authorized in its absolute discretion to make and give effect to any modification(s), change(s) or revision(s) in the terms and conditions of the trust deed made for setting up of the employee benefit trust or the "ESOP Scheme - 2014" from time to time or to suspend, withdraw or revive the same from time to time, and to do all such acts, things and deeds whatsoever, including settling any question, doubt or difficulty that may arise in relation to the said "ESOP Scheme - 2014" or setting up of the employee benefit trust or with regard to or in connection with the offer, subscription, issue, allotment or payment of any equity shares arising out of conversion of Stock Options granted under the "ESOP Scheme - 2014" or setting up of the said employee benefit trust as the Board may consider necessary, expedient or proper without being required to seek further consent or approval of members or otherwise, to the end and intent that the members shall be deemed to have given the approval thereto expressly by the authority of the above resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers or authorities herein conferred to any Committee of Directors as may be formed by them in accordance with the ESOS Guidelines for the aforesaid purpose."

11. **Appointment of Joshi, Apte & Associates, Cost Accountants as Cost Auditor**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Joshi, Apte & Associates, Cost Accountants (Firm Registration Number 00240) being the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 and the Board of Directors be and is hereby authorised to fix such remuneration along with service tax, and out of pocket expenses as may be recommended / determined by the Audit Committee / Board of Directors in consultation with the Auditors".

By Order of the Board
For **D B Realty Limited**

**(S.A.K Narayanan)**
Company Secretary

August 9, 2014

Registered Office:
DB House
Gen A.K.Vaidya Marg
Goregaon (E), Mumbai- 400063
CIN: L70200MH2007PLC166818
Tel No: 91-22-40778600
FAX No: 91-22-2841 5550/ 28421687
E Mail: info@dbg.co.in
Web Site: www.dbrealty.co.in

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts relating to the business stated under Item Nos. 5 to 11 is annexed hereto

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

   The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Brief resume of Directors seeking appointment/ re- appointment, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and membership/chairmanship of Board committees, shareholdings and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges are provided in the Corporate Governance Report forming part of the Annual Report.

4. In case of joint holders attending the meeting, only joint holder who is higher in the order of names will be entitled to vote.

5. Corporate members intending to send authorized representatives to attend the Meeting are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.

6. Members desirous of having any information regarding Accounts are requested to address their queries to the Company at least seven days before the date of the Meeting.

7. As per the provision of the Companies Act, 2013, facility for making nomination is available to the members in respect of the shares held by them. Nomination form can be obtained from the Company's Registrar and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination form from their respective Depository Participant.

8. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September 2014 to 27th September, 2014 (both days inclusive) for the purpose of the Annual General Meeting of the Company.

9. All the Documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Office at DB House ,Gen A.K. Vaidya Marg, Goregaon (E), Mumbai - 400063 on all working days of the Company between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

10. Members/Proxies are requested to bring the attendance slip duly filled in.

11. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

12. In accordance with the Companies Act, 2013 read with the Rules, the Annual Reports are sent by electronic mode to those members whose shareholding is in dematerialized format and whose E Mail IDs are registered with the Depository for communication purposes. The members holding shares in physical form and who have not registered their email ID are requested to register their email ID addresses with the Company's Registrar and Transfer Agent

13. To support the 'Green Initiative', the Members who have not registered their E Mail addresses are requested to register the same with Depositories.

14. Trading in the Company's shares through stock exchanges is permitted only in dematerialized/electronic form. The equity shares of the Company have been inducted in both NSDL as well as CDSL to enable shareholders to hold and trade the shares in dematerialized/electronic form. In view of the numerous advantages offered by the depository system, Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management.

15. Pursuant to the Initial Public offering of Equity shares, the Company had, in respect of certain shares allotted therein, in view of mismatch in particulars of those allotees, parked the same in a demat suspense account. The details of the unclaimed shares outstanding in the suspense account are as under:

| Particulars | No of Shareholders | No of Shares |
|---|---|---|
| Outstanding Shares as on 1st April, 2013 | 9 | 686 |
| Investors who have approached the Company / Registrar and Share Transfer Agent for transfer of shares to their demat account | 0 | 0 |
| Investors to whom shares were transferred from the unclaimed account | 0 | 0 |
| Outstanding Shares in the unclaimed Suspense account as on 31st March, 2014 | 9 | 686 |

16. Details of unclaimed Refunds:

Post Initial Public Offer (IPO) in February, 2010, the Company transferred a sum of Rs.553.05 crores to the refund account, excluding the ASBA amounts unblocked. Refunds were made through ECS / direct credit /RTGS / issue of physical warrants. The Registrar and Transfer Agents had sent reminders to the shareholders / investors to furnish the correct bank account details to enable the refund of the unclaimed share application amount. The balance in the Refund account, as on 31st March, 2014 was Rs. 6,132/-, The details are as under:

| Particulars | No of unrealized refund orders | Amount (Rs.) |
|---|---|---|
| Outstanding Phisical Warrants as on 1st April, 2013 | 10 | 6,132 |
| Investors who have approached the Company / Registrar and Share Transfer Agent for refunds | - | - |
| Investors to whom refunds were made from the unclaimed account | - | - |
| Outstanding amount in the unclaimed Refund account as on 31st March, 2014 | 10 | 6,132 |

17. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members, facility to exercise their right to vote by electronic means and the business may be transacted through E-voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:

(i) Open email and open PDF file viz; "D B Realty Limited e- voting pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL in the address bar: www.evoting.nsdl.com

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on "e-Voting" icon and select "Active Voting Cycles"

(vii) Select "EVEN" of D B Realty Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail : vickyscrutinizer@gmail.com. with a copy marked to evoting@nsdl.co.in and investors @dbg.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

| EVEN (E Voting Event Number) | USER ID | PASSWORD/PIN |
|---|---|---|

ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or contact NSDL at the following Telephone No:022-24994600

II. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on 22nd September, 2014 (9:30 am IST) and ends on 24th September, 2014 (5.30 p.m IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd August, 2014 and as per the Register of Members of the Company.

VII. Mr. Vicky Kundaliya, Practicing Company Secretary (Membership No. 20501) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dbg.co.in and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the Eighth AGM of the Company on 27th September, 2014 and communicated to BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

**EXPLANATORY STATEMENT**

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013("Act"), sets out all material facts relating to the business mentioned under Item Nos. 5 to 11 of the accompanying Notice dated 09th August, 2014.

**Item No.5**

Mr. Mahesh Gandhi is a Non-Executive Independent Director under Clause 49 of the Listing Agreement of the Company. He joined the Board of Directors of the Company in April, 2007. He is the Chairman of the Audit Committee & Remuneration Committee and a member of Finance and Investment Committee of the Board of Directors of the Company.

He holds a Bachelors degree in Science from University of Gujarat, a Master degree in Financial Management from Jamnalal Bajaj Institute of Management Studies , Mumbai, Masters degree in Law in the area of International Law and Tax Practice from University of Gujarat and Diploma in Journalism.

His area of specialization includes 32 years of experience in asset management, investment banking and corporate finance. He was involved in the launching of Millenium Capital Management Private Limited in 1998, which provides consultancy and advisory services. He has also been the Chief Executive Officer of Jardine Fleming Asset Management Fund and Chief Executive Officer of Unit Trust of India's Investment Advisory Services from 1995 until 1996. He has also served General Insurance Corporation of India.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Mahesh Gandhi has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, Mr. Mahesh Gandhi fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management. Mr. Gandhi being eligible and is proposed to be appointed as an Independent Director for five consecutive years for a term upto 26th September, 2019.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In compliance with the provisions of Section 149 of the Act, the appointment of Mr. Mahesh Gandhi as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Gandhi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Gandhi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Gandhi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5, relating to his appointment. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

**Item No.6**

Mr. Nasir M Rafique is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 17th May, 2011.

Mr. Rafique has completed Engineering from IIT, Kanpur / AMU and Hotel Management from IHM, PUSA, New Delhi. He has been a Freelance Consultant for the last 7 years and prior to that has worked as Advisor to Dadabhai Group, Baharin (1998-2005), and as Principal of IHMA (1974-1998).

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Nasir M Rafique has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In opinion of the Board, Mr. Rafique fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management. Mr. Rafique being eligible, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 26th September, 2019.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In compliance with the provisions of Section 149 of the Act, the appointment of Mr. Rafique as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rafique as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rafique as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rafique, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

**Item No.7**

Mr. Jagat Killawala is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 17th May, 2011. He is the member of Finance and Investment Committee, Remuneration Committee and Share Transfer Committee and Shareholders/ Investors Grievances Committee of the Board of Directors of the Company.

He is an industrialist and has been engaged in the business of manufacture of electrical switches, step lights for theatre applications and LED Products for lighting applications. He has been a premium distributor for Vimar Spa of Italy, for modular switches and accessories, Ilti Luce, Italy and Advance Fibre Optics for Fiber Optic Lighting etc for Mundocolr Spain for Theatre Lighting. He has been a Government Contractor & Railway Contractor in Signal & Telecom Dept.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Killlawala has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In opinion of the Board, Mr. Killawala fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management. Mr. Killawala being eligible, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 26th September, 2019.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In compliance with the provisions of Section 149 of the Act, the appointment of Mr. Killawala as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Killawala as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Killawala as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Killawala being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

**Item No.8**

Mr. Janak Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 17th May, 2011. He is the chairman and member of Share Transfer Committee & Shareholders/ Investors Grievances Committee and member of Audit Committee & Remuneration Committee of the Board of Directors of the Company.

He holds Bachelor of Business Administration degree in Finance and Management and Master of Business Administration degree with Major in Capital Market from University of Houston, Texas, USA.

He has worked as Senior Associate in Bank of New York Mellon Corp and as Portfolio Manager in Cougar Investment Fund in USA and in India, with Infoline and Edelweiss Capital Ltd in Real Estate Vertical.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Desai has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In opinion of the Board, Mr. Desai fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management. Mr. Desai being eligible, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 26th September, 2019.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In compliance with the provisions of Section 149 of the Act, the appointment of Mr. Desai as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Desai as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Desai as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Desai, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

**Item No. 9**

For attracting and retaining the best talent and thereby arrest the attrition, which is essential for the sustained growth of the Company, it is proposed by the Board of Directors of the Company to reward the contribution made by the Employees (as defined herein) by grant of stock options convertible into equity shares of the Company.

In order to grant such options to Employees, your Board of Directors has approved the institution of a new ESOP Scheme called "ESOP Scheme - 2014". A copy of the draft "ESOP Scheme – 2014" is available for inspection at the registered office of the Company during 11.00 a.m. to 3.00 p.m. on any working day of the Company upto the date Annual General Meeting.

The "ESOP Scheme - 2014" shall be subject to and in conformity with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("ESOS Guidelines"). The Compensation and Benefits Committee of Directors of the Company has been empowered to formulate details of the scheme, administer and supervise the "ESOP Scheme -2014" of the Company.

Definitions:

"**Administrator**" means the Board or the Compensation and Benefits Committee appointed by the Board or such other committee to whom the power may be delegated under Applicable Laws from time to time;

"**Applicable Laws**" means the legal requirements relating to stock options plans, including, without limitation, tax, corporate laws of India or of any stock exchange in which the shares are/may be listed or quoted;

"**Compensation and Benefits Committee**" means the Compensation and Benefits Committee appointed by the Board of Directors of the Company, the majority of which shall comprise of independent directors;

"**Director**" means a member of the Board of Directors of the Company and/or its Subsidiaries, whether whole time or not;

"**Employee**" means a permanent employee or a Director of the Company or Subsidiary or a holding company, working in India or out of India or such other persons as may be permitted to be granted options, from time to time as per Applicable Laws. An Employee shall continue to be an employee during the period of (i) any leave of absence approved by the Company (or its Subsidiary or holding company), or (ii) transfers between locations of the Company or between the Company, its holding company, any Subsidiary, or any successor;

"**Subsidiary**" means a subsidiary of the Company, whether now or hereafter existing as defined under Section 2(87) of the Companies Act, 2013.

Under the "ESOP Scheme - 2014", a maximum of 1,21,00,000 (One Crore Twenty One Lakhs) equity shares of Rs. 10/- each of the Company, being approximately 4.97% of the present paid up Equity Share Capital, are proposed to be earmarked with respect to which the Stock Option(s) may be granted to the Employees. Such equity shares may be offered directly by the Company to the

Employees or may be offered through an employee benefit trust to be set up for such purpose on such terms and conditions as set out in the "ESOP Scheme 2014" and as determined by the Administrator in accordance with Applicable Laws .

The introduction of the "ESOP Scheme - 2014", under the ESOS Guidelines requires the approval of the members at a General Meeting by way of a Special Resolution. Further, in terms of Section 62 of the Companies Act, 2013, the issue of further shares by a public limited company to persons other than the existing members requires the approval of the members by way of a Special Resolution at a General Meeting of the Company. Hence, the resolution is proposed for members' approval as a Special Resolution.

Based on whether the stock options are granted directly or through an employee benefit trust, these guidelines may be suitably modified for implementation of the "ESOP Scheme - 2014". The salient features of "ESOP Scheme - 2014", and information required to be disclosed as per Clause 6.2 of the ESOS Guidelines are as follows:

a. The maximum number of Stock Options to be granted are 1,21,00,000(One Crore Twenty One Lakhs), which on exercise would result into 1,21,00,000 (One Crore Twenty One Lakhs) equity shares of Rs. 10/- each of the Company, or such other adjusted number of equity shares for any bonus, stock split, consolidation or other reorganization of the capital structure of the Company as may be applicable from time to time. The maximum number of options to be issued per Employee shall be as per the ESOS Guidelines.

b. Employees will be entitled to participate in the "ESOP Scheme – 2014" as per the eligibility criteria determined by the Administrator. A person who is the promoter or belongs to the promoter group and a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and an Independent Director shall not be eligible to participate in the "ESOP Scheme-2014".

c. The vesting period of an Option may vary from 12 months to 60 months from the date of grant. The Options shall have to be exercised within a maximum period of 36 months from the vesting of the Options, provided the Employee is in continuous employment of the Company or its Subsidiary or its holding company, and not serving under notice of resignation/termination period of the Company on the date of vesting of the options. Subject to the minimum and maximum vesting period of an Option, the Administrator will decide upon the vesting period in respect of any optionee or a category of optionees.

   The number of Options to be vested to the Employees is subject to such criteria as may be decided by the Administrator at its own discretion including but not limited to the date of joining of the Employee, performance evaluation, current compensation, criticality or any other criteria, as the Administrator determines.

   It may, therefore, be possible that all the Options granted may not vest in the option-holder. The Compensation and Benefits Committee of Directors of the Company shall be empowered to decide the parameters and quantity of the vesting in respect of each Employee.

d. The exercise price of Options shall be a price, as may be determined by the Administrator, which shall be lesser of (i) equivalent to or discounted upto 50% of the Average Market price or (ii) Rs. 80 per share. In the event that the shares to be allotted to the optionees on exercise of the Options as per the "ESOP Scheme-2014" are issued and allotted to the employee benefit trust so set up, then such shares will be issued and allotted to such employee benefit trust, in one or more tranches, taking in to consideration the vesting schedule of the Options so granted, either at par, or equivalent to or discounted upto 50% of the Average Market price or at Rs. 80/- per share, as may be determined between the Board and the Administrator.

   The Average Market Prices for this purpose would mean the average of the closing price of the equity shares of the Company on the Stock Exchange, where there was highest trading volume during two weeks period prior to the date of the Administrator at which the Plan Series under the Scheme is approved.

e. The maximum exercise period would be 36 months from the vesting of Options. At the time of exercise, option-holder will communicate to the Company the number of Options to be exercised by him/her and also pay the exercise price of the Options so exercised. An option-holder may exercise in part or in full the vested options.

f. The appraisal process for determining the vesting eligibility of Employees shall be in accordance with the guidelines framed by the Administrator from time to time.

g. The Company hereby declares that it shall conform to the accounting policies specified in Clause 13.1 of the ESOS Guidelines from time to time.

h. The Company shall use the 'Intrinsic Value Method' to value the options.

i. In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report, along with the impact of this difference on profits and on EPS of the Company.

j. The Company reserves the right to re-issue any Options surrendered/forfeited on cessation of employment due to retirement or resignation or other cause, to other eligible Employees.

k. The Employee will not sell, transfer, pledge or create any encumbrance on the shares issued to them under the terms of the "ESOP Scheme – 2014" upon exercise of the options granted for such period as may be determined by the Administrator or as may be prescribed under Applicable Laws, whichever is longer and will be subject to such other restrictions as may be

contained in the "ESOP Scheme – 2014" or as prescribed by the Administrator from time to time.

l. In the event of any bonus/rights issue of equity shares, the entitlement of equity shares will be suitably revised.

m. In the event, there is dilution of equity pursuant to any corporate restructuring/merger/acquisition, the Compensation and Benefits Committee of Directors of the Company shall be empowered to make pro-rata adjustment in the entitlement of Options.

n. The option-holder shall not be construed as a member of the Company and as such shall not be entitled to any rights and privileges applicable to the members of the Company, until conversion of Options into equity shares as provided herein and the option holder becomes a shareholder of the Company.

o. The equity shares issued to the option-holder upon conversion of Options shall be subject to the Memorandum and Articles of Association of the Company.

The Board recommends the resolution to the members for their approval as a Special Resolution.

None of the Directors / KMPs of the Company is in any way concerned or interested in the resolution, except to the extent of the options / equity shares that may be offered to them under the "ESOP Scheme - 2014".

**Item No. 10**

Clause 6.3 (a) of the ESOS Guidelines of SEBI requires a separate resolution to be passed for granting of Stock Options to the Employees of the Subsidiary/ies or holding company of the Company. To extend the benefits of "ESOP Scheme - 2014" to the Employees of the Company's Subsidiaries or holding company, this resolution is proposed.

The Board commends the resolution to the members for their approval as a Special Resolution.

None of the Directors/ KMPs of the Company is in any way concerned or interested in the resolution, except to the extent of the options / equity shares that may be offered to them under the "ESOP Scheme - 2014".

**Item No.11**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company, upon recommendation of Audit Committee, is required to appoint an individual who is a Cost Accountant in practice or a firm of cost accountants in practice as cost auditor. The remuneration of the cost auditor is required to be recommended by Audit Committee, approved by the Board of Directors and ratified by the members.

On recommendation of Audit Committee at its meeting held on 09th August, 2014, the Board has considered and approved appointment of M/s. Joshi, Apte and Associates (FRN 00240), for the conduct of the audit of the Company's cost records at a remuneration along with service tax, and out of pocket expenses as may be recommended / determined by the Audit Committee / Board of Directors in consultation with the Auditors.

The Resolution at item no. 11 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of section 148 of the Companies Act, 2013.

None of the Promoters, Directors, Key Managerial Personnel of the Company and none of their relatives are deemed to be concerned or interested financially or otherwise in the said resolution.

By Order of the Board

For **D B Realty Limited**

**(S.A.K.Narayanan)**

Company Secretary

August 9, 2014

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

# DIRECTORS' REPORT

To
The Members
D B REALTY LIMITED

Your Directors have pleasure in presenting the 8th Annual Report on the business and operations of the Company along with the audited accounts for the financial year ended 31st March, 2014.

**Financial Highlights**

**(Amount Rs.)**

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | **F.Y.2013-14** | **F.Y.2012-13** | **F.Y.2013-14** | F.Y.2012-13 |
| **Gross sales and other receipts** | **195,670,762** | 524,317,816 | **3,468,750,912** | 3,674,454,862 |
| EBIDTA | **47,688,897** | 183,581,266 | **(239,948,295)** | 252,117,735 |
| Interest and Finance Charges | **343,083,344** | 180,833,853 | **378,343,037** | 181,282,103 |
| Depreciation and amortization | **41,609,556** | 34,290,149 | **82,516,180** | 139,792,371 |
| **Operating Profit** | **(337,004,003)** | (31,542,736) | **220,910,922** | (68,956,739) |
| Prior year items | **(12,439,677)** | – | **–** | – |
| Provision for Tax | **46,738,561** | (28,561,344) | **58,926,104** | (61,217,974) |
| Prior period tax Adjustment | **15,000,000** | (6,000,000) | **–** | – |
| Less: Minority Interest | **–** | – | **(12,455,044)** | 56,433,968 |
| Add: Share of Profit/(Loss) in Associates (Net) | **–** | – | **(34,045,835)** | (15,225,772) |
| **Profit after taxation** | **(398,742,564)** | 3,018,608 | **115,483,939** | 33,469,432 |
| Balance brought forward | **7,886,170,374** | 7,883,151,766 | **7,304,847,968** | 7,155,252,911 |
| Adjustment of Associate converted to subsidiary | **–** | – | **–** | 116,125,625 |
| Adjustment for Joint Venture profit | **–** | – | **(59,321)** | – |
| Amount available for appropriation | **7,474,988,133** | 7,886,170,374 | **7,420,272,586** | 7,304,847,968 |
| **Balance carried to Balance Sheet** | **7,474,988,133** | 7,886,170,374 | **7,420,272,586** | 7,304,847,968 |
| **Net Worth** | **33,750,866,145** | 34,162,048,386 | **34,109,650,958** | 33,994,225,980 |

**Business Initiatives**

The "Orchid Woods" project at Goregaon (East), is awaiting the Occupation Certificate and in the meanwhile, handing over only for fit out is in progress. Handing over of possession in the Project "Orchid Suburbia" at Kandivali, Mumbai has been almost completed. The other ongoing project viz. high end residential project, "Orchid Heights" at Mahalakshmi, is being implemented in accordance with the revised plans and is progressing satisfactorily. "DB Crown" at Prabhadevi is proposed to be relaunched after approvals are received. "Orchid Ozone" at Dahisar is progressing as per plans. The project "Orchid Centre" a commercial venture and a residential project, at Pune is being executed by a subsidiary of Marine Drive Hospitality & Realty Pvt Ltd, in which your Company holds substantial stake. "Orchid Golf View" in Yerwada, Pune.and DB Paradise in Mumbai are proposed to be launched in the current year. The Turf Estate project in Mumbai is awaiting certain approvals and will be launched thereafter.

**Audit Report:**

The Statutory Auditors in their Report on Consolidated Financial Statements have expressed qualified opinion by referring to Note No. 46 with respect to a partnership firm which are approved by your Company as one of the partners and are yet to be approved by the other two partners which is under process. Your Directors do not expect any material impact on the Financial Statements upon such approvals.

The Statutory Auditors in their Report while reporting their opinion have drawn attention of the members to certain notes to the Financial Statements, as a matter of emphasis. While the said notes are self explanatory, your Directors offer the following clarifications and further explanations on the same;

1. Para 1 (Note 11.4) of standalone financial statements and Para 1 (Note 12(iii)) of consolidated financial statements: The Auditors have referred to certain investments made in the Preference Share Capital of an entity for an amount of Rs.1427.69

crores. This relates to investments made in the Preference Share Capital of Marine Drive Hospitality & Realty Pvt Ltd (Previously known as DB Hospitality Pvt. Ltd) both in the form of Redeemable Optionally Convertible Preference Shares and Compulsorily Redeemable Preference Shares, which bear specified rates of dividend. This Company is proposing to implement the project in real estate including commercial, and residential activities and also hospitality segment and hence this investment is considered as strategic and in the long term interests of your Company. Your Directors keep the overall economic interests of the Company while making such investments.

2. Para 2 (Note 12.2) of standalone financial statements and Para 2 (Note 13.2) of consolidated financial statements: Attention has been drawn to payments made to several related parties towards security deposits for acquisition of development rights. As stated in the said note, your Company is in the process of obtaining necessary approvals for the development of the said properties which have significantly higher current market values than the carrying costs and would reap adequate profitability on substantial completion of the respective projects.

3. Para 3 (Note 12.4) of the standalone financial statements and Para 3 (Note 13.4) of Consolidated Financial Statements refer to advances paid to two Associate Companies, documentation of which is under process.

4. Para 4 (Note 15) of standalone financial statements and Para 4 (Note 16) of consolidated financial statements: Auditors have referred to the costs incurred on various projects reflected in the financial statements under the head Inventories at lower of the actual costs incurred or the realizable value, as reported by the Management. All these projects are under initial stage of development and are capable of fetching higher net realizable value greater than the cost.

5. Para 5 (Note 21, 11 & 14) of standalone financial statements refers to losses incurred by the firms and LLPs in which Company is a partner and investments in the said firms and LLPs, which have been audited by the respective Auditors and accounted in your Company's Statement of Profit and Loss. The losses are mainly due to the said firms not recognizing the revenue in their books and carrying the expenses incurred on the projects as Inventories. As and when the said firms recognize the revenues after triggering the threshold limits, the company would account for the share of profit and also recover the investments in the said firms.

6. Para 6 (Note 21.1) of standalone financial statements refers to loss of the firm which has been accounted in the said financial statements based on the approval of the same by the Company as partner and which are yet to be approved by the other two partners. Your Directors do not expect any material impact on the Financial Statements upon such approvals.

7. Para 7 (Note 27) of standalone financial statements and Para 5 (Note 30) of consolidated financial statements refer to the guarantees and Securities amounting to Rs. 2897.37 crores given / provided by the Company for loans taken by promoter group companies and few other entities while the Company was a private limited company and also subsidiaries and associate companies. All these companies are honouring the commitments in respect of servicing and/or repayments. The above Guarantees are secured and supported by counter guarantees of the promoters in favour of the Company and are adequately secured by the promoters of the Company.

8. Para 8 (i) and (ii) (Note 28(A)(i) and (ii) of standalone financial statements and para 7 and 8 (Note 33A (i) and (ii) of consolidated financial statements refer to disclosures in the audited financial statements of the firm Dynamix Realty regarding outstanding receivables which is of good for recovery and the allegations in the 2G Spectrum case which is sub-judice. These notes are self-explanatory.

9. Para 9 (Notes. 29 to 31) of standalone financial statements and Para 6 (Note 31 & 32, 33(B)(iv) & (v)) of consolidated financial statements: These relate to (a) Acquisition of additional 1/3rd stake in a company for which an advance of Rs.40 cores has been paid, with the matter pending litigation among the prior stakeholder's family, which according to the legal opinion would result in a favourable settlement to enable your Company to exploit the development of the property in a profitable manner; (b) Investment in a wholly owned subsidiary and advances made to it both aggregating to Rs.143.69 crores in relation to the project to be undertaken by it which is pending development on account of certain litigations, in which your Company has filed SLP before the Hon. Supreme Court (c) Rs.13.29 crores for acquisition of development rights of a SRA redevelopment project with a litigation and (d) Rs. 7.66 crores expenses incurred towards a Project which was awarded to one of the subsidiary companies which was cancelled by the government subsequently and for which a petition has been filed and the matter is subjudice. Your Directors believe that these investments are of long term nature and would fetch adequate return in the long term, as The status of the pending litigations continue to be the same through the year and as on date of this report.

10. Para 10 (Note 32 (b)) of standalone financial statements and Para 14 (Note 40B) of consolidated financial statements: This relates the MAT Credit entitlement of Rs.3.76 crores which will be availed for set off in the future years.

11. Para 11 (Note 33) of standalone financial statements : This relates to investments in the shares / capital of the subsidiaries / associates / firms etc and also project advances from time to time towards their projects for various activities. These entities are having negative net worth, since they are in the early stage of real estate development. These investments are strategic in nature and long term. Your Directors are of the firm view that these projects which are of medium to long term nature would fetch results in the future to justify the initial investments and also yield reasonable and adequate return on these investments and deployment of funds,

12. Para 12 (Note 40) of the standalone financial statements and Para 9 (Note 42) of consolidated financial statements : With regard to the provisional attachment upheld by the Enforcement Directorate (ED), involving bank balance, two flats belonging to the company and loans given to a subsidiary company of D B Hospitality Private Limited, these relate to the 2G case in which the Managing Directors of the Company and two of its Key Management Personnel have been charged with commission of offences based on the investigation by CBI. The Adjudicating authority under PMLA has taken over the bank balance of Rs.68.92 Lakhs. The attachment order is contested by the company in the tribunal. The matter is sub judice. The Company is confident that the outcome of the cases will have no adverse impact on the company and its functioning. The advances to the subsidiary company of D B Hospitality Pvt Ltd have been converted into investment in Preference Capital in the said D B Hospitality Pvt Ltd (Now known as Marine Drive Hospitality & Realty Pvt Ltd).

13. Para 13 (Note 43) of the standalone financial statements: This note is self explanatory. The AOPs in which your company is a member have projects for execution on which expenses have been incurred by the said AOPs. Pending the triggering the threshold limits and recognition of income in the said projects, the expenses incurred on the projects have been carried to their balance sheets as losses and have not been apportioned to the members of the AOP. These projects would fetch adequate profits to wipe out the losses in the AOP and would be apportioned to the members of the AOP at a later date when incomes are recognized.

14. Para 12 of the Audit Report on consolidated Financial Statements (CFS) draws attention to Note 33(B)(xi) regarding the petitions filed on the claim to salt pan land owned by the Company. The Note is self explanatory. As stated therein, the Company will defend its title.

15. Para 13 (Note 33 C) of the Report on CFS is self explanatory. As stated, the Company through its joint venture shall commence the development/construction of the proposed project after the directions to the Municipal Authorities for the deletion of wrong recording as 'Forest' land.

16. Para 15 of the Report (Note 45) on CFS is on the Accounting Policy of the Company with regard to recognition of income and expenses incurred on the ongoing project, and is self explanatory.

17. Para 16 of the Report on CFS refers to project advances of Rs. 32.34 crores paid to an Associate Company which shall execute a real estate project and hence the advances are good and would result in earnings in excess of the costs which will be incurred.

18. Para 10 of the Audit Report [Note 33 A (iii) and 33 B(viii)] on CFS: The trade receivables, trade payables, contractors retention money etc., are good for realisation and/or payable, though not confirmed by the respective parties.

19. Para 11 [Note 33(A)(iv)] to the CFS draws attention to the classification of compensation paid for the occupancy rights of a jointly controlled entity has no adverse impact as the compensation and other incidental charges shall stand allocated to Project work in progress.

CARO Report

In para (ii)(c) of the CARO Report, the Auditors have referred to the requirement for strengthening the documentation with regard to the tenancy payments; and in para (iv) to strengthening of internal controls on documentation on project contracting. The Company is taking necessary steps in this regard. In para (xv) Auditors have referred to certain guarantees given by the company and in para (xvii), to term loan. These are in the normal course of business.

**Dividend**

With a view to conserve the resources and to meet the fund requirements for Company's projects and also its growth plans, your Directors have not recommended any payment of dividend for the year 2013-14.

**Subsidiaries**

Your Company had the following subsidiaries as on 31st March, 2014:

| Name of the Subsidiary of D B Realty Ltd. | Shareholding (%) |
|---|---|
| 1. Esteem Properties Private Limited | 100.00 |
| 2. Gokuldham Real Estate Development Company Private Limited | 74.99 |
| 3. Neelkamal Realtors Suburban Private Limited | 66.00 |
| 4. Neelkamal Shantinagar Properties Private Limited | 100.00 |
| 5. Real Gem Buildtech Private Limited | 100.00 |
| 6. Saifee Bucket Factory Private Limited | 100.00 |
| 7. D B Man Realty Limited | 51.00 |

| Name of the Subsidiary of D B Realty Ltd. | Shareholding (%) |
|---|---|
| 8. Priya Constructions Private Limited | 100.00 |
| 9. Royal Netra Constructions Private Limited | 50.40 |
| 10. D B View Infracon Private Limited | 100.00 |
| 11. Spacecon Realty Private Ltd (Formerly D B Spacecon Private Limited) | 74.00 |
| 12. D B MIG Realtors & Builders Private Limited | 100.00 |
| 13.Vanita Infrastructure Private Limited | 100.00 |
| 14. N A Estates Private Limited | 100.00 |
| 15.Nine Paradise Erectors Private Limited | 100.00 |
| 16. D B Contractors & Builders Private Limited | 100.00 |
| 17. Goregaon Hotel & Realty Pvt Limited | 100.00 |

Neelkamal Realtors Tower Pvt Ltd, another erstwhile subsidiary Company, executing Orchid Heights project has now ceased to be a subsidiary of your Company after conversion of the Preference shares by IL&FS into Equity shares.. This project is now being managed by IL & FS with funding and other project management assistance. Your Company's overall economic interest in the said company continues to be the same.

Particulars under Section 212 of the Companies Act, 1956, the Audited Statements of Accounts and the Auditor's Report of the Subsidiary Companies for the year ended 31st March, 2014 along with the Reports of the Board of Directors have not been annexed in terms of the exemption availed by the company as per the General Circular No.2/2011 issued by the Ministry of Corporate Affairs, Government of India's on fulfillment of the conditions stated therein. Copies of the audited accounts of the Company's subsidiaries can be sought by any member by making a written request to the Company in this regard. The Consolidated financial statements have been prepared pursuant to the applicable Accounting Standards, the Listing Agreement and include the financial information of its subsidiaries. The Annual Accounts of the subsidiary companies will also be available for inspection by any member at the registered office of the company and at the Company's website www.dbrealty.co.in.

Your Company has invested in the Cumulative Redeemable Preference Shares (CRPS) of Marine Drive Hospitality & Realty Private Limited ( Previously known as D B Hospitality Private Limited) and also in the Equity and Redeemable Optionally Convertible Preference Shares as a strategic investment. As stated elsewhere in this Report, one of the subsidiaries of this company has started the execution of Yerawada,Pune property as a residential development. Two major hotels at Mumbai and Goa are in operation under this Company's subsidiaries and contribute to the asset valuation of the Company. The development of property at Charni Road is on hold and an appropriate decision would be taken by them in due course.as a Real estate development and / or hospitality project.

**Cash Flow Statement**

In Conformity with the provisions of clause 32 of the Listing Agreement with the Stock Exchanges, the Cash Flow Statement for the year ended 31st March, 2014 is annexed hereto.

**Directors**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Shahid Balwa,and Mr.Jayvardhan Goenka retire by rotation at the forthcoming Annual General Meeting.

The Company has four Independent Non-Executive Directors, namely Mr.Mahesh Gandhi, Mr. Janak Desai, Mr. N.M.Rafique and Mr. Jagat Killawala, who are proposed to reappointed as Independent Non Executive Directors for a period of one term of five years at the forthcoming Annual General Meeting in terms of the applicable provisions of the Companies Act, 2013 and the Rules made thereunder. Your approval is sought for the appointment of the said Independent Directors in the ensuing Annual General Meeting..

**Fixed Deposits**

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956, during the year under review.

**Directors' Responsibility Statement**

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

a) In the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) they 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 loss of the Company for the year;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) They have prepared the annual accounts on a going concern basis.

**Corporate Governance and Management Discussion and Analysis Report**

The Report of Corporate Governance and Management Discussion and Analysis as stipulated under Clause 49 of the Listing Agreement are given separately and forms part of this Annual Report.

**Auditors**

M/s. Haribhakti & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office up to the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment for a balance period of two years in the first term and another term of five years thereafter, subject to ratification by the members in each Annual General Meeting. Your Company is proposing to appoint M/s. Haribhakti & Co., Chartered Accountants, as the Statutory Auditors for the balance period of two years of the first term in the ensuing Annual General Meeting.

The Company has appointed a firm of Cost Auditors and is in process of obtaining compliance report from them for maintenance of Cost records, in compliance of the Companies (Cost Accounting Records) Rules, 2011 applicable to the company.

**Investors' Relation and Grievances**

Investors' relations have been cordial during the year. There were no investors' grievances pending as on 31st March, 2014. A confirmation to this effect has been received from the Company's Registrar and Share Transfer Agent.

**Conservation of Energy, Research and Development, Technological Absorption, Foreign Exchange Earnings and Outgo**

Your Company is not covered by the schedule of industries which are required to furnish the information required in Form A pursuant to Section 217(1) (e) read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, The Company has not imported any technology or carried out any business of export or import and therefore the disclosure requirement against technology absorption are not applicable. The details of Foreign Exchange outgo are as under:

Expenditure in Foreign Currency:

Stand alone Amounts.

| PARTICULARS | Fiscal 2014 (Rs) | Fiscal 2013 ( Rs) |
|---|---|---|
| Professional Fees | 597,808 | 11,87,542 |

**Information regarding Employees Relations/Particulars of Employees**

The statement of particulars required pursuant to Section 217(2A) of the Companies Act, 1956, (the Act) read with the Companies (Particulars of Employees) Amendment Rules, 2011, forms part of this report. However as permitted under the Companies Act, 1956 this Report and Accounts are being sent to all members and others entitled excluding the above statement. Those interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office. The statement is also available for inspection at the registered office during working hours up to the date of the forthcoming Annual General Meeting (AGM)

Relations between employees and the management continued to be cordial during the year. The Company is proposing to implement ESOP Scheme for its employees and your approval for the resolutions for the same is sought in the ensuing Annual General Meeting.

**Acknowledgement**

Your Directors wish to place on record their appreciation to the Banks, Financial Institutions, Government Authorities, customers and other business associates for their support and co-operation and wish to place on record their gratitude to the shareholders and the investors for their trust, support and confidence in the Company. The Board also places on record its appreciation for the dedication displayed by employees at all levels.

On behalf of the Board of Directors

Mumbai
Date: 24th May, 2014

**Vinod K. Goenka**
Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC REVIEW

### Global Economy

Global economic growth remained low during financial year 2013-14, with growth rate of 2.9%. IMF has raised the global economic outlook for 2014-15 at 3.6% and for 2015-16 at 3.9%. The number of factors in International Political & Economic matters affected the global trade & economy during the year 2013-14.

The postponing Quantitative Easing by United States Federal Bank in first half of FY 2014 resulted in International fund flow from developing nations to United States. It resulted in rapid depreciation of Asian developing economies currency due to Spill Over Effect including Indian Currency where INR depreciated from Rs 53/USD in May 2013 to Rs 69/USD in August 2013. The depreciation of INR made the Indian Imports expensive and India being net importer where mojor energy demands are met by oil import suffered huge haircut in Foreign Reserves.

The Euro Zone is facing deflation with slow growth where the hopes lie on European Central Bank to manage the risk in deflation, growth and banking system.

The outlook for the global economy is “cautiously optimistic”, the recovery is in consolidation process. G4 central banks are working to help improve economic performance. There are significant opportunities for structural changes that can boost an economy’s potential.

The World trade has increased as compared to previous year at a marginal difference. The Economist hopes for the better recovery in coming year.

### Indian Economy

In FY 2014, the overall economy has been weakened in the recent years with GDP growth, fiscal deficit, current account deficit and inflation being at unfavorable levels. The Indian Economy faced much higher trade deficit due to accelerated depreciation of INR due in first quarter. The Import bills were higher due to the country’s energy dependency on imported oil.

Growth rate of Indian GDP in 2013 witnessed 4.7% due to the reason that number of sectors in Indian Economy faced slow down. The slowdown was due to the lack of economic policy reforms in the parliament. Inflation coupled with high interest rate regime hampered investor’s sentiments resulting in low foreign investment.

After the successful majority winning of BJP at Centre Government 2014 election, the Indian Economy shall see the turning point for an new industrial era in India where the new government shall fastrack the economic and industrial reforms to boost the double digit economic growth.

### Real Estate Industry Review

Real estate contributes approx. 5% of the India’s GDP which signifies its importance. The year 2013-14 was a challenging year for the industry due to number of factors mainly macro economic factors, slow income growth, high labor and material cost, high cost of capital and inflation.

A policy reform in real estate sector is needed to revive the long term growth. In 2013, real estate regulation and development bill was passed by the parliament which shall bring in high level of transparency in real estate transaction in India and implementation of project.

FDI in real estate sector is 100% through automatic route. The construction sector in India attracted FDI worth Rs 6400 crs in FY 2014.

SEBI released draft guideline on REIT in 2013. This move shall attract foreign fund management companies to enter Indian investment industry which increase the fund flow, transparency in the sector. Globally REITs have proven to be an attractive investment option ensuring participation from retail investors, pension funds and insurance companies. This shall help developers to exit the project smoothly and also beneficial retail investors.

Borrowing cost in real estate sector was high in 2013 where the sector benefited from private equity players which have delivered the transparency and timely execution. Private equity investment in real estate sector grew at more than 40% in FY 2014.

## COMPANY STRENGTHS

The Company’s socio-economic objectives are echoed in its credo that includes commitment to uphold highest ethical standards in conduct of business and valuing the opportunity and responsibility to make a meaningful difference in people’s lives as well as it is reflected in one of its core values, concern for people. The Company’s efforts as a responsible corporate citizen in nation building have been recognized by various organizations.

The Company's internal Audit is a multi-disciplinary function which reviews, evaluates and appraises the various systems, procedures/policies of the Company and suggests meaningful and useful improvements. It helps management to accomplish its objectives by bringing a systematic and disciplined approach to improve the effectiveness of risk management towards good corporate governance.

The Company has always maintained the International level standard in quality and safety. The Company has been awarded ISO 9001:2008, ISO 14001:2004 and OHSAS 18001 certification.

The Company has maintained the International safety standard for all the laborers at project sites.

D B Realty's green building initiative, strives to balance environmental responsibility and resource efficiency, with the occupants' health and well-being and community sensitivity. Systems are integrated with the design and are constructed, monitored and controlled to operate at maximum efficiency throughout the building's lifetime.

Promoters and senior management focus is on project planning and execution. Activities such as architectural design and construction are outsourced to the best-in-class practices in the industry for present-day design and quality construction.

The Project management team comprises of experienced, highly qualified experts who had a proven experience in their functional areas. The team drives the organization through their contribution. The organizational framework has been designed to manage the design, engineering, procurement and execution of concurrent, multi site projects keeping a focus on delivery of developments of International standards.

**BUSINESS OVERVIEW**

The Company remains committed to timely completion and delivery of projects with quality state-of-art construction. The progress on our key business parameters continues at a reasonable pace. The Company continues to consolidate its steps in the right direction for growth while it will take couple of quarters to gain momentum considering the current market situation.

The project wise development status is as below:

**DB Woods**

DB Woods is a lush property located away from the urban chaos of the city next to the only green belt of Mumbai. spread over an area of 2.38 acres in the suburb of Goregaon. This property offers panoramic views of the scenic hills that surround the area. DB Woods connects its residents to the heart of Mumbai through the expressway and is an address that redefines the concept of suburban luxury living. The project is nearing completion and is expected to be delivered in 2014-15.

Total units in project: 630

Cumulative units sold: 621

Total Sales Value: Rs 10,949.59 mn, of which Rs 9,746.23 mn has been recognized as revenue.

**DB Ozone**

DB Ozone sprawling over 17 acres is located in Dahisar adjoining the Western Express Highway, amidst the scenic and tranquil hills of the National Park.

Total units in project: 3,661

Cumulative units sold: 3,333

Total Sales Value: Rs 9,464.57 mn, of which Rs 6,433.73 mn has been realized.

**DB Crown**

DB Crown is located in the upscale neighborhood of Prabhadevi, South Mumbai. It has luxury of ampleness of space and an endless view of the sea. It offers to its residents state of the art amenities and the added luxury of access to a multitude of prominent shopping areas in the vicinity.

Total units in project: 613

Cumulative units sold: 270

Total Sales Value: Rs 10,634.24 mn. There is no revenue recognition from this project as the project is yet to reach the requisite threshold limit.

**Orchid Heights**

Orchid Heights is a spectacular residential tower located at Mahalaxmi in Mumbai offering its elite residents the luxury of size and

space along with a unmatched view of the Arabian Sea as well as the Golf Course. Spread over 4 acres of prime real estate, the Orchid Heights offers quick access to any part of the city. The Worli sea-link, financial districts of Nariman Point and the Mumbai Airport are all a few minutes drive away from it.

Total units in project: 348

Cumulative units sold: 163

Total Sales Value: Rs 11,301.34 mn. There is no revenue recognition from this project as the project is yet to reach the requisite threshold limit.

**DB Skypark**

DB Skypark is luxury residential project located at Sahar, Andheri opposite to Mumbai International Airport. The project is being developed on ~1.5 acres of land with 6 wings. The project site is at very strategic location near by Andheri MIDC, ITC Grand Maratha and Hilton International and is well connected by way of Metro, road network and railways.

Total units in project: 284

Cumulative units sold: 22

Total Sales Value: Rs 445.96 mn. There is no revenue recognition from this project as the project is yet to reach the requisite threshold limit.

**FINANCIAL PERFORMANCE OVERVIEW**

1. **Balance sheet analysis:**

A comparative table showing synopsis of FY 2014 vs. FY 2013 Consolidated Balance Sheet is provided below:

Rs Mn

| | **2014** | **2013** | Increase / (Decrease) | % Increase / (Decrease) |
|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | |
| **Shareholders Fund** | | | | |
| Share capital | 2,433 | 2,433 | - | 0% |
| Reserves and surplus | 31,677 | 31,562 | 115 | 0% |
| **Net worth** | **34,110** | **33,995** | **115** | **0%** |
| Minority interest | 382 | 466 | (84) | (22%) |
| Non- current liabilities | 3,626 | 3,662 | (36) | (1%) |
| Current liabilities | 16,981 | 14,566 | 2,415 | 14% |
| **Total** | **55,099** | **52,688** | **2,411** | **4%** |
| **ASSETS** | | | | |
| Non-current assets | 32,554 | 29,795 | 2,759 | 9% |
| Current assets | 22,544 | 22,893 | (349) | (2%) |
| **Total** | **55,098** | **52,688** | **2,410** | **5%** |
| **A. Non-Current Liabilities:** | | | | |
| Long-term Borrowings | 3,009 | 3,312 | (303) | (9%) |
| Other Long Term Liabilities | 581 | 285 | 296 | 104% |
| Long-term Provisions | 36 | 65 | (29) | (44%) |
| **Total** | **3,626** | **3,662** | **(36)** | (1%) |
| **B. Current Liabilities:** | | | | |
| Short-term Borrowings | 1,475 | 1,313 | 162 | 12% |
| Trade Payables | 1,305 | 1,148 | 157 | 14% |
| Other Current Liabilities | 13,422 | 11,328 | 2,094 | 18% |
| Short-term Provisions | 780 | 777 | 3 | 0% |
| **Total** | **16,981** | **14,566** | **2,415** | 17% |

| | 2014 | 2013 | Increase / (Decrease) | % Increase / (Decrease) |
|---|---|---|---|---|
| **C. Non-Current Assets:** | | | | |
| Fixed Assets including CWIP | 2,181 | 2,142 | 39 | 2% |
| Goodwill on Consolidation | 2,657 | 2,657 | 0 | 0% |
| Non-current Investments | 16,984 | 11,563 | 5,421 | 47% |
| Deferred Tax Assets (net) | 260 | 145 | 115 | 79% |
| Long-term Loans and Advances | 9,779 | 12,674 | (2,895) | (23%) |
| Other Non-current Assets | 693 | 614 | 79 | 13% |
| **Total** | **32,554** | **29,795** | **2,759** | 9% |
| **D. Current Assets:** | | | | |
| Current Investments | 10 | 10 | 0 | 0% |
| Inventories | 16,213 | 15,038 | 1,175 | 8% |
| Trade Receivables | 1,576 | 1,948 | (372) | (19%) |
| Cash and Bank Balances | 389 | 277 | 112 | 41% |
| Short-term Loans and Advances | 3,352 | 3,713 | (361) | (10%) |
| Other Current Assets | 1,004 | 1,906 | (902) | (47%) |
| **Total** | **22,544** | **22,892** | **(348)** | (2%) |

**2. Profit and Loss analysis:**

A comparative table showing synopsis of FY 2014 vs. FY 2013 statement of Profit and Loss is provided below:

Rs Mn

| | 2014 | 2013 | Increase / (Decrease) | % Increase / (Decrease) |
|---|---|---|---|---|
| Revenue from Operations | 3,141 | 3,408 | (267) | (8%) |
| Other Income | 328 | 266 | 62 | 23% |
| Total Revenue | 3,469 | 3,674 | (205) | (6%) |
| Total Expenses | 3,231 | 3,688 | (457) | (12%) |
| Profit before tax | 221 | -69 | - | - |
| Profit after tax and before Minority Interest and Share of Profit/(Loss) in Associates | 162 | -8 | - | - |
| Minority Interest | -12 | 56 | - | - |
| Share of Profit / (Loss) in Associates | -34 | -15 | (19) | (127%) |
| Profit after tax | 115 | 33 | 82 | 250% |
| Basic and diluted EPS (Rs) | 0.47 | 0.14 | 0 | 239% |
| **A. Revenue from operations:** | | | | |
| Revenue from Projects | 2,698 | 3,198 | (500) | (16%) |
| Sale of Transferable Development Rights (TDRs) | 443 | 210 | 233 | 111% |
| Trading Sales - Transferable Development Rights (TDRs) | | - | - | |
| **Total** | **3,141** | **3,408** | **(267)** | (8%) |
| **B. Expenses:** | | | | |
| Operating Costs | 2,355 | 2,791 | (436) | (16%) |
| Employee Benefits Expenses | 121 | 169 | (48) | (29%) |
| Finance Costs | 378 | 181 | 197 | 109% |
| Depreciation and Amortization Expenses | 83 | 140 | (57) | (41%) |
| Exceptional items | - | 0 | 0 | (100%) |
| Prior period items | 17 | 55 | (38) | (69%) |
| Other Expenses | 295 | 406 | (111) | (27%) |
| **Total** | **3,249** | **3,742** | **(494)** | (13%) |

**3. Cash Flow analysis:**

A comparative table of FY 2014 vs. FY 2013 Cash Flows is provided below:

| | 2014 | 2013 |
|---|---|---|
| Opening Cash and Cash Equivalents | 201 | 230 |
| Net Cash Inflow from Operating activities | 2,361 | 1,848 |
| Net Cash Outflow from Investing activities | (2,256) | (4,925) |
| Net Cash Outflow from Financing activities | 7 | 3,048 |
| Closing Cash and Cash Equivalents | 313 | 201 |

**INTERNAL CONTROL SYSTEMS**

D B Realty has a team of professionals including Chartered Accountants, Company Secretaries, Lawyers and MBAs, to ensure systems in place as per applicable laws and regulations. The internal audit of the company is conducted by Deloitte Haskins & Sells. The Audit Committee and the Board of Directors review the internal audit reports. The statutory audit of the company is conducted by BDO Haribhakti. A dedicated team of professionals ensure ISO compliances are adhered to by employees, contractors, suppliers, vendors, and any other person connected to the project operations.

DB Realty Ltd implements a culture of continuous improvement, sponsored by top management and supported by technology excellence and innovation. The company has also focussed on upgrading the IT infrastructure both in terms of hardware and software.

The Company has an efficient system of internal controls for achieving the following business objectives of the Company:

- Efficiency of operations by implementation of SAP application in business processes
- Protection of resources
- Accuracy and promptness of financial reporting
- Compliance with the laid down policies and procedures
- Compliance with various laws and regulations

**OUTLOOK GOING FORWARD**

The year 2015 would be challenging considering the economic environment in domestic and international front. Economists expect India's GDP growth in the range of 5.0-6.0% for FY2015. The inflation, current account & fiscal deficit and balancing inflation risk would be the key area to focus on along with balanced growth. The economic policies around the global economy may bring further complexity to the economic environment in the midst of uncertainty of the directions on the policy front.

**Cautionary Statement:**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India. Readers are advised that this discussion may contain "Forward-Looking Statements" by D B Realty Ltd (DBR) that are not historical in nature. These forward-looking statements, which may include statements relating to future results of operations, financial conditions, business prospects and projects etc, are based on the current assumptions, estimates, expectations about the business, industry and markets in which your Company operates. These statements do not guarantee any future performance and are subject to known and unknown risks, uncertainties and other factors, many of which are beyond DBR's control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements. Such statements are not and should not be construed as a representation of future performance or achievements of DBR nor be regarded as a projection of future performance of DBR. It should be noted that the actual performance or achievements of DBR may vary significantly from such statements and the Company takes no responsibility for any consequences of decisions made which are based on such statements and also holds no obligation to update these in the future. This report should be read in conjunction with the financial statements included herein and the notes thereto.

# CORPORATE GOVERNANCE REPORT 2013-2014 OF D B REALTY LIMITED

Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges, we provide the information of the governance systems and processes of the Company followed for the year ended 31st March, 2014:

## I. The Company's Philosophy on code of Corporate Governance

Following the traditions of good Corporate Governance as a responsible corporate citizen, and with a view to serve the best interests of all the stakeholders, viz., the employees, shareholders, customers, vendors and society, your Company constantly endeavors and is committed to achieving the highest level of standards of Corporate Governance. The Company seeks to achieve this goal by being:

- Transparent in its business dealings by disclosure of all relevant information and by being fair to all stakeholders;
- By ensuring that the Company's activities are managed by an appropriate composition of Board of Directors comprising of promoter Directors and Independent Directors;
- Comply with all the applicable laws, rules and regulations of the land in which the Company operates; and
- Ensuring the timely and accurate flow of information at various levels within the organization to enable the concerned personnel to discharge their functions effectively.

Good Corporate Governance being a continuing exercise, your Company stands by its commitment to maintain highest standards of Corporate Governance in the overall interest of all the stakeholders.

## II. Board of Directors

### A] Composition and Category of Board

The Company's policy is to maintain optimum combination of executive and non-executive directors in compliance of the requirements of Clause 49 (I) (A) of the Listing Agreement. The present strength of the Board of Directors is 8 out of which 4 (four) are Independent Directors. The Chairman is an Executive Director and belongs to the Promoter group. The present Composition of the Board and category of Directors is as follows:

| No. | Name of the Director | Category |
|---|---|---|
| 1 | Mr. Vinod K. Goenka, Chairman & Managing Director^ | Executive Director (Promoter) |
| 2 | Mr. Shahid U. Balwa, Vice Chairman & Managing Director ^^ | Executive Director w.e.f. 10.12.2011 (Promoter) |
| 3 | Mr. Mahesh M. Gandhi | Non-Executive, Independent Director w.e.f.1.11 2010 |
| 4 | Mr. Jagat A. Killawala | Non Executive Independent Director w.e.f.17.5.2011 |
| 5. | Mr. Janak I. Desai | Non Executive Independent Director w.e.f.17.5.2011 |
| 6. | Mr. Nasir M. Rafique | Non Executive Independent Director w.e.f.17.5.2011 |
| 7. | Mr. Salim U. Balwa | Non Executive Non Independent Director (Promoter Group) w.e.f.10.12.2011 |
| 8 | Mr. Jayvardhan V. Goenka | Non Executive Non Independent Director (Promoter Group) w.e.f.10.12.2011 |

^ appointed as Executive Chairman w.e.f. 10.12.2011

^^ Appointed as a Managing Director, designated as Vice-Chairman w.e.f. 10.12.2011

The Board of Directors of the Company met 4 times during the Financial Year 2013–2014, and the dates of the said meetings were viz. 18.05.2013, 10.08.2013, 14.11.2013, and 11.02.2014. The interval between any two meetings was not more than four calendar months. The Board of Directors also passed 3 circular resolution on 15.04.2013, 21.06.2013 and 14.10.2013.

**The Composition, category of Directors, Attendance at Board / Annual General Meeting(s), Directorships and Committee Memberships in other Companies as on 31st March, 2014 is as under:**

| Name | Category | Attendance Particulars | | | No. of other Directorships and Committee Memberships / Chairmanships including DBRL | | |
|---|---|---|---|---|---|---|---|
| | | Number of Board Meetings | | Last AGM | | | |
| | | Held | Attended | | ^^ Other Directorship | ^^ Committee Chairmanship | ^^ Committee Membership |
| Mr. Vinod K. Goenka | ED** Chairman &Managing Director | 4 | 4 | No | 4 | Nil | 2 |
| Mr. Shahid U. Balwa | ED** Vice Chairman & Managing Director | 4 | 4 | Yes | Nil | Nil | Nil |
| Mr. Mahesh M. Gandhi | NE& ID* | 4 | 4 | Yes | 1 | Nil | Nil |
| Mr. Jagat Killawala | NE & ID* | 4 | 3 | Yes | 1 | Nil | 2 |
| Mr. Janak Desai | NE & ID* | 4 | 4 | Yes | 1 | 1 | 1 |
| Mr. Nasir M Rafique | NE & ID* | 4 | 4 | Yes | Nil | Nil | Nil |
| Mr. Salim U. Balwa | NE & NID” | 4 | 2 | No | 6 | Nil | Nil |
| Mr. Jayvardhan V. Goenka | NE & NID” | 4 | 3 | No | 3 | Nil | Nil |

1) * Non-Executive & Independent Director

2) ** Executive Director

3) “Non Executive and Non Independent Director.

**Notes:**

The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

In accordance with Clause 49, Memberships/Chairmanships of only Audit Committee and Shareholders/Investors Grievance Committees of all public limited companies have been considered.

As detailed in table above, none of the Directors of the Board is a member in more than 10 Board level Committees of public Companies in which they are Directors and the Chairman of more than five such committees.

B] **Non-Executive Directors’ Compensation Disclosures**

All fees/compensation, if any paid to non-executive directors, including independent directors are fixed by the Board of Directors or its committee thereof and previously approved by the shareholders in their general meeting in any financial year and in aggregate.

The element of the remuneration package of the Non-Executive Directors consists of sitting fees. The Non-Executive Directors are paid sitting fees of Rs. 20,000/- each, reimbursement of travelling expenses and out of pocket expenses on actual basis for attending Board Meetings and Committee Meetings thereof.

The Company is availing the professional expertise of the Non-Executive Directors through their participation in the Board Meetings. None of the Independent Directors is holding any share in the Company.

C] **Code of Conduct**

The Company has laid down a Code of Conduct for all its board members and senior management personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Company’s Code of Conduct is in consonance with the requirements of Clause 49 of the Listing Agreement. The Code of Conduct is posted on the Company’s website www.dbrealty.co.in. The Code has been circulated to all the members of the board and senior management and the compliance of the same have been affirmed by all the available personnel. There are no commercial or material financial transactions, with the senior management personnel, where there is a personal interest that may have in a potential conflict with the interest of the Company at large. A declaration signed by the Chairman on behalf of the Board of Directors is given below:

**"We hereby confirm that:**

**As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel available have affirmed compliance with the code of conduct of DBRL for the year ended 31st March, 2014 and the copy of the code of conduct is put on the website of the Company viz. www.dbrealty.co.in.**

**On behalf of the Board of Directors**

**Vinod Goenka**

**Chairman**

III. **Audit Committee**

**Constitution of Audit Committee (During the Year 2013-14):**

The composition, role and power of the Audit Committee meet the requirements of Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956. The Audit Committee comprised of Mr. Mahesh Gandhi (Chairman), Mr. Janak Desai and Mr. Shahid Balwa as the members of the Committee. All except Mr. Shahid Balwa are Non-Executive Independent Directors of the Company. Mr. S.A.K. Narayanan, Company Secretary acts as the Secretary to the Committee. All the members of the Audit Committee are financially literate.

Mr. Mahesh Gandhi, Chairman of the Audit Committee has more than 33 years of experience in investments, originating, structuring and advising, management of public and private Equity investments across all leading business segments & for the last few years focused around real estate, infrastructure transactions, hotels and hospitality. He served as CEO of Jardine Fleming India Asset Management, India's first foreign institutional asset investor and held the offices of Deputy General Manager UTI and Chief Investment Officer of the Unit Trust of India ("UTI") Investment Advisory Services. He today owns Prama Hospitality Ventures which has promoted Apodis Hotels & Resorts Ltd a brand agnostic, pan-India, hospitality Development Company. Mr. Mahesh Gandhi has a Masters Degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, Mumbai, a Masters Degree in International Law and Tax Practice from University of Gujarat and a Diploma in Journalism.

Mr. Shahid Balwa (M D and Member of the Audit Committee w.e.f. 10.12.2011 till date) has more than a decade of experience in hospitality and construction industry. He led the family's business foray into hospitality by taking charge of construction, implementation and operation of the five star deluxe hotel, Le Royal Meridian/Hilton, Mumbai. The hotel won several international awards including the Five Star Diamond Award from American Academy Hospitality Sciences in the year 2006 and 2007 and the Best Luxury Hotel of the year 2006 from Hospitality India. He has contributed to the group's expansion and growth in construction of several buildings and acquisition of properties. He contributed to the group's foray into the conceptualization of five star deluxe at Marine Lines, Mumbai.

Mr. Janak Desai has over eight years of experience in financial management, business administration and capital market. He has graduated with Honors in MBA with Capital Market as Major from University of Houston, Texas, USA.

**Meetings of Audit Committee during 2013-2014**

The Audit Committee met Four times during the Financial Year 2013-2014, i.e. on 18.05.2013, 10.08.2013, 14.11.2013 and 11.02.2014.The Statutory Auditors are also invited to the Committee. The Attendance of each Audit Committee member in the above meeting is given hereunder:-

| Name of Member | Audit Committee Meetings | |
|---|---|---|
| | Held | Attended |
| Mr. Mahesh Gandhi | 4 | 4 |
| Mr. Janak Desai | 4 | 4 |
| Mr. Shahid Balwa | 4 | 4 |

**Powers of Audit Committee:**

The Board has delegated the following powers to the Audit Committee:-

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Terms of Reference:**

The terms of reference to this committee, inter alia covers all the matters specified under Section 292A of the Companies Act, 1956 and also all the matters under Clause 49 of the Listing Agreement with the Stock Exchanges such as oversight of the Company's financial reporting process, recommending the appointment / re-appointment of statutory auditors, reviewing with management annual financial statements, quarterly financial statements and other matters.

**Review of Information by Audit Committee:**

The Audit Committee reviews all the information that is required to be mandatorily reviewed.

IV. **Remuneration Committee**

The remuneration Committee has been constituted to recommend/review the remuneration and increments of Executive Directors of the Company based on their performance and defined assessment criteria. The present members of the Remuneration Committee are Mr. Mahesh Gandhi (Chairman), Mr. Janak Desai and Mr. Jagat Killawala.

There was no meeting during the financial year 2013-2014

**Remuneration policy**

The Remuneration Committee shall have the power to determine the Company's policy on specific remuneration packages including pension rights and other compensation for Executive Directors and other Senior Employees of the Company equivalent to or higher than the rank of General Manager and the Committee shall have the jurisdiction over the matters listed below and for this purpose the Remuneration Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

a. To fix and finalise remuneration including salary, perquisites, benefits, bonuses, allowances, etc.;

b. Fixed and performance linked incentives along with the performance criteria;

c. Increments and Promotions;

d. Service Contracts, notice period, severance fees; and

e. Ex-gratia payments.

**V. Share Transfer Committee and Shareholders/Investors Grievances Committee as on the date of the Report:**

The Committee is mainly authorised to approve the transfer / transmission of shares, dematerialization and rematerialization of shares, split, consolidation and issuance of duplicate shares and review from time to time overall working of secretarial department relating to shares of the Company. The Committee oversees the performance of the Registrars and Share Transfer Agents i.e. Link Intime India Private Limited. The Investor Grievance Committee is mainly responsible to look into the redressal of all shareholders and investors complaints. The Committee reviews the details of complaints in the nature of Non-receipt of Refund/shares etc received from the Registrar to the issue and Share Transfer Agents, which were replied by them.

The functions of the Share Transfer Committee and Shareholders/Investors Grievance Committee were combined together after the I P O with the constitution of the committees remaining the same and the matters were taken together and were noted as reported by the Registrar.

The Committee so reconstituted comprises of Mr. Janak Desai (Chairman), Mr. Jagat Killawala & Mr. Shahid Balwa as on the date of this Report.

Mr. S A K Narayanan, Company Secretary, has been nominated as the Compliance Officer of the Company.

The Committee met once during the financial Year 2013 – 2014 on 11.02.2014 and the details are as under:

| Name of Member | Share Transfer Committee and Shareholders / Investors Grievances Committee meetings | |
|---|---|---|
| | Held | Attended |
| Mr Janak Desai | 1 | 1 |
| Mr. Jagat Killawala | 1 | 1 |
| Mr. Shahid Balwa | 1 | 1 |

The total number of the complaints and /or requests received and transfer considered/resolved to the satisfaction of the investors during the year under review is as under:

No. of requests/complaints pending at the beginning of the year: Nil

No. of requests/complaints received during the year: 2

No. of requests/complaints resolved: 2

No. of requests/complaints pending: Nil

**VI. Constitution of Finance & Investment Committee as on date of this Report:**

The present Finance & Investment Committee comprises of Mr. Vinod Goenka (Chairman), Mr. Mahesh Gandhi and Mr. Jagat Killawala. The committee, during the year held meetings on 29.06.2013, 26.07.2013, 13.09.2013, 27.09.2013, 03.02.2014 and 26.03.2014. The details of the committee meetings are as under:

| Name of the Member | Finance/Investment Committee meetings | |
|---|---|---|
| | Held | Attended |
| Mr. Vinod Goenka | 6 | 6 |
| Mr Mahesh Gandhi | 6 | 6 |
| Mr. Jagat Killawala | 6 | 4 |

**The details of remuneration paid / payable to the Directors are as follows:**

| Name of Director | Category | Sitting Fees (Rs.) | Remuneration paid during 2013-2014 | |
|---|---|---|---|---|
| | | | Salary & perquisites (Rs.) | Total (Rs.) |
| Mr. Vinod K. Goenka @ | ED** Managing Director, Chairman w.e.f.10.12.2011 | Nil | @ 1,20,00,000 | @ 1,20,00,000 |
| Mr. Shahid U. Balwa | ED** Vice Chairman & Managing Director (w.e.f. 10.12.2011) | Nil | @@ 1,20,00,000/- | @@ 1,20,00,000/- |
| Mr. Mahesh M. Gandhi | NE& ID* | 2,80,000 | Nil | 2,80,000 |
| Mr. Jagat Killawala | NE & ID* | 1,60,000 | Nil | 1,60,000 |
| Mr. Janak Desai | NE & ID* | 1,80,000 | Nil | 1,80,000 |
| Mr. Nasir M. Rafique | NE & ID* | 80,000 | Nil | 80,000 |
| Mr. Salim Balwa | NE & NID*** | 40,000 | Nil | 40,000 |
| Mr. Jayvardhan Goenka | NE & NID*** | 60,000 | Nil | 60,000 |

* Non-Executive & Independent Director

** Executive Director

*** Non-Executive & Non-Independent Director

@ includes Rs.1,20,00,000/- paid by an Associate

@@ includes Rs.16,42,857/- paid by a firm and Rs.1,03,57,143/- paid by an Associate

**Subsidiary Monitoring framework**

The Company has two material non-listed subsidiaries within the meaning Clause 49 definition, in which one of the independent Directors of the Company was nominated as Independent Director.

The performance and management of the subsidiary companies is monitored inter alia by the following means:

a) Financial Statements in particular the investments made by the unlisted subsidiary company are reviewed on a quarterly basis by the Audit Committee of the Company.

b) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary company is placed before the board for its review.

VII. **General Body Meetings:**

The location, time and date where the last three Annual General Meetings of the Company were held are given hereunder:

| Year | Location | Date of Meeting | Time |
|---|---|---|---|
| 2012-2013 | Lakshdham High School Auditorium, Lakshdham High School, Gokuldham, Goregaon (East), Mumbai 400063 | 28.09.2013 | 03.00 P.M. |
| 2011-2012 | Lakshdham High School Auditorium, Lakshdham High School, Gokuldham, Goregaon (East), Mumbai 400063 | 22.09.2012 | 03.00 P.M. |
| 2010-2011 | Exchange Plaza, National Stock Exchange Auditorium, NSE Building, Ground Floor, Bandra Kurla Complex, Bandra East, Mumbai 400051 | 21.09.2011 | 03.00 P.M. |

**The details of Special Resolutions passed in the last three Annual General meetings:**

**(A) Annual General Meeting:**

| Year & Date | Type of Meeting | Brief particulars of the Special Resolutions passed |
|---|---|---|
| 2012-2013<br>28-09-2013 | 7th Annual General Meeting | 1. Reappointment of and Remuneration payable to Mr. Vinod Goenka as Chairman and Managing Director for a period of 5 years w.e.f. 01/09/2012 |
| 2011-2012<br>22-09-2012 | 6th Annual General Meeting | 1. Appointment of and Remuneration payable to Mr. Shahid Balwa as Vice Chairman and Managing Director for a period of 5 years w.e.f. 10/12/2011 |
| 2010-2011<br>21-09-2011 | 5th Annual General Meeting | None |

**(B) Extra Ordinary General Meeting:**

| Year & Date | Type of Meeting | Brief particulars of the Special Resolutions passed |
|---|---|---|
| 2012-2013<br>03-11-2012 | Extra Ordinary General Meeting | 1. Preferential issue of Convertible Warrants to the Promoters/ Promoters Group for cash in accordance with SEBI (ICDR)Regulations, 2009<br>2. Issue of Stock Options to the employees under ESOS Guidelines<br>3. Issue of Stock Options to the employees of the Company's subsidiaries under ESOS Guidelines |

**Resolution passed through Postal Ballot:**

During the year under review, the Company has not passed any resolutions through Postal Ballot.

VIII. **Disclosures**

Materially significant related party transactions:

The details of transactions with the related parties are tabled before the audit committee on a quarterly basis. The register of contracts containing the transactions in which the Directors are interested was placed regularly before the board. There were no pecuniary transactions directly with the Independent/Non-Executive Directors, other than the payment of remuneration.

**Status of Regulatory Compliances**

The Company has complied with all the material requirements of the Listing Agreement as well as the regulations and guidelines of SEBI and other statutory authorities. There were no strictures or penalties imposed on any matter relating to capital markets during the last three years.

**Management Discussion and Analysis Report**

A Management Discussion and Analysis Report forms part of the annual report and includes discussion on various matters specified under Clause 49[IV] [F] of the Listing Agreement. The said Report is appearing elsewhere in this Report.

IX. **Means of Communication:**

The Audited/unaudited Financial Results of the Company [quarterly as well as yearly] during the year were published in the English Newspaper and in a vernacular newspaper, and would continue to be published in the same manner.

X. **General Shareholders Information:**

Details of Directors retiring by rotation

1. Mr. Shahid Balwa
2. Mr. Jayvardhan Goenka

1. **Mr. Shahid Balwa:**

Mr. Shahid Balwa, aged 40 years, is the Vice-Chairman & Managing Director and a Promoter of our Company. He has been on the Board of our Company from inception till February 8, 2011 and since December 10, 2011. Mr. Shahid Balwa has more than a decade of experience in hospitality and real estate /construction industry. He led the family's business foray into hospitality by taking charge of construction, implementation and operation of the five star deluxe hotel, Le Royal Meridian, at present functioning as Hotel Hilton Mumbai. The hotel won several international awards including the Five Star Diamond Award from American Academy Hospitality Sciences in the year 2006 and 2007 and the Best Luxury Hotel of the year 2006 from Hospitality India. He has contributed to the group's expansion and growth in construction of several buildings and acquisition of properties. He contributed to the group's foray into the conceptualization of five star deluxe Hotel at Marine Lines, Mumbai. Mr. Shahid Balwa is the brother of Mr. Salim Balwa, another Director of the Company. The details of directorship, chairmanship and membership of Mr. Shahid Balwa are appearing elsewhere in this Report. Mr. Shahid Balwa does not hold any share in D B Realty Limited as on 31st March, 2014.

2. **Mr. Jayvardhan Goenka:**

Mr. Jayvardhan Goenka, aged 23 years, is a Non Executive & Non-Independent Director of our Company. He has been on our Board (Non-Independent and Non-executive Director) w.e.f.10th December, 2011.He hails from promoter family and is the son of Mr. Vinod Goenka, promoter and also Executive Chairman of the Company. He has been inducted into the business and has been rendering assistance to the Executive Chairman from time to time in the management of the Company. Mr. Jayvardhan Goenka is a graduate from London School of Economics with Economics and Philosophy as his major. The details of Directorship, Chairmanship and Membership of Mr. Jayvardhan Goenka are appearing elsewhere in this Report. Mr. Jayvardhan Goenka does not hold any share in D B Realty Limited as on 31st March, 2014.

| **Mr. Shahid Balwa** | **Mr. Jayvardhan Goenka** |
|---|---|
| The details of directorship (other than in DBRL) of Mr. Shahid Balwa are as follows:<br>**1.** Majestic Infracon Pvt. Ltd.<br>**2.** Perfect Spacecon Pvt. Ltd.<br>Mr. Shahid Balwa is a Member of Audit Committee and Shareholders / Investors Grievances Committee of the Company. Other than the above he does not hold position of chairmanship and membership of committees of any other Company. | The details of directorship (other than in DBRL) of Mr. Jayvardhan Goenka are as follows:<br>1. DB Man Realty Limited<br>2. Pushpa Properties Pvt. Ltd.<br>3. Schon Farms Pvt. Ltd.<br>4. Sigatu Chemicals Pvt. Ltd.<br>5. Trident Estates Pvt. Ltd.<br>6. Siddhivinayak Realties Pvt. Ltd.<br>7. Earthen Agro & Infrastructure Pvt. Ltd.<br>8. Conwood Construction & Developers Pvt. Ltd.<br>9. Goan Real Estate and Construction Pvt. Ltd.<br>10. Akshay Sthapatya Pvt. Ltd.<br>11. Heaven Star Hotels (Delhi) Pvt. Ltd.<br>12. Milan Theatres Pvt. Ltd.<br>13. Sangam City Township Pvt. Ltd.<br>14. Real Gem Buildtech Pvt. Ltd.<br>15. Pune Buildtech Pvt. Ltd.<br>16. Goan Hotels And Clubs Pvt. Ltd.<br>17. Modern Hi-tech Developers Pvt. Ltd.<br>18. Maldunge Retreat And Farming Pvt. Ltd.<br>19. Maldunge Farming And Agro Produce Pvt. Ltd.<br>20. Hiracon Properties Pvt. Ltd.<br>21. Hillside Constructions Company Pvt. Ltd.<br>22. Excon Developers Pvt. Ltd.<br>23. Astalakshmi Financial And Investment Services Pvt. Ltd.<br>24. Conwood Agencies Pvt. Ltd.<br>25. The Crescent Iron And Steel Corporation Ltd.<br>26. Dynamix Clubs And Resorts Pvt. Ltd.<br>27. TopGrow Agro and Infrastructure Pvt. Ltd.<br>28. V S Erectors & Builders Pvt. Ltd.<br>29. Chocolate Developers Pvt. Ltd.<br>30. Consort Hotels Pvt. Ltd.<br>31. Agrimony Agro & Infrastructure Pvt. Ltd.<br>32. Kalpataru Plaza Pvt. Ltd.<br>33. Eversmile Properties Pvt. Ltd.<br>34. Top Notch Builcon LLP.<br>Mr. Jayvardhan Goenka does not hold position of Chairmanship or membership of committees of any other Company. |

**Details of Independent Directors seeking appointment and eligible for such appointment as Non Executive Independent Directors for a period of five years, under Section 149 of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement**

1. **Mr. Mahesh Gandhi:**

   Mr. Mahesh M. Gandhi, aged 61 years is a Non-Executive Independent Director of our Company. He has been on the Board of our Company since April 26, 2007. Mr. Mahesh Gandhi holds a Bachelors degree in Science from University of Gujarat, a Masters degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, Mumbai, Masters degree in Law in the area of International Law and Tax practice from University of Gujarat, and a Diploma in journalism. Mr. Gandhi has over 33 years of experience in asset management, investment banking and corporate finance. He was involved in the launching of Millenium Capital Management Private Limited in 1998, which provides consultancy and advisory services. He has also been the chief executive officer of Jardine Fleming Asset Management Fund and the chief executive officer of Unit Trust of India's Investment Advisory Services from 1995 until 1996. He has also served General Insurance Corporation of India. The details of directorship, chairmanship and membership of Mr. Mahesh Gandhi are appearing elsewhere in this Report. Mr. Mahesh Gandhi does not hold any share in D B Realty Limited as on 31st March, 2014.

2. **Mr. Nasir M. Rafique:**

   Mr. Nasir M Rafique aged 64 years is a Non Executive Independent Director of our Company and has been on the Board since 17th May, 2011. He has completed Engineering from IIT, Kanpur / AMU and Hotel Management from IHM, PUSA, New Delhi. He has been a Freelance Consultant for the last 5 years and prior to that has worked as Advisor to Dadabhai Group, Baharin(1998-2005), and as Principal of IHMA (1974-1998). The details of directorship, chairmanship and membership of Mr. Nasir M Rafique are appearing elsewhere in this Report. Mr. Nasir M Rafique does not hold any share in DB Realty Limited as on 31st March, 2014.

3. **Mr. Jagat Killawala:**

   Mr. Jagat Killawala, aged 52 years is a Non-Executive Independent Director of our Company and has been on the Board of our Company since 17.05.2011. He is an industrialist and has been engaged in the business of manufacture of electrical switches, Step lights for theatre applications and LED Products for Lighting applications. Has been a Premium distributor for Vimar Spa of Italy, for Modular Switches and accessories, Iiti Luce, Italy and Advance Fibre Optics for Fiber Optic Lighting etc for Mundocolor Spain for Theatre Lighting. Has been a Government Contractor & Railway Contractor in Signal & Telecom Dept. The details of directorship, chairmanship and membership of Mr. Jagat Killawala are appearing elsewhere in this Report. Mr. Jagat Killawala does not hold any share in DB Realty Limited as on 31.03.2014.

4. **Mr. Janak Desai:**

   Mr. Janak Desai aged 32 years is a Non Executive Independent Director of our Company and has been on the Board since 17.05.2011. He holds Bachelor of Business Administration degree in Finance and Management and Master of Business Administration degree with Major in Capital Market from University of Houston, Texas, USA. He has worked as Senior Associate in Bank of New York Mellon Corp and as Portfolio Manager in Cougar Investment Fund in USA and in India, with India Infoline and Edelweiss Capital Ltd in Real Estate vertical. The details of directorship, chairmanship and membership of Mr. Janak Desai are appearing elsewhere in this Report. Mr. Janak Desai does not hold any share in DB Realty Limited as on 31.03.2014.

| Mr. Mahesh Gandhi | Mr. Nasir Rafique | Mr.Jagat Killawala | Mr.Janak Desai |
|---|---|---|---|
| The details of directorship (other than in DBRL) of Mr. Mahesh Gandhi are as follows:<br>1. Apodis Hotels & Resorts Ltd.<br>2 Millenium Capital Management Pvt. Ltd.<br>3. Trikona Capital Services Pvt. Ltd.<br>4. Prama Consultancy Services Pvt. Ltd.<br>5. TCK Advisors Pvt. Ltd.<br>6. Duranta Energy Pvt. Ltd.<br>7. Prama Hospitality Pvt. Ltd.<br>8. Prama Agri Business Pvt. Ltd. | The details of directorship (other than in DBRL) of Mr. Nasir Rafique are as follows:<br>1. BIHM Hospitality Management Pvt. Ltd. | The details of directorship (other than in DBRL) of Mr. Jagat Killawala are as follows:<br>1. Shrikrishnashray (India) Pvt. Ltd.<br>2. Yogi Cotex Pvt. Ltd.<br>3. Gokuldham Real Estate Development Company Pvt. Ltd.<br>4. Exceptional Developers & Infrastructure Pvt. Ltd.<br>5. Exceptional Construction & Developers Pvt. Ltd.<br>6. Terrific Contractors & Infra Pvt. Ltd.<br>7. Spectacular Construction & Developers Pvt. Ltd. | The details of directorship (other than in DBRL) of Mr. Janak Desai are as follows:<br>1. Neelkamal Realtors Suburban Pvt. Ltd. |

| Mr. Mahesh Gandhi | Mr. Nasir Rafique | Mr.Jagat Killawala | Mr.Janak Desai |
|---|---|---|---|
| 9. Apodis Foods and Brands Pvt. Ltd<br>10. Apodis Projects Pvt. Ltd.<br>11. Prama Canary Wharf Hotels Pvt. Ltd<br>12. Intellistay Hotels Pvt. Ltd. | | 8. Peerless Contractors & Infra Pvt. Ltd.<br>9. Terrific Construction & Developers Pvt. Ltd.<br>10. Jash Buildtech Pvt. Ltd. | |
| Mr. Mahesh Gandhi is Chairman of Audit Committee and Member of Finance & Investment Committee and Remuneration Committee of the Company. Other than the above he does not hold position of chairmanship and membership of committees of any other Company. | Mr. Nasir Rafique does not hold position of chairmanship and membership of committees of DBRL or of any other company. | Mr. Jagat Killawala does not hold position of chairmanship of any Committee. He is a member of Investor Grievance and Share Transfer Committee, Finance & Investment Committee and Remuneration Committee of the Company and is a member of Audit Committee of Gokuldham Real Estate Development Company Pvt. Ltd.. | Mr. Janak Desai is Chairman of Share Transfer Committee Shareholders/Investors Grievance and Member of Audit Committee and Remuneration Committee of the Company. He is also a member of the Audit Committee in Neelkamal Realtors Suburban Pvt. Ltd. Other than the above he does not hold position of chairmanship and membership of committees of any other Company. |

**Other details for shareholders:**

| | | |
|---|---|---|
| AGM Date, Time and Venue | : | 27th September, 2014. 3 P.M. at Lakshdham High School Auditorium, Lakshdham High School, Gokuldham, Goregaon (East) Mumbai – 400 063, |
| Financial Year | : | 01.04.2013 – 31.03.2014 |
| Book Closure | : | 22nd September, 2014 to 27th September, 2014 |
| Listing on Stock Exchanges | : | BSE Limited and National Stock Exchange of India Limited<br>Listing Fees for 2013-2014 have been paid. |
| Stock Code at BSE | : | 533160 |
| Stock Symbol at NSE | : | DBREALTY |
| ISIN of the Company | : | INE879I01012 |
| Corporate Identification No. (CIN) | : | L70200MH2007PLC166818 |

**Market Price Data- April 2013 to March 2014**

| Month | Stock Exchanges | | | | | |
|---|---|---|---|---|---|---|
| | BSE | | | NSE | | |
| | Share Price | | Sensex | Share Price | | Nifty |
| | High (Rs.) | Low (Rs.) | Close | High (Rs.) | Low (Rs.) | Close |
| April, 2013 | 68.35 | 57.10 | 19504.18 | 68.25 | 57.55 | 5930.20 |
| May, 2013 | 81.40 | 63.50 | 19760.30 | 81.40 | 63.50 | 5985.95 |
| June, 2013 | 79.35 | 48.95 | 19395.81 | 79.40 | 48.80 | 5842.20 |
| July, 2013 | 61.60 | 51.25 | 19345.70 | 61.90 | 51.30 | 5742.00 |
| August, 2013 | 61.70 | 49.55 | 18619.72 | 61.35 | 49.55 | 5471.80 |
| September, 2013 | 61.00 | 54.30 | 19379.77 | 61.45 | 54.00 | 5735.30 |
| October, 2013 | 70.55 | 56.40 | 21164.52 | 70.50 | 56.00 | 6299.15 |
| November, 2013 | 65.75 | 56.50 | 20791.93 | 65.90 | 56.10 | 6176.10 |
| December, 2013 | 64.00 | 54.00 | 21170.68 | 64.00 | 54.25 | 6304.00 |
| January, 2014 | 70.50 | 52.05 | 20513.85 | 71.00 | 52.20 | 6089.50 |
| February, 2014 | 53.80 | 47.55 | 21120.12 | 53.75 | 47.70 | 6276.95 |
| March, 2014 | 61.10 | 48.00 | 22386.27 | 61.95 | 48.10 | 6704.20 |

**Registrar and Share Transfer Agent:**
M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),Mumbai – 400 078, India
Tel No: 022 - 2596 3838
Website: www.linkintime.co.in

**Share Transfer System**

The Registrar and Share Transfer Agent register the share transfers in physical form within 15 days from the receipt of the completed documents. Invalid Share transfers are returned within 15 days of receipt. All requests for de-materialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The Company also offers transfer cum demat facility. Since 99.99% of the shares except 1 share are held in demat form for whole of the year, there was hardly any physical transfer of shares. As at the end of the year, except one share all the other shares including the shares held by the promoter and promoter group are held in demat form.

**Distribution schedule as on 31st March, 2014**

| Equity Shares held | No. of Shareholders | Percent (%) of Shareholders | No. of Equity Shares | Percent (%) of Shareholding |
|---|---|---|---|---|
| 1 – 500 | 18,520 | 84.0634 | 2284098 | 0.9390 |
| 501 – 1000 | 1,554 | 7.0537 | 1291971 | 0.5311 |
| 1001 – 2000 | 792 | 3.5949 | 1228181 | 0.5049 |
| 2001 – 3000 | 288 | 1.3072 | 748596 | 0.3077 |
| 3001 – 4000 | 131 | 0.5946 | 478613 | 0.1968 |
| 4001 – 5000 | 150 | 0.6809 | 719730 | 0.2959 |
| 5001 – 10000 | 222 | 1.0077 | 1680373 | 0.6908 |
| 10001 and above | 374 | 1.6976 | 234827220 | 96.5339 |
| **Total** | **22,031** | **100.00** | **243258782** | **100.00** |

**Shareholding Pattern as on 31st March, 2014.**

| | Category | Number of Equity Shares | Percentage of Holding |
|---|---|---|---|
| **A** | **Promoter's Holding** | | |
| 1 | Indian Promoter | 14,94,13,715 | 61.42 |
| | **Sub Total (A)** | **14,94,13,715** | **61.42** |
| **B** | **Non Promoter's Holding** | | |
| | **Institutional Investors** | | |
| 1 | Mutual Funds/UTI | 1,826 | 0.01 |
| 2 | Financial Institution/Banks | 16,03,972 | 0.65 |
| 3 | Venture Capital Funds | 14,90,538 | 0.61 |
| 4 | Foreign Institutional Investors | 1,91,14,657 | 7.86 |
| | **Non Institutional Investors** | | |
| 1 | Bodies Corporate | 1,41,50,603 | 5.82 |
| 2 | Individuals | 1,71,55,362 | 7.05 |
| 3 | Non-resident Individuals | 20,23,148 | 0.83 |
| 4 | Trusts | 1,57,500 | 0.06 |
| 5 | Foreign Company | 3,56,04,853 | 14.64 |
| 6 | Clearing Members | 25,42,608 | 1.05 |
| | **Sub Total (B)** | **9,38,45,067** | **38.58** |
| | **Grand Total (A+B)** | **24,32,58,782** | **100.00** |

**Dematerialization of Equity Shares and liquidity**

As at 31st March, 2014, 243258781 (99.99%) Equity Shares were held in dematerialized form with NSDL and CDSL, while 1 (Nil %) Equity Share was held in physical form.

**Outstanding GDRs/ADRs/Warrants**

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments as on 31st March, 2014, which would likely to impact the equity share capital of the company.

Address for correspondence:

**D B Realty Limited**
DB House, Gen A. K. Vaidya Marg,
Goregaon (East), Mumbai- 400 063
Maharashtra

On behalf of the Board of Directors\

Place: Mumbai

Date: 24th May, 2014

**Vinod K. Goenka**
Chairman & Managing Director

# Chief Executive Officer (CEO) / CFO Certificate

To
The Board of Directors/Audit Committee of the BOD
D B Realty Limited
Dear Sirs,

**Sub: CEO / CFO Certificate**

(Issued under Clause 49 of the Listing Agreement)

We have reviewed the financial statements and the cash flow statement of D B Realty Limited for the fourth quarter and year ended 31st March, 2014 and that to the best of our knowledge and belief, we state that:

(a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading:

(ii) These statements present a true and fair view of the Company's affairs and are in Compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

(i) Significant changes in accounting policies made during the quarter and that the same have been disclosed suitably in the notes to the financial statements, wherever applicable and

(ii) That there were no instances of significant fraud of which we have become aware.

Yours sincerely,

**Vinod K. Goenka**
Chairman & Managing Director

**Shahid Balwa**
Vice Chairman & Managing Director

**Vipul Bansal**
C.E.O

**N.M.Gattu**
C.F.O

Place: Mumbai
Date: 24th May, 2014

## PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
**D B REALTY LIMITED**
Mumbai

**CORPORATE GOVERNANCE CERTIFICATE**

We have examined the compliance of conditions of Corporate Governance by **D B REALTY LIMITED** ("Company") for the financial year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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, we certify that the Company has in all material respects complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 S. Anantha & Co.,**
Company Secretaries

Date: May 24, 2014
Place: Mumbai

**S. Anantha Rama Subramanian**
Proprietor ( C.P. 1925 – FCS 4443)

# INDEPENDENT AUDITORS' REPORT

**To the Members of DB Realty Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **DB Realty Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

Attention is invited to:

1. Note No. 11.4 of the financial statements regarding return on the investments of Rs. 14,276,960,804 in preference shares of an entity. As explained by the Management, investments in this entity is considered strategic and long term in nature and the current market value and future prospects of these investments are significantly in excess of Company's investment in this entity.
2. Note No. 12.2 of the financial statements regarding security deposits of Rs. 3,575,000,000 given to various related parties for acquisition of development rights. As explained by management, the Company is in process of obtaining necessary approvals with regard to such properties and that the current market values of such properties are significantly in excess of their carrying values and are expected to achieve adequate profitability on substantial completion of their projects.
3. Note No. 12.4 of the financial statements regarding non availability of contract documents in respect of project advances of Rs. 781,945,000 provided by the Company to its two Associate Companies.
4. Note No. 15 of the financial statements regarding the status of the projects and the opinion framed by the Company regarding realizable value of the cost incurred, being a technical matter, relied upon by us.
5. Note No. 21 of the financial statements which includes share of losses (net) from investment in two partnership firms and LLPs (the 'Firms') aggregating Rs. 11,245,491 and investments in these Firms aggregating Rs. 1,455,037,477 (Refer Note 11 & 14). These are based on financial statements of the firms as audited by other auditors, whose reports have been furnished to us and which have been relied upon by us.
6. Note No. 21.1 of the financial statements regarding share of loss from partnership firms which includes Rs. 1,525,214, which is based on the accounts as approved by only the Company, in its capacity as one of the partners of the firm. These financial statements have not yet been approved by other two partners.

7. Note No. 27 of the financial statements regarding guarantees issued and securities of Rs. 28,973,772,400 provided by the Company to banks and financial institutions on behalf of various entities, which are significant in relation to the net worth of the Company. In the opinion of the Company, these are not expected to result into any financial liability on the Company.
8. The following disclosures in audited financial statements in respect of a partnership firm viz. Dynamix Realty ('Dynamix') where the Company is one of the partners:
   I. Recoverability of debtors, loans granted and interest receivable aggregating Rs. 285,340,266, out of which unsecured loan of Rs. 87,150,000 granted to Companies in which Directors of the Company are interested. (Refer Note 28A (i))

      These amounts are considered as good and recoverable as stated in the Note.

   II. Allegations made by the Central Bureau of Investigation (CBI) relating to the 2G Spectrum case {Refer Note 28A (ii)}

      This matter is sub-judice and the impact, if any, of the outcome is unascertainable at this stage.
9. Note No. 29 to 31 of the financial statements regarding matters which are sub-judice. Based on the Company's assessment of the outcome, no adjustments are considered necessary in respect of recoverability of balances as at March 31, 2014 for loans and advances aggregating Rs. 1,657,901,131 and investments of Rs. 312,018,720.
10. Note No. 32 (b) of the financial statements regarding MAT Credit Entitlement of Rs. 37,500,000, which is based on the judgment of management.
11. Note No. 33 of the financial statements regarding the Company's investments aggregating Rs. 408,054,120 in and loans & advances aggregating Rs. 2,625,383,640 to certain subsidiaries, jointly controlled entities and associates, which have incurred losses and also have negative net worth. As explained in the Note, investments in these entities are considered strategic and long term in nature, the entities are in early stage of real estate development and in the opinion of the Company, have current market values of certain properties significantly in excess of carrying values and are expected to achieve adequate profitability on substantial completion of their projects.
12. Note No. 40 of the financial statements regarding attachment order issued by adjudicating authority under Prevention of Money Laundering Act (PML Act), by which the Company's assets amounting to Rs. 521,621,696 have been attached on August 30, 2011. Out of these assets, adjudication authority has taken over the bank balance of Rs. 6,892,967. This matter is sub-judice and the impact, if any, of the outcome is unascertainable at this stage.
13. Note No. 43 of the financial statements regarding manner of recognition of the Company's share in Association of Persons.

Our opinion is not qualified in respect of the above matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. 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;
   c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
   e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

**For Haribhakti & Co.**
Chartered Accountants
Firm Registration No.103523W

**Chetan Desai**
Partner
Membership No. 17000

Mumbai: 24th May, 2014

# ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report of even date to the members of DB Realty Limited on the financial statements for the year ended on 31st March, 2014]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.

(ii) (a) Inventories comprise of expenditure incurred on acquisition of plot of lands and tenancy rights, development rights and other expenditure on construction and development thereof. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory 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, except for records in respect of payments to tenants, where documentation needs to be considerably strengthened by the Company. No material discrepancies were noticed on physical verification carried out at the end of the year.

(iii) (a) The Company has granted loan to sixteen Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 5,529,351,993 and the year- end balance was Rs. 3,971,649,275.

(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are, prima facie, not prejudicial to the interest of the Company. Attention is also invited to Para 11 of Emphasis of Matter in the Auditors' Report of even date.

(c) These loans (including interest thereon) are repayable on demand and there are no repayment schedules. As informed, the Company has not demanded repayment of any such loans and interest during the year, thus, there has been no default on the part of the parties to whom the money has been lent.

(d) There is no overdue amount of loans granted to Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(e) The Company had taken loans from three Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 967,141,669 and the year-end balance of loans taken from such parties was Rs. 717,034,789.

(f) In our opinion, the rate of interest and other terms and conditions for such loans are, prima facie, not prejudicial to the interest of the Company.

(g) Since these loans (including interest thereon) are repayable on demand and there is no repayment schedule, the question of repayment being regular, does not arise.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that prelaunch advances of Rs. 44,143,700 from prospective buyers where the Company is in the process of finalizing the term sheets/ agreements, supporting receipts are in accordance with general industry practice; there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. As regards project inventory, the Company needs to strengthen internal controls for (a) tenancy payments/ compensation and (b) project contracting (including proper documentation for comparative quotations and machinery/mobilization advances) to be commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, that need to be entered into the register maintained under section 301, have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rs. five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time. However, in respect of an investment of Rs. 5,054,256,000 made during the year in shares in an entity, due to the nature of such transaction, we are unable to comment upon the prevailing market price.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) The Company has appointed internal auditors for the financial year 2013-14 on 14th April, 2014. Their report is not yet received.

(viii) We have been informed by the Management that the Company has maintained the cost records and accounts, pursuant to the Rules made by the Central Government of India, under clause (d) of sub-section (1) of Section 209 of the Act. However, these records have not been provided to us for our verification.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, service tax, cess have not been regularly deposited with the appropriate authorities and there has been a slight delay in few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The details of such outstandings in respect of service tax are as follows:

| Name of the statute | Nature of the dues | Amount (Rs) | Period to which the amount relates | Due Date | Date of Payment |
|---|---|---|---|---|---|
| Finance Act, 1994 | Service Tax Liability and interest thereon | 455,163 | 2010 to 2012 | Various Periods | Not paid |

(c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

(x) The Company does not have accumulated losses at the end of the financial year. However, the Company has incurred cash losses during the current financial year. It has not incurred cash losses during the preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks or debenture holders except for an interest of Rs. 172,808 due for payment on 31st March 2014.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees of Rs. 25,673,772,400 given by the Company, for loans taken by others from banks or financial institutions, are prejudicial to the interest of the Company.

(xvi) In our opinion, except for Rs. 196,134,000, the term loans have been applied for the purpose for which the loans were raised. Out of this, Rs. 1,184,000 are lying in the current account.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds of Rs. 2,322,589,879 raised on short-term basis for long-term investment.

(xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956

(xix) The Company did not have outstanding debentures during the year and hence this clause is not applicable.

(xx) The Company has not raised money by way of public issue during the year.

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management. However, we are informed that as explained in Note 28, during the financial year 2010-11, the CBI in its charge sheet filed in connection with irregularities in the allotment of 2G telecom license, has accused certain Directors of the Company (in their capacity as promoters of a telecom licensee Company). Two other Management Personnel of the Company have also been charge sheeted in their capacity as Directors of another Company (Refer Note 40) which is alleged to have paid an amount of Rs 2,000,000,000 as illegal gratification in the same connection. As explained to us, the Company is not directly a party to the allegations and the matter is sub-judice in the Court of Special Judge (CBI), New Delhi.

**For Haribhakti & Co.**
Chartered Accountants
Firm Registration No.103523W

**Chetan Desai**
Partner
Membership No. 17000

Mumbai: 24th May, 2014

## BALANCE SHEET AS AT MARCH 31, 2014

(Amount in ₹)

| | Particulars | Note No. | As at 31st March 2014 | | As at 31st March 2013 | |
|---|---|---|---|---|---|---|
| I. | **EQUITY AND LIABILITIES** | | | | | |
| 1 | **Shareholders' Funds** | | | | | |
| | Share Capital | 3 | **2,432,587,820** | | 2,432,587,820 | |
| | Reserves and Surplus | 4 | **31,318,278,325** | **33,750,866,145** | 31,729,460,566 | 34,162,048,386 |
| 2 | **Non-current Liabilities** | | | | | |
| | Long-term Borrowings | 5 | **805,445,080** | | 1,123,901,283 | |
| | Long-term Provisions | 6 | **6,316,094** | **811,761,174** | 8,736,959 | **1,132,638,242** |
| 3 | **Current liabilities** | | | | | |
| | Short-term Borrowings | 7 | **1,506,546,623** | | 919,563,374 | |
| | Trade Payables | 8A | **119,178,567** | | 117,307,777 | |
| | Other Current Liabilities | 8B | **1,522,636,833** | | 769,420,287 | |
| | Short-term Provisions | 9 | **36,747,985** | **3,185,110,008** | 20,915,861 | 1,827,207,299 |
| | **TOTAL** | | | **37,747,737,327** | | **37,121,893,927** |
| II. | **ASSETS** | | | | | |
| | **Non-current Assets** | | | | | |
| 1 | Fixed Assets | 10 | | | | |
| | Tangible Assets | | **93,388,548** | | 118,839,913 | |
| | Intangible Assets | | **32,538,198** | | 3,431,253 | |
| | Intangible Assets under development | | **191,419,611** | | 225,134,008 | |
| | | | **317,346,357** | | 347,405,174 | |
| | Non-current Investments | 11 | **22,545,036,989** | | 17,454,525,989 | |
| | Deferred Tax Assets (Net) | 34 | **26,644,224** | | 73,382,785 | |
| | Long-term Loans and Advances | 12 | **6,052,292,150** | | 9,059,244,571 | |
| | Other Non-Current Assets | 13 | **37,083,120** | **28,978,402,840** | 34,533,393 | 26,969,091,912 |
| 2 | **Current assets** | | | | | |
| | Current Investments | 14 | **1,701,865,025** | | 2,125,273,456 | |
| | Inventories | 15 | **2,262,607,335** | | 2,005,660,682 | |
| | Trade Receivables | 16 | **-** | | 430,000,000 | |
| | Cash and Bank Balances | 17 | **138,357,827** | | 68,350,279 | |
| | Short-term Loans and Advances | 18 | **4,665,187,128** | | 5,519,766,880 | |
| | Other Current Assets | 19 | **1,317,172** | **8,769,334,487** | 3,750,718 | 10,152,802,015 |
| | **TOTAL** | | | **37,747,737,327** | | 37,121,893,927 |
| | **Significant accounting policies** | 2 | | | | |

The accompanying notes form an integral part of the financial statements.
As per our report of even date

**For Haribhakti & Co.**
**Chartered Accountants**
Firm's Registration No. 103523W

**Chetan Desai**
Partner
Membership No. 17000

Mumbai, Dated 24th May, 2014

**For and on behalf of the Board**

**Vinod Goenka**
Chairman & Managing Director

**Shahid Balwa**
Vice Chairman & Managing Director

**Mahesh Gandhi**
Director

**S A K Narayanan**
Company Secretary

**N.M. Gattu**
Chief Financial Officer

Mumbai, Dated 24th May, 2014

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in ₹)

| | Particulars | Note No. | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|---|---|---|---|---|
| I. | Revenue from operations | 20 | - | 430,000,000 |
| II. | Other income | 21 | **195,670,762** | 94,317,816 |
| III. | **Total Revenue** | | **195,670,762** | 524,317,816 |
| IV. | **Expenses:** | | | |
| | Project Expenses | 22 | **256,946,653** | 106,676,364 |
| | Changes in Inventories | 23 | **(256,946,653)** | 62,414,052 |
| | Employee Benefits Expenses | 24 | **68,183,575** | 58,707,220 |
| | Finance Costs | 25 | **343,083,344** | 180,833,853 |
| | Depreciation and Amortization Expenses | 10 | **41,609,556** | 34,290,149 |
| | Other Expenses | 26 | **79,798,290** | 112,938,914 |
| | **Total Expenses** | | **532,674,765** | 555,860,552 |
| V. | **Loss before tax (III-IV)** | | **(337,004,003)** | (31,542,736) |
| VI. | Tax expense: | | | |
| | Current tax | | - | 31,500,000 |
| | Less : MAT Credit Entitlement | | - | (31,500,000) |
| | Net Current Tax | | - | - |
| | Deferred tax | 32 | **46,738,561** | (28,561,344) |
| | Prior Period Tax Adjustment | | **15,000,000** | (6,000,000) |
| VII | **Profit/(Loss) after tax but before adjustments (V-VI)** | | **(398,742,564)** | 3,018,608 |
| VIII | Prior Period Items | 44 | **(12,439,677)** | - |
| IX | **Profit/(Loss) for the year (VII-VIII)** | | **(411,182,241)** | 3,018,608 |
| IX | Earnings per share (Nominal Value Per Share Rs. 10 Each (Previous Year Rs. 10)): | | | |
| | Basic | 39 | **(1.69)** | 0.01 |
| | Diluted | 39 | **(1.69)** | 0.01 |

The accompanying notes form an integral part of the financial statements.
As per our report of even date

**For Haribhakti & Co.**
**Chartered Accountants**
Firm's Registration No. 103523W

**Chetan Desai**
Partner
Membership No. 17000

Mumbai, Dated 24th May, 2014

**For and on behalf of the Board**
**Vinod Goenka**
Chairman & Managing Director

**Shahid Balwa**
Vice Chairman & Managing Director

**Mahesh Gandhi**
Director

**S A K Narayanan**
Company Secretary

**N.M. Gattu**
Chief Financial Officer

Mumbai, Dated 24th May, 2014

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

**(Amount in ₹)**

| | Particulars | | For the year ended March 31, 2014 | | For the year ended March 31, 2013 | |
|---|---|---|---|---|---|---|
| **A** | **Cash flows from Operating Activities:** | | | | | |
| | Net Profit before taxation | | **(337,004,003)** | | (31,542,736) | |
| | **Adjustments for:** | | | | | |
| | Depreciation | | **42,270,540** | | 35,183,064 | |
| | Interest and finance charges | | **343,083,344** | | 180,833,853 | |
| | Profit on sale of current investments | | **-** | | (1,000,000) | |
| | Share of loss in partnership firms (Net) | | **12,770,705** | | 93,097,413 | |
| | Prior Period Adjustments | | **(12,439,677)** | | - | |
| | Provision against doubtful security Deposit | | **-** | | 11,983,866 | |
| | Sundry Creditors written back | | **(3,059,243)** | | - | |
| | Excess Provision Written back | | **(10,279,309)** | | (24,434,063) | |
| | Interest Income | | **(5,061,681)** | | (3,733,704) | |
| | **Operating Profit/ (Loss) before Working Capital changes** | | **30,280,675** | | 260,387,694 | |
| | **Adjustments for :** | | | | | |
| | (Increase)/Decrease in Trade Receivables | | **430,000,000** | | (430,000,000) | |
| | (Increase)/Decrease in Loans and advances | | **3,869,842,817** | | (520,403,876) | |
| | (Increase)/Decrease in Inventories | | **(256,946,654)** | | 62,414,052 | |
| | Decrease in Current liabilities | | **(1,167,577,605)** | | (42,878,978) | |
| | Decrease in Provisions | | **(1,560,727)** | | (5,930,862) | |
| | **Cash used in operations** | | **2,904,038,508** | | (676,411,970) | |
| | Direct Taxes Paid | | **(8,338,656)** | | (13,948,119) | |
| | **Net cash from/(used in)/Generated from Operating Activities** | **A** | | **2,895,699,852** | | (690,360,089) |
| **B** | **Cash flows from Investing Activities:** | | | | | |
| | Purchase of Fixed Assets (including CWIP) | | **(6,907,570)** | | (22,954,550) | |
| | Purchase of Long Term Investments in | | | | | |
| | -subsidiaries | | **(768,133,848)** | | | |
| | -joint ventures/Associates/entities under joint control | | **(50,000)** | | (3,480,000) | |
| | -Others | | **(5,054,256,000)** | | (940,000,000) | |
| | Repayment of capital contribution by firm | | **1,163,639,990** | | 3,083,350,243 | |
| | Return of Capital Contribution by Joint Venture | | **1,878,564,117** | | 146,925,000 | |
| | Capital Contribution To Firms & LLPs | | **(28,255,000)** | | (35,388,852) | |
| | Capital Contribution To Joint Venture | | **-** | | (96,875,000) | |
| | Proceeds from Sale of Current Investments | | **-** | | 2,000,000 | |
| | Advance for share purchase | | **-** | | (2,824,071,940) | |
| | Increase in fixed deposit | | **38,728,293** | | 12,755,102 | |
| | Interest received | | **4,945,499** | | 4,795,283 | |
| | **Net cash (used in) Investing Activities** | **B** | | **(2,771,724,519)** | | (672,944,714) |

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Amount in ₹)

| | Particulars | | For the year ended March 31, 2014 | | For the year ended March 31, 2013 | |
|---|---|---|---|---|---|---|
| C | **Cash flows from Financing Activities:** | | | | | |
| | Repayment of secured Loans | | **(6,658,608)** | | (7,569,072) | |
| | Repayment of inter corporate deposits | | **(50,731,751)** | | (76,650,000) | |
| | Inter-corporate deposits (Net) | | **(61,485,000)** | | (40,985,000) | |
| | Proceeds from secured loans | | **360,000,000** | | 1,731,059,035 | |
| | Interest paid on loans | | **(256,364,134)** | | (241,706,394) | |
| | **Net cash from/(used in)/Generated from Financing Activities** | **C** | | **(15,239,493)** | | 1,364,148,569 |
| | Net Increase in Cash and Cash Equivalents | **(A + B + C)** | | **108,735,840** | | 843,765 |
| | Add : Cash and Cash Equivalents at the beginning of the year | | | **8,472,865** | | 7,629,099 |
| | **Cash and Cash Equivalents at the end of the year** | | | **117,208,705** | | 8,472,865 |
| **Notes to Cash Flow:** | | | | | | |
| 1 | Reconciliation of cash and cash equivalents : | | | | | |
| | Cash and Bank Balance (as per Note 13 & 17) | | | **168,177,827** | | 98,170,279 |
| | Less: Fixed deposits more than 3 months | | | **50,969,122** | | 89,697,415 |
| | **Cash and Cash Equivalents at the end of the year** | | | **117,208,705** | | 8,472,864 |
| 2 | The Cash flow statement has been prepared under the indirect method as set out in accounting standard (AS3) Cash flow statement as notified by the Companies (Accounting Standard) Rules 2006. | | | | | |
| 3 | Corresponding figures of previous year have been regrouped wherever necessary. | | | | | |

As per our report of even date

**For Haribhakti & Co.**
**Chartered Accountants**
Firm's Registration No. 103523W

**Chetan Desai**
Partner
Membership No. 17000

Mumbai, Dated 24th May, 2014

**For and on behalf of the Board**
**Vinod Goenka**
Chairman & Managing Director

**Shahid Balwa**
Vice Chairman & Managing Director

**Mahesh Gandhi**
Director

**S A K Narayanan**
Company Secretary

**N.M. Gattu**
Chief Financial Officer

Mumbai, Dated 24th May, 2014

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

**1. COMPANY BACKGROUND:**

DB Realty Limited (the "Company") is public company domiciled in India. The company was initially incorporated in 2007 as a private limited company and thereafter listed with National Stock Exchange and Bombay Stock Exchange on February 24, 2010. The Company is a Real Estate Development Company that is focused on residential, commercial, retail and other projects, such as mass housing and cluster redevelopment. The company is jointly promoted by Mr. Vinod K. Goenka and Mr. Shahid Balwa.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

**i. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standard) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

**ii. USE OF ESTIMATES**

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

**iii. FIXED ASSETS**

**A. Tangible Assets:**

Fixed Assets are recorded at their cost of acquisition, net of modvat/cenvat, less accumulated depreciation and impairment losses, if any. The cost of an item of fixed asset comprises its purchase price, including import duties and other non refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

**B. Intangible Assets:**

Intangible Assets are recorded at their cost of acquisition, net of modvat/ cenvat, less accumulated amortization/ depletion.

**iv. DEPRECIATION/AMORTISATION**

Depreciation on fixed assets, other than leasehold improvements and computer software, is provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. The cost of improvements on leasehold properties is amortized over the period of the lease. Computer software is being depreciated on straight line basis over a period of 3 years. Building sales office is being depreciated on straight line basis over a period of 4 years based on temporary structure.

**v. IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. Recoverable value is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**vi. INVENTORIES**

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

**vii. REVENUE RECOGNITION**

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method subject to transfer of significant risk and rewards to the buyer, outcome of the real estate project can be estimated reliably and stage of completion of the project reaches at reasonable level of development i.e. at least 25% of total project cost should be incurred at reporting date.

When the outcome of a real estate project can be estimated reliably and the conditions stipulated below are satisfied, project revenue and project costs associated with the real estate project are recognised as revenue and expenses by reference to the stage of completion of the project activity at each reporting date. Stage of completion is arrived with reference to the entire project cost incurred versus total estimated project cost. Further, with regard to total estimated cost of each project is based upon the judgment of management and certified by Company's technical personnel.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

The following specific recognition criteria is also considered before revenue is recognized:

- All critical approvals necessary for commencement of the project have been obtained.
- At least 25% of construction cost and development cost (excluding cost incurred in acquisition of land and its development rights and borrowing cost) is incurred.
- At least 25% of the saleable project area is secured by contracts or agreements with buyers.
- And at least 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

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

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**viii. INVESTMENTS**

Investments are classified as non-current or current, based on management's intention at the time of purchase. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Trade investments are the investments made for or to enhance the Company's business interest. Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost and provision for diminution in their value, other than temporary, is made in the financial statements. Profit/loss on sale of investments in computed with reference to the average cost of the investments.

**ix. EMPLOYEE BENEFITS**

**a) Defined Contribution Plan:**

The Company's Contribution paid / payable for the year to a Defined Contribution retirement benefit plan is charged to statement of Profit and Loss.

**b) Defined Benefit Plan and other long term benefit:**

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

**c) Short term employee benefits:**

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

**x. OPERATING LEASE:**

Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are retained by the lessor are classified as operating lease. Lease rentals are charged to statement of profit and loss on accrual basis and on straight line basis over the lease term in case of long term non cancellable lease.

**xi. FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated in foreign currencies are recognised at the prevailing exchange rates on the transaction date. The exchange differences between the rates prevailing on the date of transaction and on the date of settlement as also on translation of monetary items as at the end of the year is recognized in the statement of profit and loss as income or expense, as the case may be.

**xii. BORROWING COST**

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

**xiii. TAXES ON INCOME**

Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable effective tax rates. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using relevant enacted or substantively enacted effective tax rates as on the balance sheet date, to the extent the timing differences are expected to crystallise.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date. The company reassesses recognized deferred tax assets and liabilities and recognises unrecognised deferred tax assets, to the extent they become reasonably certain or virtually certain of realisation, as the case may be.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit & Loss as Current Tax. The company recognizes MAT credit available as an Asset only to the extent there is convincing evidence that the company will pay normal Income Tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an Asset in accordance with the Guidance note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said Asset is created by way of credit to the statement of Profit & loss & shown as "MAT Credit Entitlement". The company reviews the "MAT Credit Entitlement" asset at each reporting date & writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

**xiv. PROVISIONS AND CONTINGENT LIABILITY**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A Contingent Liability is, a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized in the financial statements nor disclosed in the financial statements.

**xv. CASH FLOW STATEMENT**

Cash Flow Statement is prepared under the 'Indirect Method' prescribed under 'Accounting Standard – 3 Cash Flow Statement' prescribed under the Companies (Accounting Standard) Rules, 2006.

**xvi. EARNING PER SHARE**

Basic Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split. (Consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The period during which, number of dilutive potential equity shares change frequently, weighted average number of shares are computed based on a mean date in the quarter, as impact is immaterial on earning per share.

**xvii. CASH AND CASH EQUIVALENTS**

Cash and cash equivalent for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

## 3 Share Capital

| Particulars | As at 31st March 2014 | | As at 31st March 2013 | |
|---|---|---|---|---|
| | Number | Amount in ₹ | Number | Amount in ₹ |
| **Authorised** | | | | |
| Equity Shares of Rs. 10/- each | **298,500,000** | **2,985,000,000** | 298,500,000 | 2,985,000,000 |
| Preference shares of Rs. 10/- each | **1,500,000** | **15,000,000** | 1,500,000 | 15,000,000 |
| **Total** | | **3,000,000,000** | | 3,000,000,000 |
| **Issued, Subscribed & Fully Paid up** | | | | |
| Equity Shares of Rs. 10/- each | **243,258,782** | **2,432,587,820** | 243,258,782 | 2,432,587,820 |
| **Total** | **243,258,782** | **2,432,587,820** | 243,258,782 | 2,432,587,820 |

### 3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

**Equity Shares:**

| Particulars | As at 31st March 2014 | | As at 31st March 2013 | |
|---|---|---|---|---|
| | Number | Amount in ₹ | Number | Amount in ₹ |
| Shares outstanding at the beginning of the year | **243,258,782** | **2,432,587,820** | 243,258,782 | 2,432,587,820 |
| Shares Issued / (bought back) during the year | **-** | **-** | - | - |
| Shares outstanding at the end of the year | **243,258,782** | **2,432,587,820** | 243,258,782 | 2,432,587,820 |

### 3.2 Rights, preferences and restriction attached to shares

Equity shares have equal rights to dividend and voting rights pro rata the holdings. The company has only one class of Equity Shares having a par value of Rs. 10/- per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 3.3 Details of shares held by shareholders holding more than 5% shares in the company

| Name of Shareholder | As at 31st March 2014 | | As at 31st March 2013 | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Neelkamal Tower Construction LLP | 104,564,838 | 42.99% | 104,564,838 | 42.99% |
| Walkinson Investment Limited | 14,587,500 | 6.00% | 14,587,500 | 6.00% |
| Vinod Goenka* | 15,364,216 | 6.32% | 15,364,216 | 6.32% |

*Out of the said above shareholding 100,000 shares (0.04%) are jointly held by Vinod Goenka and Aseela Goenka.

### 3.4 Aggregate number of shares issued for consideration other than cash and shares bought back during the five years immediately preceding the reporting date:

| Particulars | Year (Aggregate No. of Shares) | | | | |
|---|---|---|---|---|---|
| | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
| **Equity Shares :** | | | | | |
| Fully paid up by way of bonus shares (Equity shares of Rs. 10/- each) | - | - | | 201,150,000 | - |
| Shares bought back | - | - | - | - | - |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

**4 Reserves & Surplus**

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| **a. Securities Premium Account** | **23,843,290,192** | 23,843,290,192 |
| **b. Surplus** | | |
| **Opening balance** | **7,886,170,374** | 7,883,151,766 |
| Net Profit for the current year | **(411,182,241)** | 3,018,608 |
| **Closing Balance** | **7,474,988,133** | 7,886,170,374 |
| **Total (a+b)** | **31,318,278,325** | 31,729,460,566 |

**5 Long Term Borrowings**

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| **I. Secured** | | |
| **(a) Term Loans** | | |
| Vehicle Loans from Banks | 828,942 | 2,859,480 |
| (Refer note 5.1 for terms of Vehicle loan) | | |
| STCI Finance Ltd | 444,616,138 | 421,841,803 |
| (Refer note 5.2 for terms of the said loan) | | |
| (Out of the Outstanding amount, Debt redemption premium of Rs. 2,46,16,138/- (PY 18,41,803) is payable at the end of tenure) | | |
| IL & FS Financial Services Limited | 215,000,000 | - |
| (Refer note 5.3 for terms of the said loan) | | |
| ICICI Bank Limited | 145,000,000 | - |
| (Refer note 5.4 for terms of the said loan) | | |
| Default - Interest for the month of March 2014 of Rs. 172,808/- has not been paid. | | |
| **Total I** | **805,445,080** | **424,701,283** |
| **II. Unsecured** | | |
| **(a) Term Loans** | | |
| LIC Housing Finance Limited | - | - |
| (Refer note 5.5 for terms of the said loan) | | |
| Default - Interest for the month of March 2014 of Rs. 3,395,414/- has not been paid. | | |
| **(b) Loans from Related Parties** | | |
| Loan from subsidiary | **-** | 699,200,000 |
| **Total II** | **-** | **699,200,000** |
| **Total ( I + II)** | **805,445,080** | **1,123,901,283** |

**5.1 Terms of Vehicle Loan**

Vehicle loans are secured by way of hypothication of vehicles purchased.

| Particulars | No. of EMI's payable from 31/03/2014 | No. of EMI's payable from 31/03/2013 | EMI Amount |
|---|---|---|---|
| HDFC Bank(Honda City) | 0 | 1 | 18,717 |
| HDFC Bank(Skoda ) | 7 | 19 | 42,200 |
| Kotak Mahindra(Passat ) | 0 | 8 | 52,500 |
| Kotak Mahindra(Camry) | 0 | 10 | 44,130 |
| ICICI Bank(BMW) | 0 | 10 | 203,750 |
| ICICI Bank(BMW) | 0 | 10 | 203,750 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Particulars | No. of EMI's payable from 31/03/2014 | No. of EMI's payable from 31/03/2013 | EMI Amount |
|---|---|---|---|
| ICICI Bank(Honda City ) | 4 | 16 | 18,420 |
| ICICI Bank(Honda City ) | 4 | 16 | 18,420 |
| ICICI Bank(Indigo Manza-Aura) | 15 | 27 | 10,390 |
| ICICI Bank(Linea-Emotion) | 15 | 27 | 15,625 |
| ICICI Bank(Toyota Camry) | 17 | 29 | 47,400 |
| ICICI Bank(Toyota Altis) | 15 | 27 | 22,980 |
| ICICI Bank(Tata Aria) | 32 | 44 | 27,510 |

**5.2** The said loan was received for General Corporate purpose & it is secured by pledge of shares of DB Realty Ltd and carries fixed interest rate of 9.75% p.a on monthly rest. The tenure of the loan is of 36 months. The loan amount is repayable at the end of the tenure of the loan and interest cost is payable on a monthly basis. Redemption premium is payable at the end of the tenure so as to yield a nominal IRR of 14.75% p.a. on monthly rests.)

**5.3** The said loan was received for the purpose of financing the costs of construction of the Company, investment or advances to subsidiaries and other group companies and for general corporate purposes and carries floating interest rate of 18.5% p.a. linked to IBMR, payable monthly. The loan is repayable at the end of 18 Months from the date of 1st disbursement of the loan. The loan is secured by pledge of 38,38,382 equity shares of Marine Drive Hospitality & Realty Private Limited (Formerly DB Hospitality Private Limited) held by the Company and mortgage and hypothication of two TDR certificates with cummulative TDR of 85,287sq. mt. along with escrow of receivables emanating from sale of this TDR certificates to be created by a partnership firm, in which the Company is the partner. The loan is guaranteed by personal guarantees of managing directors of the Company.

**5.4** The said loan was received for the purpose of financing the cost of constructions of the project DB Skypark. Sahar, Andheri East of a joint venture in which the Company is a venturer and carries floating interest rate of 14.5% p.a. linked to I-Base, payable monthly. The loan is repayable in 12 quarterly instalments commencing from April 1st 2016. The loan is secured by

1. Exclusive charge on the land situated at project DB Skypark, Sahar, Andheri East which is a property of co-venturer (Eversmile Construction Company Private Limited) including all the structures thereon both present and future,
2. First pari-passu charge over Bacchuwadi property, Mumbai Central,
3. Corporate guarantee from YJ Realty & Aviation Pvt Ltd backed by first pari-passu charge over Dynamix Mall, Juhu,
4. Corporate guarantee from Milan Theatres Pvt Ltd backed by first pari-passu charge over Milan Mall, Santacruz, Mumbai.
5. Personal guarantee of one of the Managing Directors of the Company.

**5.5** The said loan was received for the purpose of financing the costs of construction and other project implementation costs within its subsidiary companies and jointly controlled companies and carries floating interest rate of 13.5% p.a. linked to LHPLR, payable monthly. The loan was repayable in six structured quarterly installments ending on August, 2013 and the outstanding balance was due in August, 2013. The said loan has been restructured on November 23, 2013. The loan tenure has been extended by 18 months and hence the outstanding balance is due on January 31, 2015 and will carry floating interest rate of 16% p.a. linked to LHPLR. The Loan is guaranteed by personal guarantees of Managing Directors of the Company. Further, Esteem Properties Private Limited, a wholly owned subsidiary Company, has mortgaged its land at Sahar, Andheri in this regard. (The said loan has been classified as Current Maturities of long term debt.)

**6 Long Term Provisions**

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| **(a) Provision for employee benefits** | | |
| Gratuity (unfunded) | 3,333,899 | 3,849,460 |
| Leave Encashment (unfunded) | 2,982,195 | 4,887,499 |
| **Total** | **6,316,094** | **8,736,959** |

**6.1** During the year, some employees of the Company have been transferred to other group companies. Gratuity and Leave Encashment liability related to these employees is transferred to the respective transferee companies.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

### 7 Short Term Borrowings

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| **Secured** | | |
| **Other Loans and Advances:** | | |
| Reliance Capital Limited | 610,017,232 | 610,017,232 |
| (Refer note 7.1 for terms of the said loan) | | |
| **Unsecured (Related party)** | | |
| Loans from Subsidiaries | 658,450,391 | 9,982,142 |
| (Refer note 7.2 for terms of the said loan) | | |
| Inter-Corporate Deposit | 238,079,000 | 299,564,000 |
| (Refer note 7.3 for terms of the said Deposit) | | |
| **Total** | **1,506,546,623** | **919,563,374** |

7.1 **Terms of Loan**

The said loan was received as Loan against Residential Property and carries floating interest rate of 20% p.a subject to BPLR being constant. The tenure of the loan was of 6 months from the date of disbursement. The loan amount was repayable at the end of the tenure of the loan and interest cost was payable on a monthly basis.The said loan has been restructured on March 25, 2014. It is revolving and reviewed every year and carries floating interest rate of 20.75% p.a subject to BPLR being constant. The loan is guaranteed by personal guarantees of Managing Directors of the Company. Further, registered mortgage has been created on plot 2 & 3(A+C) at Yerwada Pune which is a part of Inventories of the Company.

7.2 The said loans carry interest rates ranging from 10% to 15.25% and are repayable on demand.

7.3 The said ICD is interest free and is repayable on demand.

### 8 Trade Payables and Other Current Liabilities

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| **A] Trade Payables** | | |
| Dues outstanding of micro and small enterprises* | - | - |
| Dues outstanding of other than micro and small enterprises | 119,178,567 | 117,307,777 |
| | **119,178,567** | **117,307,777** |
| **B] Other Current Liabilities** | | |
| Current maturities of long-term debt | 308,327,443 | 312,955,513 |
| Interest accrued and due on borrowings | 3,550,941 | 10,186,666 |
| Interest accrued but not due on borrowings | 143,362,793 | 72,782,192 |
| Advance received from Customers | 44,143,700 | 45,793,700 |
| Current Account balance with Partnership Firms & LLP's | 903,752,428 | 196,009,885 |
| **Other payables:** | | |
| Duties & taxes | 21,203,613 | 16,932,225 |
| Employee benefits payable | 7,887,410 | 9,675,274 |
| Payables for purchase of fixed assets | 19,823,027 | 14,518,873 |
| Tenancy rights payable | 18,000,000 | 15,000,000 |
| Expenses payable | 28,192,575 | 49,279,162 |
| Other payables | 24,392,904 | 26,286,797 |
| **Total** | **1,522,636,833** | **769,420,287** |

* Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

based on the information available with the Company and the required disclosures are given below:

| | Description | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|---|
| a) | Principal amount remaining unpaid as at year end | - | - |
| b) | Interest due thereon as at period / year end | - | - |
| c) | Interest paid by the Company in terms of section 18 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| d) | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| e) | Interest accrued and remaining unpaid as at period / year end | - | - |
| f) | Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise. | - | - |

**9 Short Term Provisions**

| | Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|---|
| **(a)** | **Provision for employee benefits** (Refer Note 6.1) | | |
| | Gratuity (Unfunded) | 1,053,663 | 913,142 |
| | Leave Encashment (Unfunded) | 2,501,214 | 3,366,876 |
| **(b)** | **Others** | | |
| | Provision for Income Tax(net of Advance Tax of Rs.2,08,92,172 (PY Rs.2,08,64,157)) | 31,607,828 | 16,635,843 |
| | Provision for Wealth Tax | 1,585,280 | - |
| | **Total** | **36,747,985** | **20,915,861** |

## 10. Fixed Assets

Amount in Rs.

| Sr. No | Particulars | Gross Block | | | | Depreciation/Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Balance as at 1st April 2013 | Additions | (Disposals) | Balance as at 31st March 2014 | Balance as at 1st April 2013 | Depreciation charged for the Period # | (On disposals) | Balance as at 31st March 2014 | Balance as at 31st March 2014 | Balance as at 31st March 2013 |
| a | **Tangible Assets** | | | | | | | | | | |
| | Buildings- Flats@ | 11,015,400 | - | - | 11,015,400 | 1,895,880 | 455,976 | - | 2,351,856 | 8,663,544 | 9,119,520 |
| | Buildings- Sales Office | 31,812,134 | - | - | 31,812,134 | 1,988,258 | 7,953,034 | - | 9,941,292 | 21,870,842 | 29,823,876 |
| | Plant and Equipments -Air Conditioners | 11,872,230 | - | - | 11,872,230 | 5,356,581 | 907,389 | - | 6,263,970 | 5,608,260 | 6,515,649 |
| | Furniture & Fixtures | 47,795,116 | 235,125 | - | 48,030,241 | 26,696,462 | 3,860,143 | - | 30,556,606 | 17,473,635 | 21,098,654 |
| | Vehicles | 97,834,088 | - | - | 97,834,088 | 58,200,376 | 10,261,012 | - | 68,461,388 | 29,372,700 | 39,633,712 |
| | Office Equipments | 14,825,154 | 87,490 | - | 14,912,644 | 5,117,156 | 1,361,368 | - | 6,478,524 | 8,434,120 | 9,707,998 |
| | Computers | 12,050,184 | 79,695 | - | 12,129,879 | 9,109,684 | 1,054,749 | - | 10,164,433 | 1,965,446 | 2,940,500 |
| | Improvement on Leasehold Property | 136,509,243 | - | - | 136,509,243 | 136,509,243 | - | - | 136,509,243 | - | - |
| | **Total** | **363,713,549** | **402,310** | **-** | **364,115,859** | **244,873,640** | **25,853,671** | **-** | **270,727,311** | **93,388,548** | **118,839,909** |
| b | **Intangible Assets** | | | | | | | | | | |
| | Computer software | 13,686,271 | 45,523,815 | | 59,210,086 | 10,255,018 | 16,416,870 | - | 26,671,888 | 32,538,198 | 3,431,253 |
| | **Total** | **13,686,271** | **45,523,815** | **-** | **59,210,086** | **10,255,018** | **16,416,870** | **-** | **26,671,888** | **32,538,198** | **3,431,253** |
| c | **Intangible assets under Development** | | | | | | | | | | |
| | Computer Software | 45,523,815 | - | (45,523,815) | - | - | - | - | - | - | 45,523,815 |
| | Beautification-Bandra-Worli Sea Link* | 179,610,193 | 11,809,418 | - | 191,419,611 | - | - | - | - | 191,419,611 | 179,610,193 |
| | **Total** | **225,134,008** | **11,809,418** | **(45,523,815)** | **191,419,611** | **-** | **-** | **-** | **-** | **191,419,611** | **225,134,008** |
| | **Grand Total** | **602,533,827** | **57,735,543** | **(45,523,815)** | **614,745,556** | **255,128,658** | **42,270,541** | **-** | **297,399,199** | **317,346,357** | **347,405,169** |
| | **Previous Year** | 575,955,301 | 58,390,660 | 31,812,134 | 602,533,827 | 219,945,588 | 35,183,064 | - | 255,128,658 | 347,405,169 | 356,009,711 |

@ The said flats are attached by Enforcement Directorate under Prevention of Money Laundering Act, 2002 (Refer Note 40)

# During the year depreciation inventorised Rs. 660,984/- (Previous Year - Rs. 892,915)

* As per the agreement, the revenue to be generated from Film shooting and Advertising activities for the group companies in the promenade area shall be shared in equal proportion between the Company and MSRDC, the Management is of the opinion that future economic benefits from the said assets is reasonably higher than cost incurred by the Company and the Company is having Control on the said asset to get future economic benefits.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

## 11 Non Current Investments

| | Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|---|
| A | **Other Investments (Refer B below)** | | |
| | (a) Investment in Equity instruments | 4,881,319,741 | 4,881,219,741 |
| | (b) Investments in preference shares | 16,106,941,716 | 11,052,685,716 |
| | (c) Investments in debentures or bonds | 25,000,000 | 25,000,000 |
| | (d) Investments in partnership firms | 1,053,550,000 | 1,053,550,000 |
| | (e) Other non-current investments | 478,225,532 | 442,070,532 |
| | **Total** | **22,545,036,989** | **17,454,525,989** |
| | Less : Provision for diminution in the value of Investments | - | - |
| | **Total** | **22,545,036,989** | **17,454,525,989** |

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| Aggregate amount of quoted investments (Market value of Rs. Nil) | - | - |
| Aggregate amount of unquoted investments | **22,545,036,989** | **17,454,525,989** |

## B Details of Non-current Investments

| Sr. No. | Name of the Body Corporate | Subsidiary/ Associate/ JV/ Controlled Entity/ Others | Trade/Other tham trade | Nominal Value per share | No. of Shares/ Units | | Extent of Holding (%) | | Amount (Rs.) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | As at 31/03/14 | As at 31/03/13 | As at 31/03/14 | As at 31/03/13 | As at 31/03/14 | As at 31/03/13 |
| (a) | **Investment in Equity Instruments (At cost, fully paid & unquoted unless otherwise specified)** | | | | | | | | | |
| | Esteem Properties Private Limited | Subsidiary | Trade | 100 | 10,000 | 10,000 | 100.00 | 100.00 | 312,018,720 | 312,018,720 |
| | Gokuldham Real Estate Development Company Private Limited | Subsidiary | Trade | 100 | 374,990 | 374,990 | 75.00 | 75.00 | 37,592,755 | 37,592,755 |
| | Goregaon Hotel & Realty Pvt Ltd | Subsidiary | Trade | 10 | 10,000 | - | 100.00 | - | 100,000 | - |
| | NeelKamal Realtors Suburban Private Limited | Subsidiary | Trade | 10 | 435,600 | 435,600 | 66.00 | 66.00 | 4,366,892 | 4,366,892 |
| | NeelKamal Shantinagar Properties Private Limited | Subsidiary | Trade | 10 | 16,000 | 16,000 | 100.00 | 100.00 | 160,401 | 160,401 |
| | NeelKamal Realtors Tower Private Limited (Refer Note 1 below) | Associate | Trade | 10 | 1,010,807 | 1,010,807 | 38.47 | 38.47 | 165,703,146 | 165,703,146 |
| | D B Man Realty Limited | Subsidiary | Trade | 10 | 7,140,000 | 7,140,000 | 51.00 | 51.00 | 71,400,000 | 71,400,000 |
| | Real Gem Buildtech Private Limited | Subsidiary | Trade | 10 | 10,000 | 10,000 | 100.00 | 100.00 | 1,500,085,000 | 1,500,085,000 |
| | Saifee Bucket Factory Private Limited | Subsidiary | Trade | 1,000 | 248 | 248 | 100.00 | 100.00 | 70,174,999 | 70,174,999 |
| | Priya Constructions Private Limited | Subsidiary | Trade | 10 | 10,000 | 10,000 | 100.00 | 100.00 | 100,000 | 100,000 |
| | N.A. Estate Private Limited | Subsidiary | Trade | 100 | 1,000 | 1,000 | 100.00 | 100.00 | 100,000 | 100,000 |
| | Royal Netra Constructions Private Limited | Subsidiary | Trade | 100 | 75,600 | 75,600 | 50.40 | 50.40 | 7,560,000 | 7,560,000 |
| | Nine Paradise Erectors Private Limited | Subsidiary | Trade | 10 | 10,000 | 10,000 | 100.00 | 100.00 | 100,000 | 100,000 |
| | MIG Bandra Realtor & Builder Private Limited (Formerly DB MIG Realtors & Builders Private Limited) | Subsidiary | Trade | 10 | 10,000 | 10,000 | 100.00 | 100.00 | 49,554,000 | 49,554,000 |
| | Spacecon Realty Private Limited( Formerly DB Spacecon Private Limited) | Subsidiary | Trade | 10 | 10,000 | 10,000 | 74.00 | 74.00 | 100,000 | 100,000 |
| | Vanita Infrastructure Private Limited | Subsidiary | Trade | 10 | 10,000 | 10,000 | 100.00 | 100.00 | 100,000 | 100,000 |
| | DB Contractors & Builders Private Limited | Subsidiary | Trade | 10 | 10,000 | 10,000 | 100.00 | 100.00 | 100,000 | 100,000 |
| | DB View Infracon Private Limited | Subsidiary | Trade | 10 | 10,000 | 10,000 | 100.00 | 100.00 | 100,000 | 100,000 |
| | Sangam City Town Ship Private Limited | Associate | Trade | 10 | 9,500 | 9,500 | 31.67 | 31.67 | 95,000 | 95,000 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Sr. No. | Name of the Body Corporate | Subsidiary/ Associate/ JV/ Controlled Entity/ Others | Trade/Other tham trade | Nominal Value per share | No. of Shares/ Units | | Extent of Holding (%) | | Amount (Rs.) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | As at 31/03/14 | As at 31/03/13 | As at 31/03/14 | As at 31/03/13 | As at 31/03/14 | As at 31/03/13 |
| | D B Hi-Sky Construction Private Limited | Associate | Trade | 10 | 5,000 | 5,000 | 50.00 | 50.00 | 50,000 | 50,000 |
| | Mahal Pictures Private Limited | Associate | Trade | 10 | 3,600 | 3,600 | 33.33 | 33.33 | 892,225,001 | 892,225,001 |
| | DB (BKC) Realtors Private Limited(Refer Note 2 below) | Joint Venture | Trade | 10 | 187,015 | 187,015 | 40.80 | 40.80 | 986,503,899 | 986,503,899 |
| | Marine Drive Hospitality & Realty Private Limited (Formerly DB Hospitality Private Limited (Refer note 3 below)) | Others | Other than trade | 10 | 3,838,382 | 3,838,382 | 15.53 | 15.53 | 783,029,928 | 783,029,928 |
| | TOTAL (a) | | | | | | | | **4,881,319,741** | **4,881,219,741** |
| **(b)** | **Investments in Preference Shares (At cost, fully paid & unquoted unless otherwise specified)** | | | | | | | | | |
| | NeelKamal Realtors Suburban Private Limited (10.50% Redeemable Cumulative Preference Shares) | Subsidiary | Trade | 100 | 1,050,000 | 1,050,000 | 100.00 | 100.00 | 105,262,502 | 105,262,502 |
| | NeelKamal Realtors Tower Private Limited (0.002% Redeemable Optionally Convertible Cumulative Preference Shares) | Associate | Trade | 10 | 660,918 | 660,918 | 100.00 | 51.00 | 109,609,005 | 109,609,005 |
| | DB (BKC) Realtors Private Limited | | Trade | | | | | | | |
| | i) 0.001% Redeemable Optionally Convertible Cumulative Preference Shares | Joint Venture | Trade | 10 | 304,518 | 304,518 | 66.44 | 66.44 | 991,626,849 | 991,626,849 |
| | ii) 0.001% Compulsory Convertible Cumulative Preference Shares | Joint Venture | Trade | 10 | 70,652 | 70,652 | 13.30 | 13.30 | 488,482,556 | 488,482,556 |
| | Real Gem Buildtech Private Limited | Subsidiary | Trade | 10 | 13,500,000 | 13,500,000 | 100.00 | 100.00 | 135,000,000 | 135,000,000 |
| | Marine Drive Hospitality & Realty Private Limited (Formerly DB Hospitality Private Limited) (Refer Note 4 below) | Others | Other than trade | | | | | | | |
| | i) 0.002% Redeemable Optionally Convertible Cumulative Preference Shares | Others | Other than trade | 10 | 24,233,571 | 24,233,571 | 73.76 | 73.76 | 4,943,648,484 | 4,943,648,484 |
| | ii) 0.002% Compulsory Convertible Cumulative Preference Shares | Others | Other than trade | 10 | 9,260,080 | 9,260,080 | 92.60 | 92.60 | 1,889,056,320 | 1,889,056,320 |
| | iii) 0.001% Cumulative Redeemable Preference Shares | Others | Other than trade | 10 | 7,444,256 | 2,390,000 | 100.00 | 100.00 | 7,444,256,000 | 2,390,000,000 |
| | **TOTAL (b)** | | | | | | | | **16,106,941,716** | **11,052,685,716** |
| | | | | | | | | | | |
| **(c)** | **Investments in Debentures (At cost, fully paid & unquoted unless otherwise specified)** | | | | | | | | | |
| | N.A. Estate Private Limited (Interest free fully and compulsory convertible unsecured debentures) | Subsidiary | Trade | 100 | 70,000 | 70,000 | 100.00 | 100.00 | 25,000,000 | 25,000,000 |
| | **TOTAL (c)** | | | | | | | | **25,000,000** | **25,000,000** |
| | | | | | | | | | | |
| **(d)** | **Investments in partnership firms** | | | | | | | | | |
| | M/s Dynamix Realty (Project II) | Joint Venture | Trade | N.A. | N.A. | N.A. | 50.00 | 50.00 | 250,000 | 250,000 |
| | M/s DBS Realty | Joint Venture | Trade | N.A. | N.A. | N.A. | 33.33 | 33.33 | 3,300,000 | 3,300,000 |
| | Mira Real Estate Developers | Subsidiary | Trade | N.A. | N.A. | N.A. | 99.00 | 99.00 | 1,050,000,000 | 1,050,000,000 |
| | | | | | | | | | | |
| | **TOTAL (d)** | | | | | | | | **1,053,550,000** | **1,053,550,000** |
| | | | | | | | | | | |
| **(e)** | **Other non-current investments** | | | | | | | | | |
| | Conwood - DB Joint Venture (AOP) | Subsidiary | Trade | N.A. | N.A. | N.A. | 90.00 | 90.00 | 163,749,732 | 161,134,732 |
| | ECC - DB Joint Venture (AOP) | Subsidiary | Trade | N.A. | N.A. | N.A. | 75.00 | 75.00 | 287,450,000 | 253,960,000 |
| | Turf Estate Joint Venture (AOP) | Subsidiary | Trade | N.A. | N.A. | N.A. | 66.67 | 66.67 | 2,500,000 | 2,500,000 |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Sr. No. | Name of the Body Corporate | Subsidiary/ Associate/ JV/ Controlled Entity/ Others | Trade/Other tham trade | Nominal Value per share | No. of Shares/ Units | | Extent of Holding (%) | | Amount (Rs.) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | As at 31/03/14 | As at 31/03/13 | As at 31/03/14 | As at 31/03/13 | As at 31/03/14 | As at 31/03/13 |
| | Lokhandwala Dynamix-Balwas JV | Joint Venture | Trade | N.A. | N.A. | N.A. | 50.00 | 50.00 | 24,117,000 | 24,117,000 |
| | DB Realty and Shreepati Infrastructures Limited Liability Partnership | Joint Venture | Trade | N.A. | N.A. | N.A. | 60.00 | 60.00 | 58,800 | 58,800 |
| | Ahmednagar Warehousing Developers & Builders Limited Liability Partnership | Joint Venture | Trade | N.A. | N.A. | N.A. | 50.00 | 50.00 | 50,000 | 50,000 |
| | Aurangabad Warehousing Developers & Builders Limited Liability Partnership | Joint Venture | Trade | N.A. | N.A. | N.A. | 50.00 | 50.00 | 50,000 | 50,000 |
| | Daund Warehousing Developers & Builders Limited Liability Partnership | Joint Venture | Trade | N.A. | N.A. | N.A. | 50.00 | 50.00 | 50,000 | 50,000 |
| | Latur Warehousing Developers & Builders Limited Liability Partnership | Joint Venture | Trade | N.A. | N.A. | N.A. | 50.00 | 50.00 | 50,000 | 50,000 |
| | Saswad Warehousing Developers & Builders Limited Liability Partnership | Joint Venture | Trade | N.A. | N.A. | N.A. | 50.00 | 50.00 | 50,000 | 50,000 |
| | Solapur Warehousing Developers & Builders Limited Liability Partnership | Joint Venture | Trade | N.A. | N.A. | N.A. | 50.00 | 50.00 | 50,000 | 50,000 |
| | Veer Jeejamata Nagar Realty LLP | Joint Venture | Trade | N.A. | N.A. | N.A. | 50.00 | - | 50,000 | - |
| | | | | | | | | | | |
| | **TOTAL (e)** | | | | | | | | **478,225,532** | **442,070,532** |
| | | | | | | | | | | |
| | **Total(a+b+c+d+e)** | | | | | | | | **22,545,036,989** | **17,454,525,989** |

**Notes:**

1. The Company has pledged its investment of 986,613 Class A equity shares (PY NIL) of Neelkamal Realtors Tower Private Limited, it's associate Company, in favour of Yes Bank which provided term loan of Rs. 350 crores, to the said associate.
2. The Company has pledged 88.79% (PY 88.79%) of its investment in equity & 54.53% (PY 54.53%) of its investment in ROCCPS of DB (BKC) Realtors Private Limited (Formerly known as M K Malls & Developers Private Limited) joint venture, in favour of banks which sanctioned term loans of Rs. 75 crores (PY NIL), to the said joint venture.
3. The Company has pledged its investment of 3,838,382 equity shares of Marine Drive Hospitality & Realty Pvt. Ltd., in favour of IL & FS Financials Services Ltd which provided term loan of Rs. 21.50 crores (PY NIL), to the Company
4. There is no return on investments in preference shares of Marine Drive Hospitality & Realty Private Limited ("DBH") during the year. Further, even though there is a huge investment in these preference shares, there is no control or significant influence on DBH. In view of the management, investments in these entities are considered strategic and long term in nature and the current market values and future prospects of these investments are significantly in excess of Company's investment in DBH.

## *C. Investment in Partnership Firms

### (i) M/s Dynamix Realty (Project II)*

| Name of the Partners | As on 31st March 2014 | | As on 31st March 2013 | |
|---|---|---|---|---|
| | Share of each Partner | Total Capital | Share of each Partner | Total Capital |
| | (%) | Amount ₹ | (%) | Amount ₹ |
| DB Realty Ltd | 50.00 | 250,000 | 50.00 | 250,000 |
| Eversmile Construction Company | 50.00 | 125,000 | 50.00 | 125,000 |
| **Total Capital** | **100.00** | **375,000** | **100.00** | **375,000** |

*DB Realty Ltd. is only a partner in Project II of Dynamix Realty

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(ii) **M/s DBS Realty**

| Name of the Partners | As on 31st March 2014 | | As on 31st March 2013 | |
|---|---|---|---|---|
| | Share of each Partner | Total Capital | Share of each Partner | Total Capital |
| | (%) | Amount ₹ | (%) | Amount ₹ |
| DB Realty Ltd. | 33.33 | 3,300,000 | 33.33 | 3,300,000 |
| Bharat Shah | 8.33 | 825,000 | 8.33 | 825,000 |
| Manakchand Loonkar | 8.33 | 825,000 | 8.33 | 825,000 |
| Real Street Developers | 16.67 | 1,650,000 | 16.67 | 1,650,000 |
| Vision Finstock Limited | 16.67 | 1,650,000 | 16.67 | 1,650,000 |
| Ramesh Shah | 16.67 | 1,650,000 | 16.67 | 1,650,000 |
| **Total Capital** | **100.00** | **9,900,000** | **100.00** | **9,900,000** |

(iii) **M/s Mira Salt Works Company**

| Name of the Partners | As on 31st March 2014 | | As on 31st March 2013 | |
|---|---|---|---|---|
| | Share of each Partner | Total Capital | Share of each Partner | Total Capital |
| | (%) | Amount ₹ | (%) | Amount ₹ |
| DB Realty Ltd | 99.00 | 1,050,000,000 | 99.00 | 1,050,000,000 |
| DB View Infracon Pvt Ltd. | 1.00 | - | 1.00 | |
| **Total Capital** | **100.00** | **1,050,000,000** | **100.00** | **1,050,000,000** |

**D. Investment in Limited Liability Partnership**

(i) **DB Realty and Shreepati Infrastructures Limited Liability Partnership**

| Name of the Partners | As on 31st March 2014 | | As on 31st March 2013 | |
|---|---|---|---|---|
| | Share of each Partner | Total Capital | Share of each Partner | Total Capital |
| | (%) | Amount ₹ | (%) | Amount ₹ |
| DB Realty Ltd | 58.80 | 58,800 | 58.80 | 58,800 |
| Nine Paradise Erectors Private Limited | 0.60 | 600 | 0.60 | 600 |
| DB View Infracon Private Limited | 0.60 | 600 | 0.60 | 600 |
| Shreepati Infra Realty Limited | 20.00 | 20,000 | 20.00 | 20,000 |
| Mr. Rajendra R Chaturvedi | 10.00 | 10,000 | 10.00 | 10,000 |
| Mr. Tapas R Chaturvedi | 10.00 | 10,000 | 10.00 | 10,000 |
| **Total Capital** | **100.00** | **100,000** | **100.00** | **100,000** |

(ii) **Ahmednagar Warehousing Developers & Builders Limited Liability Partnership**

| Name of the Partners | As on 31st March 2014 | | As on 31st March 2013 | |
|---|---|---|---|---|
| | Share of each Partner | Total Capital | Share of each Partner | Total Capital |
| | (%) | Amount ₹ | (%) | Amount ₹ |
| DB Realty Ltd. | 50.00 | 50,000 | 50.00 | 50,000 |
| Nihar Constructions Private Limited | 50.00 | 50,000 | 50.00 | 50,000 |
| **Total Capital** | **100.00** | **100,000** | **100.00** | **100,000** |

(iii) **Aurangabad Warehousing Developers & Builders Limited Liability Partnership**

| Name of the Partners | As on 31st March 2014 | | As on 31st March 2013 | |
|---|---|---|---|---|
| | Share of each Partner | Total Capital | Share of each Partner | Total Capital |
| | (%) | Amount ₹ | (%) | Amount ₹ |
| DB Realty Ltd. | 50.00 | 50,000 | 50.00 | 50,000 |
| Nihar Constructions Private Limited | 50.00 | 50,000 | 50.00 | 50,000 |
| **Total Capital** | **100.00** | **100,000** | **100.00** | **100,000** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(iv) **Daund Warehousing Developers & Builders Limited Liability Partnership**

| Name of the Partners | As on 31st March 2014 | | As on 31st March 2013 | |
|---|---|---|---|---|
| | Share of each Partner | Total Capital | Share of each Partner | Total Capital |
| | (%) | Amount ₹ | (%) | Amount ₹ |
| DB Realty Ltd | 50.00 | 50,000 | 50.00 | 50,000 |
| Nihar Constructions Private Limited | 50.00 | 50,000 | 50.00 | 50,000 |
| **Total Capital** | **100.00** | **100,000** | **100.00** | **100,000** |

(v) **Latur Warehousing Developers & Builders Limited Liability Partnership**

| Name of the Partners | As on 31st March 2014 | | As on 31st March 2013 | |
|---|---|---|---|---|
| | Share of each Partner | Total Capital | Share of each Partner | Total Capital |
| | (%) | Amount ₹ | (%) | Amount ₹ |
| DB Realty Ltd | 50.00 | 50,000 | 50.00 | 50,000 |
| Nihar Constructions Private Limited | 50.00 | 50,000 | 50.00 | 50,000 |
| **Total Capital** | **100.00** | **100,000** | **100.00** | **100,000** |

(vI) **Saswad Warehousing Developers & Builders Limited Liability Partnership**

| Name of the Partners | As on 31st March 2014 | | As on 31st March 2013 | |
|---|---|---|---|---|
| | Share of each Partner | Total Capital | Share of each Partner | Total Capital |
| | (%) | Amount ₹ | (%) | Amount ₹ |
| DB Realty Ltd | 50.00 | 50,000 | 50.00 | 50,000 |
| Nihar Constructions Private Limited | 50.00 | 50,000 | 50.00 | 50,000 |
| **Total Capital** | **100.00** | **100,000** | **100.00** | **100,000** |

(vII) **Solapur Warehousing Developers & Builders Limited Liability Partnership**

| Name of the Partners | As on 31st March 2014 | | As on 31st March 2013 | |
|---|---|---|---|---|
| | Share of each Partner | Total Capital | Share of each Partner | Total Capital |
| | (%) | Amount ₹ | (%) | Amount ₹ |
| DB Realty Ltd | 50.00 | 50,000 | 50.00 | 50,000 |
| Nihar Constructions Private Limited | 50.00 | 50,000 | 50.00 | 50,000 |
| **Total Capital** | **100.00** | **100,000** | **100.00** | **100,000** |

(vIIi) **Veer Jijamata Nagar Realty Limited Liability Partnership**

| Name of the Partners | As on 31st March 2014 | | As on 31st March 2013 | |
|---|---|---|---|---|
| | Share of each Partner | Total Capital | Share of each Partner | Total Capital |
| | (%) | Amount ₹ | (%) | Amount ₹ |
| DB Realty Ltd | 50.00 | 50,000 | - | - |
| DB Contractors & Builders Private Limited | 50.00 | 50,000 | - | - |
| **Total Capital** | **100.00** | **100,000** | **-** | **-** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

**12. Long Term Loans and Advances (Unsecured, considered good, unless stated otherwise)**

| Particulars | As at 31st March 2014 Amount In ₹ | | As at 31st March 2013 Amount In ₹ | |
|---|---|---|---|---|
| **a. Security Deposits (Refer Note 12.1 & 12.2)** | | | | |
| Security Deposits | | 3,980,464,432 | | 4,123,168,382 |
| **b. Loans and advances to related parties (Refer Note 12.1)** | | | | |
| Loans to Associates | | - | | 143,319,936 |
| Project Advances to Associates (Refer Note 12.4) | | 781,945,000 | | 782,535,000 |
| **c. Other loans and advances (Refer note 12.1)** | - | - | - | - |
| Advance Payment of Taxes (Net of provision for tax of Rs. NIL (PY NIL)) | 24,727,916 | | 16,417,274 | |
| MAT Credit Entitlement | 37,500,000 | | 37,500,000 | |
| Advance against Share Purchase (refer note 12.3) | 891,702,632 | | 3,688,471,940 | |
| Other Loans & Advances | 335,952,170 | 1,289,882,718 | 267,832,039 | 4,010,221,253 |
| | - | - | - | - |
| | | **6,052,292,150** | | **9,059,244,571** |

**12.1 Loans and advances due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director a member**

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| Private Company in which director is a member/ director | 3,978,535,000 | 7,412,400,896 |
| **Total** | **3,978,535,000** | **7,412,400,896** |

**12.2** Security deposits include Rs. 3,575,000,000 given to various related parties for acquisition of development rights. The Company is in process of obtaining necessary approvals with regard to said properties and the said properties have current market values significantly in excess of carrying values and are expected to achieve adequate profitability on substantial completion of their projects.

**12.3** Refer Note 29 for advance for share purchase amounting to Rs. 40,00,00,000/-.

**12.4** In respect of project advances of Rs. 78,19,45,000 forming a part of long term loans and advances provided by the Company to its two Associate Companies, the required documents are under execution.

**13 Other Non-Current Assets**

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| **b. Others** | | |
| Margin money Deposits (having maturity more than 12 months)* | 29,820,000 | 29,820,000 |
| Interest accrued but not due* | 7,263,120 | 4,713,392 |
| **Total** | **37,083,120** | **34,533,393** |

* Kept as security for guarantees/other facilities with banks.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

## 14 Current Investments (Trade, Unquoted)

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| (a) Investments in partnership firms | 339,646,462 | 1,494,923,259 |
| (b) Other Current Investments | 1,362,218,563 | 630,350,197 |
| Total | **1,701,865,025** | **2,125,273,456** |
| Less : Provision for diminution in the value of Investments | - | - |
| **Total** | **1,701,865,025** | **2,125,273,456** |

**Details of Current Investments**

| Sr. No. | Name of the Body Corporate | Subsidiary / Associate / JV/ Controlled Entity / Others | Amount In ₹ | |
|---|---|---|---|---|
| | | | As at 31/03/14 | As at 31/03/13 |
| **(a)** | **Investments in partnership firms** | | | |
| | M/s Dynamix Realty | Joint Venture | - | 1,163,639,990 |
| | Mira Real Estate Developers | Subsidiary | 339,646,462 | 331,283,269 |
| | | | **339,646,462** | **1,494,923,259** |
| **(b)** | **Other Current Investments** | | | |
| | Turf Estate Joint Venture (AOP) | Subsidiary | 1,297,486,348 | 565,557,500 |
| | DB Realty and Shreepati Infrastructures Limited Liability Partnership | Joint Venture | 64,274,015 | 64,314,001 |
| | Ahmednagar Warehousing Deve. & Builders LLP | Joint Venture | 126,954 | 130,716 |
| | Aurangabad Warehousing Dev. & Builders LLP | Joint Venture | 28,354 | 31,835 |
| | Latur Warehousing Developers & Builders LLP | Joint Venture | 110,811 | 114,641 |
| | Saswad Warehousing Developers & Builders LLP | Joint Venture | 79,764 | 83,594 |
| | Solapur Warehousing Developers & Builders LLP | Joint Venture | 112,317 | 117,910 |
| | | | **1,362,218,563** | **630,350,197** |
| | **Total** | | **1,701,865,025** | **2,125,273,456** |

## 15 Inventories

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| Project Work in Progress (Valued at cost or net realisable value whichever is lower) # | 2,262,607,335 | 2,005,660,682 |
| **Total** | **2,262,607,335** | **2,005,660,682** |

# Refer note 5.4, 7.1 & (i), (iv) & (vi) to Note 27 for securities given of projects by the Company.

**Note:** All projects are under initial stage of development & expected to have net realizable value greater than the cost.

## 16 Trade Receivables

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| **Trade receivables (Outstanding for a period less than six months from the due date of payment)** | | |
| Unsecured, considered good | - | 430,000,000 |
| **Total** | **-** | **430,000,000** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

### 17 Cash and Bank Balances

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| **1. Cash and cash equivalents** | | |
| a. Balances with banks in current accounts | 116,040,232 | 8,214,282 |
| b. Cash on hand | 1,168,473 | 258,582 |
| **2. Other Bank Balances (having maturity more than 3 months but less than 12 months)*** | 21,149,122 | 59,877,415 |
| **Total** | **138,357,827** | **68,350,279** |

* Kept as security for guarantees/other facilities with banks.

### 18 Short-term loans and advances

Amount in Rs.

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| **a. Loans and advances to related parties** | | |
| **Unsecured, considered good (Refer note 18.1)** | | |
| Loans to Subsidiaries | 2,916,820,011 | 3,908,103,167 |
| Loans to Associates | 32,565,358 | - |
| Loans to Others | 1,022,263,906 | 773,638,704 |
| | **3,971,649,275** | **4,681,741,871** |
| **b. Others** | | |
| **Unsecured, considered good** | | |
| Service Tax Receivable | 455,163 | 455,163 |
| Other Loans and Advances | 693,082,688 | 837,569,846 |
| **Unsecured, considered doubtful** | | |
| Security Deposits | - | 11,983,866 |
| Other Loans and Advances (Refer note 18.2) | 17,557,328 | 17,557,328 |
| | 17,557,328 | 29,541,194 |
| Less: Provision for Doubtful Security Deposits & Advances | (17,557,328) | (29,541,194) |
| | **693,537,851** | **838,025,009** |
| **Total** | **4,665,187,128** | **5,519,766,880** |

**18.1 Loans and advances due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director a member**

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| Private Company in which director is a member | 2,685,363,014 | 3,649,145,812 |
| **Total** | **2,685,363,014** | **3,649,145,812** |

**18.2** During the year, the Directorate of Enforcement has taken physical possession of bank balance of ₹ 6,892,967/-, against which the Firm has written a letter to convert the amount so recovered into Fixed Deposits, till date Directorate of Enforcement has not entertained this request. In view of the same, the said balance is shown as part of other loans and advances.

### 19 Other Current Assets

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| Interest Accrued but not due | 1,317,171 | 3,750,718 |
| **Total** | **1,317,171** | **3,750,718** |

### 20 Revenue from Operations

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Particulars | For the year ended 31st March 2014 Amount in ₹ | For the year ended 31st March 2013 Amount in ₹ |
|---|---|---|
| Sale of Development Right (Project - Orchid Centre IT Park) | - | 430,000,000 |
| **Total** | **-** | **430,000,000** |

**21 Other Income**

| Particulars | For the year ended 31st March 2014 Amount in ₹ | For the year ended 31st March 2013 Amount in ₹ |
|---|---|---|
| Interest Income | 193,847,750 | 161,927,413 |
| Net gain on sale of current investments | - | 1,000,000 |
| Share of Loss from Investment in Partnership Firms & LLP (Net) (Refer Note 21.1) | (12,770,705) | (93,097,413) |
| Excess Provision written back | 10,279,309 | 24,434,063 |
| Miscellaneous Income | 4,314,408 | 53,753 |
| **Total** | **195,670,762** | **94,317,816** |

**21.1** Share of loss includes ₹ 15,25,214, which is based on the accounts as approved by only the Company, in its capacity as one of the partners of the Firm. The management of the Company does not expect any material impact arising out of such financial statements of the Firm which have not yet been approved by other two partners.

**22 Project Expenses incurred**

| Particulars | For the year ended 31st March 2014 Amount in ₹ | For the year ended 31st March 2013 Amount in ₹ |
|---|---|---|
| Land acquisition and purchase of tenancy rights | - | 2,180,184 |
| Project Salaries, Wages and Bonus | 4,688,083 | 17,419,751 |
| Depreciation | 660,984 | 892,915 |
| Other construction expenses# | 251,597,585 | 86,183,514 |
| **Total** | **256,946,653** | **106,676,364** |

#Other construction expenses

| Particulars | For the year ended 31st March 2014 Amount in ₹ | For the year ended 31st March 2013 Amount in ₹ |
|---|---|---|
| Civil Construction, Material and Site developement Expenses | 29,647,368 | 43,638,421 |
| Rates & Taxes | 863,882 | 550,909 |
| Rent | 3,374,376 | 7,861,537 |
| SRA premium paid | 193,959,200 | - |
| Advertisement & Publicity | 1,584,000 | 1,324,182 |
| Legal & Professional fees | 2,109,760 | 4,796,134 |
| Electricity Expenses | 2,296,423 | 2,428,862 |
| Security Charges | 3,264,958 | 2,624,321 |
| Repairs & Maintenance | 1,813,299 | 25,888 |
| Printing and Stationery and Telephone Charges | 3,137,206 | 3,390,760 |
| Travelling and Conveyance Expenses | 8,633,047 | 16,967,647 |
| Miscellaneous Expenses | 914,066 | 1,574,853 |
| **Total** | **251,597,585** | **86,183,514** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

### 23 (Increase)/Decrease in Inventories

| Particulars | For the year ended 31st March 2014 Amount in ₹ | For the year ended 31st March 2013 Amount in ₹ |
|---|---|---|
| Opening Inventory - Project Work in progress | 2,005,660,682 | 2,068,074,734 |
| Closing Inventory - Project Work in progress | (2,262,607,335) | (2,005,660,682) |
| **Total** | **(256,946,653)** | **62,414,052** |

### 24 Employee Benefit Expenses

| Particulars | For the year ended 31st March 2014 Amount in ₹ | For the year ended 31st March 2013 Amount in ₹ |
|---|---|---|
| (a) Salaries and wages | 61,879,354 | 54,047,986 |
| (b) Contributions to Provident and other funds | 72,439 | 2,399,203 |
| (c) Staff welfare expenses | 6,231,782 | 2,260,031 |
| **Total** | **68,183,575** | **58,707,220** |

### 25 Finance Cost

| Particulars | For the year ended 31st March 2014 Amount in ₹ | For the year ended 31st March 2013 Amount in ₹ |
|---|---|---|
| Interest Expense | 309,219,008 | 151,468,347 |
| Other borrowing costs | 33,864,336 | 29,365,506 |
| **Total** | **343,083,344** | **180,833,853** |

### 26 Other Expenses

| Particulars | For the year ended 31st March 2014 Amount in ₹ | For the year ended 31st March 2013 Amount in ₹ |
|---|---|---|
| Rent | 19,226,148 | 22,771,539 |
| Repairs and Maintenance | 1,542,925 | 1,949,377 |
| Legal and Professional Charges (Refer Note 34 for auditor remuneration) | 30,983,151 | 26,646,699 |
| Donations | 908,952 | 81,300 |
| Net loss on foreign currency transactions | - | 2,223 |
| Advertisement and Publicity | 4,856,326 | 6,164,440 |
| Business Promotion Expenses | 12,119,617 | 7,733,753 |
| Books, Periodicals, Subscription & Membership Fees | 1,605,626 | 1,484,112 |
| Directors Sitting Fees | 800,000 | 980,000 |
| Printing and Stationery and Telephone Charges | 989,733 | 1,334,377 |
| Travelling and Conveyance Expenses | 928,063 | 12,292,607 |
| House Keeping Expenses | 930,701 | 1,402,642 |
| Electricity Expenses | 491,549 | 759,782 |
| Tender Fees Paid | 743,395 | 15,000 |
| Commission & Brokerage | - | 6,961,334 |
| Provision against Doubtful Security Deposit | - | 11,983,866 |
| Miscellaneous Expenses | 3,632,104 | 10,375,863 |
| **Total** | **79,798,290** | **112,938,914** |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

**27. Contingent Liabilities and commitments:**

| Particulars | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|
| **Contingent Liabilities:** | | |
| A. Guarantees and Securities provided to banks and financial institutions (in India and overseas) against credit facilities extended to**:** | | |
| a) Subsidiaries | | |
| - Real gem Buildtech Pvt. Ltd. (Guarantee provided) | 3,000,000,000 | 3,000,000,000 |
| - DB View Infracon Pvt. Ltd. (Security provided) (Refer note 27 (i)) | 300,000,000 | - |
| Sub Total (a) | **3,300,000,000** | **3,000,000,000** |
| b) Associates | | |
| - Neelkamal Realtors Tower Private Limited (Guarantee provided) (Refer note 27 (ii) | 3,500,000,000 | 4,125,000 |
| Sub Total (b) | **3,500,000,000** | **4,125,000** |
| c) Jointly Controlled Entities (Guarantees given) | | |
| - Dynamix Realty (Towards vehicle loan) | - | 4,125,000 |
| - DB (BKC) Realtors Private Limited (earlier known as M K Malls & Developers Private Limited) (Refer note 27(iii) below) | 750,000,000 | 750,000,000 |
| Sub Total (c) | **750,000,000** | **754,125,000** |
| d) Companies under the same management | | |
| - Majestic Infracon Private Limited (earlier known as DBI Infracon Private Limited / Tiger Trustees Private Limited) (Refer Note 27 (iv) below) | 8,530,000,000 | 8,530,000,000 |
| - Heaven Star Hotels (Delhi) Private Limited (earlier known as DB Hotels (India) Private Ltd) (Guarantees given and Security provided) (Refer Note 27 (v) below) | 1,700,000,000 | 1,700,000,000 |
| - Pune Buildtech Private Ltd (Refer Note 27 (vi) below) | 2,250,000,000 | - |
| - BD&P Hotels (India) Private Ltd (Refer Note 27 (vi) below) | 650,000,000 | - |
| - Neelkamal Realtors and Builders Private Limited (Towards vehicle loan) | - | 4,125,000 |
| Sub Total (d) | **13,130,000,000** | **10,234,125,000** |
| e) Others | | |
| - Delux Hospitality Limited, Mauritius (earlier known as D B Hospitality Limited) (Term Loan of USD 138 Million) & YJ Realty Ltd (Stand by Letter of Credit of USD 65 Million) (Overall Guarantee of the Company in USD 138 million) (Refer 27 (vii) below) | 8,293,772,400 | 7,505,723,400 |
| Sub Total (e) | **8,293,772,400** | **7,505,723,400** |
| **Grand Total (a+b+c+d+e)** | **28,973,772,400** | **24,148,098,400** |
| | | |
| B. Other money for which the Company is contingently liable:- | | |
| i) Contingent payments to the holders of Redeemable Optionally Convertible Cumulative Preference Shares (ROCCPS), Compulsory Convertible Preference Shares (CCPS) and equity shares subscribed by other shareholders of an entity (in which the Company has joint control) – representing the amount payable or adjustable by the Company on exercise of various exit options by such other holders based on agreement entered with them. | Amount unascertainable | Amount unascertainable |
| ii) Provisional attachment of assets under Prevention of Money Laundering Act, 2002 for: DB Realty Limited (Refer Note 40) Dynamix Realty (Refer Note (iii) of A of 28) | Amount unascertainable | Amount unascertainable |
| The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings (which is not quantifiable) to have any adverse effect on its financial conditions, results of operations or cash flows. | | |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Notes:

(i) The Company has provided security of the Company's properties admeasuring 80,934 sq meters at Malad (East), Mumbai and Resham Bhavan located at Churchgate, Mumbai. The Company is confident that the subsidiary Company would fulfill the obligations under the credit facilities and does not expect any outflow of resources.

(ii) During the year, the Company has given Corporate Guarantee on behalf of Neelkamal Realtors Tower Private Limited, an associate. The said facilities are secured by (i) Exculsive charge by in respect of all that pieces and parcels of land of Byculla Division CS no.1906 admeasuring 19434.10 Square Meters and structure constructed or to be constructed thereon. (ii) All moveable fixed and current assets including recieveables (present and future) of the project "ORCHID HEIGHT".(iii) Escrow Account of project receivables (Orchid Heights). Exculsive charge by way of 30% of total shareholding of the Company which are held by D B Realty Limited (986,613 class A equity share). (iv) Personal Guarantee of Mr Shahid Balwa and Mr Vinod Goenka

(iii) No loan has been borrowed by DB (BKC) Realtors Private Limited towards a total corporate guarantee provided of ₹ 750,000,000 (Previous year: ₹ 750,000,000).

(iv) In a earlier years, the Company had given corporate guarantee on behalf of Majestic Infracon Private Limited in which some of the directors of the Company are interested for facility availed from Punjab National Bank, Mumbai and Bank of India, Mumbai, for an amount aggregating ₹ 8,530,000,000 (Previous Year ₹ 8,530,000,000) The Company has also provided collateral securities of the Company's property admeasuring 80,934 sq meters at Malad (East), Mumbai (forming part of Inventory) with all including all development rights, unutilized Floor Space Index (FSI) / or such other FSI that may be granted in future.

The said facility is also secured by (a) pledge of investment of Majestic Infracon Private Limited consisting of 45,934,000 equity shares in Etisalat DB Telecom Private Limited; (b) a pari passu charge on its property consisting of Hotel Hilton, Mumbai. (c) Together with collateral securities of the Company's property admeasuring 80,934 sq meters at Malad (East), Mumbai with all including all development rights, unutilized Floor Space Index (FSI) / or such other FSI that may be granted in future.

The Company is confident that this Company would fulfill the obligations under the credit facilities and does not expect any outflow of resources.

(v) During the year, the Company has given Corporate Guarantee and has pledged its entire shareholding of Marine Drive Hospitality & Realty Private Limited for loan availed by Heaven Star Hotels (Delhi) Private Limited (formerly known as DB Hotels (India) Private Limited), from IL & FS Financial Services Limited.

The said facility is also secured by (i) charge on Fixed Assets both present and future of the project other than project land (ii) charge on all current assets including receipt of all the receivables related to the project (iii) charge on all bank accounts, insurance contracts (iv) Goan Hotels & Clubs Private Limited in Heaven Star Hotels (Delhi) Private Limited. The Company is confident that this Company would fulfill the obligations under the credit facilities and does not expect any outflow of resources.

(vi) During the year, the Company has given corporate guarantees and has given collateral securities of the Company's property DB Hill Park admeasuring 80,934 sq meters at Malad (East), Mumbai and Resham Bhavan located at Churchgate, Mumbai (forming part of Inventory), on behalf of BD&P Hotels (India) Private Limited and Pune Buildtech Pvt. Ltd.

The said facilities are also secured by (i) charge on Fixed Assets both present and future of the respective projects other than project land (ii) charge on all current assets including receipt of all the receivables related to the respective project (iii) charge on all bank accounts, insurance contracts of respective Company alongwith the following common securities (iv) a pari passu charge on its property consisting of Hotel Hilton, Mumbai.

The Company is confident that this company would fulfill the obligations under the credit facilities and does not expect any outflow of resources.

(vii) In a earlier years, the Company had given corporate guarantee in respect of facilities availed by Delux Hospitality Limited, Mauritius ('DBH, Mauritius') & YJ Realty Ltd from ICICI Bank - United Kingdom PLC of USD 138 millions – ₹ 8,293,772,400 as at the year end March 31, 2014 (Previous Year ₹ 7,505,723,400). For the purpose of the said corporate guarantee, the Company has received in its favour irrevocable and unconditional personal guarantees from the two interested directors covering the entire amount of such guarantees issued by the Company. (Conversion rate used ₹ 60.0998/- USD as per RBI conversion rate as on 28th March 2014 (PY ₹ 54.3893/- USD)

The said facilities are secured by (a) mortgage of its property consisting of Milan Mall in Milan Theatres Private Limited, Dynamix Mall in YJ Realty Private Limited, Orchid Garden in Conwood DB JV and Orchid Park in DB Realty Limited (against stand by letter of credit issued by ICICI Bank Limited as an integral part of the arrangement); (b) pledge of its entire shareholding of DB Hospitality Private Limited ('DBHPL') in DBH, Mauritius (being the wholly owned subsidiary of DBHPL).

The Company is confident that these companies would fulfill their obligations under the credit facilities and does not expect any outflow of resources.

**B. Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) amounting to Rs.Nil/- (Previous Year ₹ Nil) and estimated amount of contracts remaining to be executed other than capital account and not provided for amounting to Rs NIL/- (Previous Year ₹ Nil).

28. Share of loss (net) from investments in partnership firms ("the firms") and investments in the firms is based on financial statements of the firms as audited by other auditors except in case of a partnership firm i.e. DBS Realty (Refer Note 21.1). The audited financial statements/the auditors' report on the financial statements of the partnership firms viz. Dynamix Realty ("Dynamix"), DBS Realty and Mira Real Estate Developers (formerly known as Mira Salt Works Company) in which the Company is a partner has reported certain significant matters as under:

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

A. **Dynamix Realty:**

i. Notes to financial statements and reference in Auditors' report regarding the following matters.

1. The Firm had granted unsecured loan with interest to Kusegaon Realty Private Limited of ₹ 2,092,500,000/- and recovered principal amount in the year ended 31st March, 2011. The outstanding amount of Rs. 91,501,379/- (Previous year ₹ 91,501,379/-) represents interest receivable and is considered good for recovery, as in the opinion of the Partners they do not expect any shortfall in recovery thereof.
2. The Firm had granted unsecured loan to Nihar Construction Private Limited without interest and repayable on demand with no other terms for which the Partners had given their consent. The outstanding amount as of year-end is ₹ 87,150,000/- (Previous year ₹ 244,500,000/-) which is considered as good for recovery.
3. Trade Receivables outstanding more than 6 months of ₹ 944,656,340 which Includes dues of ₹ 838,154,114/- (Previous year ₹ 838,154,114/-) attached under the PML Act, for which the parties have given their acknowledgement. As regards balance receivable of ₹ 106,688,887/- (Previous year ₹ 44,990,913/-), the Partners of the Firm have taken effective steps for recovery and do not expect any short realisation. Therefore, the Partners of the Firm have framed their opinion that the same are good for recovery.

ii. Notes to financial statements and reference in Auditors' report regarding a matter which is sub-judice:

The Firm had granted Loan to Kusegaon aggregating to ₹ 2,092,500,000/-, (the said loans) as upto 31.03.2010. As of 31.03.2014, the outstanding balance due from Kusegaon is ₹ 91,501,379/- (Previous year ₹ 91,501,379/-), being part of interest charged. Central Bureau of Investigation Anti-corruption Branch, New Delhi (CBI)) in the Supplementary (First) charge sheet RC.DAI.2009.A.0045 (2G Spectrum Case) has alleged that out of the said loans, through the Firm, ₹ 2,000,000,000/- is paid as illegal gratification to M/s Kalaignar TV Private Limited (Kalaignar) through Kusegaon and M/s Cineyug Films Pvt. Ltd., in lieu of the undue favours by accused public servants to Swan Telecom Private Limited (SWAN) in 2G Spectrum Case. The CBI have alternatively alleged in the said charge sheet that even if the said transaction of ₹ 2,000,000,000/- is accepted as genuine business transaction, the said loans obtained by Kalaignar for a consideration which being known as inadequate, constitutes commission of offence. The Firm is not an accused in the 2G Spectrum Case. In the opinion of the Partners of the Firm, these are preliminary charges based on investigation carried out by the CBI Team and the personnel named in the charge sheet are presumed to be innocent till their alleged offence is established after a fair trail. These preliminary charges have no impact on the business/operations of the Firm.

Further, consequent to above, a complaint was filed under the Prevention of Money Laundering Act, 2002 (the PML Act) (Money Laundering Case) and the Adjudicating Authority vide Order dated 10.01.2012 has confirmed the Provisional Attachment Order (the Order). The Firm being included as one of the defendant, properties in the form of bank balances and sundry debtors aggregating to ₹ 1,338,900,000/- (Previous Year ₹ 1,338,900,000/-) were provisionally attached, out of which, sundry debtors of ₹ 497,100,000/- (Previous year Rs.497,100,000/-) stands realised after furnishing the information for which the requisite intimation has been made to the Prescribed Authority. An appeal has been preferred against the Order before the Appellate Tribunal under the PML Act. During the year, the Directorate of Enforcement has taken physical possession of bank balance of ₹ 3,599,925/-, against which the Firm has written a letter to convert the amount so recovered into Fixed Deposits which is pending. In view of the same, the said balance is continued to be shown as part of bank balance held in current account. Post Balance sheet date, the Directorate of Enforcement has filed a complaint before the Hon' Court in connection with Money Laundering Case relating 2G Spectrum Case. In response thereto, the Firm, the Partners of the Firm and persons named in the said complaint have been issued summons for attendance. The parties hereto are yet to be provided a copy of the complaint.

As upto the date of signing of the financial statement the outcome of 2G Spectrum case/Money Laundering Case are sub judies.

iii. Notes to Financial statements relating to procedures pertaining to direct confirmations:

Balances of trade payables and trade receivables are subject to confirmation wherever applicable from respective parties & reconciliation, if any.

**B. DBS Realty:**

i. Notes to Financial statements relating to procedures pertaining to direct confirmations:

Trade Payables, Contractors' Retention money and mobilization advance in the financial statements are subject to confirmation. As per the contention of the management the same are good for payable/ receivable.

**C. Mira Real Estate Developers:**

**i.** Notes to financial statements regarding a matter which is sub-judice:

The Salt Department, Union of India has filed a petition and the partnership firm has filed cross petitions towards their respective claim for exclusive title over the salt pan land. Though the matter is sub-judice, the firm is of opinion that it has a rightful claim over the ownership of the salt pan land and will be in a position to defend its title.

**ii.** Notes to Financial statements relating to procedures pertaining to direct confirmations:

Trade Payables, other current liabilities, other current assets and other non-current assets are subject to confirmation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

29. During an earlier year, the Company acquired 1/3rd stake in Mahal Pictures Private Limited by paying ₹ 892,225,001. By and under a Share Purchase Agreement dated December 2, 2010, the Company agreed to purchase additional 1/3rd stake from another shareholder vide a Share Purchase Agreement and paid advance of ₹ 400,000,000. However, as per the said agreement, such purchase is subject to settlement of a suit which is pending at the High Court of Judicature at H'ble Bombay High Court. The Company has became a party to the said suit on account of demise of that Shareholder The Company, based on legal advice is confident of a favorable resolution in getting the matter resolved favourably so as to be able to develop the underlying land parcel; and accordingly the said advance paid is considered to be good of recovery.

30. One of the Company's wholly owned subsidiary (i.e. Esteem properties private Limited) has plans to construct/ develop/ market project/s on its land, which are delayed due to title dispute concerning the previous landlords. The Company has filed a special leave petition before the Supreme Court of India which is pending and a status quo order has been passed by the Supreme Court of India. The Company considers its investment in the said subsidiary as long term and strategic in nature. As of March 31, 2014, the Company's investment in and Loan to this subsidiary aggregate ₹ 312,018,720 (previous year ₹ 312,018,720) and ₹ 1,124,970,130 (previous year ₹ 1,120,577,945) respectively. The Company has been legally advised that the outcome of the petition before the High Court of Bombay against the reversed order & that of the Supreme Court of India against the order of the Bombay High Court in PIL could be in favor & accordingly the management is confident about the positive outcome and does not believe that there is any diminution in the value of its investments and considers the loan given as good of recovery.

31. The Company has incurred a sum of ₹ 132,931,001 (previous year ₹ 155,772,388) towards acquisition of development rights pertaining to a SRA redevelopment project, which is the subject matter of litigation. There are five litigations pending regarding the same. Based on legal advice, the Company believes that it has a good chance of getting the project and is confident of commencement of redevelopment activities shortly and accordingly the said amount is considered as good of recovery.

32. a. The Company has not made any provision for tax for the current financial year (previous year ₹ 31,500,000) as the Company has incurred tax losses and no book profit as per Section 115JB for the purpose of MAT.

    b. MAT Credit Entitlement of ₹ 37,500,000 (Previous Year ₹ 37,500,000) is based on future performance of the Company as projected by the Management and it has been relied upon by the Auditors.

    c. The Company has also recognized deferred tax asset in accordance with Accounting Standard - 22 "Accounting for taxes on income''. The components of the deferred tax asset recognized for the period are as follows:

| Particulars | Deferred Tax Asset as at March 31, 2014 Rs. | Deferred Tax Asset as at March 31, 2013 Rs. | Charged/ (Credited) to Profit & Loss Account Rs. |
|---|---|---|---|
| Related to Depreciation | 17,311,310 | 31,339,008 | 14,027,698 |
| Unabsorbed Depreciation | - | 27,692,385 | 27,692,385 |
| Disallowance under Income Tax Act u/s 43B | 9,332,914 | 14,351,392 | 5,018,478 |
| **Total** | **26,644,224** | **73,382,785** | **46,738,561** |

The components of Unrecognised Deferred Tax Assets are as follows :

| Partilculars | As at 31 March 2014 Amount In ₹ | As at 31 March 2013 Amount In ₹ |
|---|---|---|
| **Deferred Tax Assets** | | |
| - Unabsorbed Depreciation | 22,216,737 | - |
| - Unabsorbed Business Loss | 76,047,060 | - |
| **Deferred Tax Assets** | **98,263,797** | - |

33. The Company has investments in certain subsidiaries, jointly controlled entities and associates aggregating ₹ 408,054,120 (Previous year ₹ 2,046,339,120) and loans and advances outstanding aggregating Rs.2,625,383,640 (Previous year ₹ 3,043,702,747) as at March 31, 2014. While such entities have incurred losses during the year and have negative net worth as at the year end, the underlying projects in such entities are in the early stages of real estate development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values. The Company considers its investments in such entities as long term and strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the Company's investments in such entities or in respect of loans and advances advanced to such entities, which are considered good and fully recoverable.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

**34. Payment to Auditors (Included in Note 26 Other expenses):**

| | Particulars | For the year ended March 31, 2014 ₹ | For the year ended March 31, 2013 ₹ |
|---|---|---|---|
| a) | As Auditor (Statutory Audit (including limited reviews)) | 6,600,000 | 6,600,000 |
| b) | For other services (Certification and IPO related work) | 80,000 | 140,000 |
| c) | For reimbursement of expenses | 65,521 | 156,412 |
| d) | Service Tax | 832,949 | 852,396 |
| | **Total** | **7,578,470** | **7,748,808** |

**35. Managerial remuneration:**

a) In view of inadequate profit during the year, the Company has not paid a managerial remuneration (previous year ₹ 6,000,000) to any managing directors. Further, during the previous year, Managerial Remuneration paid of ₹ 2,400,000 by the Company had exceeded the limits specified under Schedule XIII read with Sec 349, 350 & 198 of the Companies Act, 1956,. The Company has recovered such excess remuneration of ₹ 2,400,000 from the directors during the current year.

a) Contributions to provident and other funds are not made as per declarations of non deduction received from the respective directors. Further, provision for gratuity and leave encashment (amount unascertained) payable to the managing directors is waived by them. Such waivers have been approved by the Board of Directors.

b) During the year, one of the subsidiary company appointed one of the managing directors of the Company as its managing director for overall responsibilities and functions of the said subsidiary company but it has not paid any remuneration (Previous Year ₹ 13,500,000), in the absence of adequate profit. Excess remuneration paid by the said subsidiary company in previous year of ₹ 18,692,700 has been recovered during the current year.

c) Sitting fees amounting to ₹ 800,000 (Previous Year ₹ 980,000) have been paid to the directors.

**36. Foreign Currency Transactions** :

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on March 31, 2014 which is as follows:-

| Particulars | As at March 31, 2014 | | As at March 31, 2013 | |
|---|---|---|---|---|
| | INR Equivalent | USD Equivalent | INR Equivalent | USD Equivalent |
| Payable for Professional fees | NIL | NIL | 135,975 | $2500 |

**37. Expenditure in foreign currency:**

| Description | For the year ended March 31, 2014 Rs. | For the year ended March 31, 2013 Rs. |
|---|---|---|
| Professional Fees | **597,808** | **1,187,542** |

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

(i) The Company has taken commercial premises on Non Cancellable Operating Lease and lease rent of Rs.19,266,148 (Previous Year Rs.22,771,539) has been debited to statement of Profit and Loss and Rs.3,774,376 (Previous Year ₹ 8,558,112) has been inventorised for the current year.

(ii) The future minimum lease payments are as under:

| Particulars | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
|---|---|---|
| Within one year | 9,632,574 | 11,076,196 |
| After one year but not more than five years | 23,505,470 | 28,275,449 |
| More than five years | - | - |

(iii) There are no exceptional/ restrictive covenants in the lease agreement.

(iv) The above mentioned amounts debited to Profit & Loss Account and future minimum lease payments are exclusive of service tax to the extent applicable.

(v) The above future minimum lease rental includes normal escalation rate based on the agreements. Further, normal escalation rates are 5% to 10% every year.

(vi) The Company does not have any contingent lease rental expenses/ income.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

**39. Earnings per share (EPS) is calculated as follows:**

| | Particulars | | As at March 31, 2014 | As at March 31, 2013 |
|---|---|---|---|---|
| A | Net Profit after tax as per statement of profit and loss | Rs. | (411,182,241) | 3,018,608 |
| B | Weighted average number of equity shares outstanding | | | |
| | - for Basic EPS | Nos. | 243,258,782 | 243,258,782 |
| | - for Diluted EPS | Nos. | 243,258,782 | 243,258,782 |
| C | Earnings per equity shares of face value of ` 10 each | | | |
| | - Basic EPS | Rs. | (1.69) | 0.01 |
| | - Diluted EPS | Rs. | (1.69) | 0.01 |
| D | Number of shares used for calculating Basic/ Diluted EPS | Nos. | 243,258,782 | 243,258,782 |

40. Dynamix Realty ("Partnership Firm") in which DB Realty Limited ("Company") is a partner, had granted Loans to Kusegaon aggregating to Rs. 2,092,425,485, (the said loans) as upto 31st March 2010. As of 31st March, 2014, the outstanding balance due from Kusegaon is Rs. 91,501,379, being part of interest charged. Central Bureau of Investigation Anti-corruption Branch, New Delhi) in the Supplementary (First) charge sheet RC.DAI.2009.A.0045 (2G Spectrum Case) has alleged that out of the said loans granted, Rs. 2,000,000,000 is paid as illegal gratification to M/s Kalaignar TV Private Limited through Kusegaon and M/s Cineyug Films Pvt. Ltd., in lieu of the undue favours by accused public servants to Swan Telecom Private Limited in 2G Spectrum Case. The Central Bureau of Investigation has alternatively alleged in the said charge sheet that even if the said transaction of Rs. 2,000,000,000 is accepted as genuine business transaction, the interest charged being inadequate is a favor to a government servant, hence constitutes commission of offence. In the opinion of the Partners of the firm and the Management of the Company, these are preliminary charges based on investigation carried out by the Central Bureau of Investigation Team and the personnel named in the charge sheet is presumed to be innocent till their alleged offence is established after a fair trial. These preliminary charges have no impact on the business/operations of the firm.

Further, The Deputy Director Enforcement vide his attachment order No: 01/2011 dt. 30th August, 2011 has provisionally attached Company's bank account number 05211011001053 maintained with Oriental Bank of Commerce, Goregaon (East), having Bank Balance of Rs. 6,892,967/-. Further the Enforcement Directorate has also attached two flats belonging to the Company situated at Goregaon (East). The combined value of these two flats as shown in Company's financial statement of Rs. 10,765,400/- at the time of attachment (WDV as on 31st March, 2014 is Rs. 8,663,544 (PY. 9,119,520). Also, a loan amounting to Rs. 503,963,329/- (at the time of attachment) advanced to Goan Hotels & Clubs Pvt. Ltd. has also been provisionally attached. However, the above loan was converted into the ROCCPS of DB Hospitality Limited (holding Company of Goan Hotels & Clubs Private Limited) before the provisional attachment Order via tripartite confirmation. This fact has been brought to the notice of Enforcement Directorate vide this Office Letter dated 20th September, 2011.

This provisional attachment order has been upheld by adjudicating authority vide order number 116/2011 dt. 10th Jan'2012. Appeal has been filed on 19th March, 2012 with Appellate Tribunal under prevention of money laundering act (PML Act). The appeal is pending before appellate tribunal for PML.

During the year, the Directorate of Enforcement has taken physical possession of bank balance of Rs. 6,892,967/-, against which the Firm has written a letter to convert the amount so recovered into Fixed Deposits, till date ED has not entertained this request. In view of the same, the said balance is shown as part of advances recoverable in cash or in kind. Post Balance sheet date, the Directorate of Enforcement has filed a complaint before the Hon'ble Court in connection with Money Laundering Case relating 2G Spectrum Case. In response thereto, the Firm, the Partners of the Firm and certain Personnel's / certain Directors of the Company have been issued summons for attendance. The requisite proceedings are in progress.

**41. The disclosures under the Accounting Standard 15**

**A) Defined Contribution Plan:**

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

| Particulars | March 31, 2014<br>₹ | March 31, 2013<br>₹ |
|---|---|---|
| Employer's contribution to Provident fund | 72,439* | 7,75,859 |
| Employer's contribution to ESIC | 9,367# | 15,441 |
| Total | 81,806 | 791,300 |

* Further, the Company has inventorised contribution to Provident Fund of Rs. 23,535 (Previous Year NIL) during the year.

# Further, the Company has inventorised contribution to ESIC of Rs. 14,228 (Previous Year NIL) during the year.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

**B) Defined Benefit Plan:**

The following table sets out the status of the gratuity plan (non-funded) and the amounts recognized in the Company's financial statements as at March 31, 2014:

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

| Particulars | March 31, 2014 ₹ | March 31, 2013 ₹ |
|---|---|---|
| Liability at the beginning of the year | 4,762,602 | 11,878,955 |
| Interest cost | 236,254 | 1,009,711 |
| Current Service cost | 1,407,384 | 2,086,509 |
| Past Service Cost | 605,396 | - |
| Actuarial (gain)/loss on obligations | 757,804 | (10,212,573) |
| Settlement Cost/(Credit) | (3,381,878) | - |
| Benefit paid | | |
| **Liability at the end of the year** | **4,387,562** | **4,762,602** |

b) Reconciliation of fair value of plan assets and obligations

| Particulars | March 31, 2014 ₹ | March 31, 2013 ₹ |
|---|---|---|
| Liability at the end of the year | 4,387,562 | 4,762,602 |
| Fair value of Plan Assets at the end of the year | - | - |
| Difference | | |
| **Amount Recognized in the Balance Sheet** | **(4,387,562)** | **(4,762,602)** |

c) Expense recognized during the year:

| Particulars | March 31, 2014 ₹ | March 31, 2013 ₹ |
|---|---|---|
| Current service cost | 1,407,384 | 2,086,509 |
| Interest cost | 236,254 | 1,009,711 |
| Past Service Cost | 605,396 | - |
| Expected Return on Plan Assets | - | - |
| Actuarial Gain or Loss | 757,804 | (10,212,573) |
| Settlement Cost | 162,212 | - |
| **Expense Recognized in P&L** | **3,169,050** | **(7,116,353)** |

d) Actuarial Assumptions:

| Mortality Table | LIC ( 1994-96) | LIC ( 1994-96) |
|---|---|---|
| Discount rate ( per annum) | 8.70% | 7.90% |
| Rate of escalation in salary (per annum) | 10.00% | 15.00% |
| Expected Average remaining working lives of employees (Years) | 2.89 | 6.44 |

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

e) Experience Adjustments:

| Particulars | March 31, 2014 Rs. | March 31, 2013 Rs. | March 31, 2012 Rs. | March 31, 2011 Rs. | March 31, 2010 Rs. |
|---|---|---|---|---|---|
| Present value of defined benefit obligation | 4,387,562 | 4,762,602 | 11,878,955 | 10,465,061 | 3,768,438 |
| Fair value of plan assets | NIL | NIL | NIL | NIL | NIL |
| Experience adjustments on actuarial (Gain)/ loss: | | | | | |
| Plan liabilities (gain)/loss | (767,981) | 10,322,525 | 6,038,702 | (4,370,588) | Refer Note |
| Plan assets (gain) loss | Nil | Nil | Nil | Nil | Refer Note |

**Note:** The details of the Experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" for the year ended march 2010 is not available in the valuation report hence, are not furnished.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

**C) Other Long Term Employee Benefit:**

The compensated absences charged for the year ended March 31, 2014, based on actuarial valuation carried out using the Projected Unit Credit Method, amounting Rs. 1,560,534 (Previous Year Rs. 14,292,279) has been recognized in the statement of Profit and Loss. Further, the Company has inventorised compensated expenses of ₹ 66,787 (Previous Year ₹NIL) during the year.

**42. Segment Reporting:**

The Company is mainly engaged in the business of real estate development viz. construction of residential buildings/ commercial complexes and activities connected and incidental thereto. The Company has also placed its bid for certain infrastructure projects for the outcome of which is awaited. On that basis, the Company has only one reportable business segment – real estate development, the results of which are embodied in the financial statements. The Company operates in only one geographical segment – within India.

43. In respect of company's investment in Association of Person (AOP), each executing a single project, the Company's share in the expenses of such project are shown as accumulated losses, is recognized only when such loss will be debited to members account in the books of such AOPs. As per the projections of the management, each of such projects is expected to make a good profit on completion.

**44. Prior Period Items:**

| Particulars | March 31, 2014 Rs. | March 31, 2013 Rs. |
|---|---|---|
| Rent | 10,361,080 | - |
| Wealth Tax | 1,724,010 | - |
| Employee Benefit Expenditure | 201,314 | - |
| Miscellaneous Expenses | 153,273 | - |
| **Total** | **12,439,677** | **-** |

**45. Disclosure As Per Guidance Note On Accounting For Real Estate Transactions (Revised 2012)**

| Particulars | March 31, 2014 Rs. | March 31, 2013 Rs. |
|---|---|---|
| Project Revenue Recognised in the reporting period | - | - |
| The Aggregate amount of cost incurred and profits recognised till date | - | - |
| Advances Received (Net of revenue recognition)* | 44,143,700 | 45,793,700 |
| Work in Progress | 2,262,607,335 | 2,005,660,682 |
| Unbilled Revenue | - | - |

**46. Related Party Disclosure:**

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

| Sr. No. | Name of the Related Party |
|---|---|
| **Subsidiaries:** | |
| | Gokuldham Real Estate Development Company Private Limited |
| | Neelkamal Realtors Suburban Private Limited |
| | Neelkamal Shanti Nagar Properties Private Limited |
| | Esteem Properties Private Limited |
| | D B Man Realty Limited |
| | Priya Constructions Private Limited |
| | Real Gem Buildtech Private Limited |
| | Saifee Bucket Factory Private Limited |
| | N.A Estate Private Limited |
| | Royal Netra Constructions Private Limited. |
| | Nine Paradise Erectors Private Limited |
| | MIG (Bandra) Realtors & Builders Pvt Ltd (Formerly DB MIG Realtors and Builders Private Limited) |
| | Spacecon Realty Private Limited (Formerly DB Spacecon Private Limited ) |
| | Vanita Infrastructure Private Limited |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| | |
|---|---|
| | DB View Infracon Private Limited |
| | DB Contractors & Builders Private Limited |
| | Goregaon Hotel & Realty Private Limited (w.e.f 14th Dec 2013) |
| **Associates:** | |
| | Sangam City Township Private Limited |
| | D.B. Hi-Sky Constructions Private Limited |
| | Neelkamal Realtors Tower Private Limited |
| | Mahal Pictures Private Limited |
| **Jointly Controlled Entities:** | |
| | Dynamix Realty |
| | DBS Realty |
| | Turf-Estate Joint Venture |
| | Lokhandwala-Dynamix Balwas Joint Venture |
| | ECC-DB Joint Venture |
| | Conwood-DB Joint Venture |
| | Mira Real Estate Developers ( Formerly Mira Salt Works Company) |
| | DB (BKC) Realtors Pvt Ltd |
| | DB Realty and Shreepati Infrastructure LLP |
| | Daund Warehousing Developers & Builders LLP |
| | Saswad Warehousing Developers & Builders LLP |
| | Ahmednagar Warehousing Developers & Builders LLP |
| | Solapur Warehousing Developers & Builders LLP |
| | Latur Warehousing Developers & Builders LLP |
| | Aurangabad Warehousing Developers & Builders LLP |
| | Veer Jijamatanagar Realty LLP (w.e.f 31st August 2012) |
| | Shree Shantinagar Ventures (Jointly controlled entity of NeelKamal Shantinagar Properties Private Limited) |
| | Suraksha DB Realty (Jointly controlled entity of DB View Infracon Private Limited) |
| | Evergreen Industrial Estate (Jointly controlled entity of Priya Constructions Private Limited) |
| | Sneh Developers (Jointly Control entity of DB View Infracon Pvt Ltd) |
| **Entity in respect of which the Company is an Associate** | |
| | Neelkamal Tower Construction LLP |
| **Key Management Personnel (KMP)** | |
| | Mr. Shahid Balwa, Vice Chairman & Managing Director |
| | Mr. Vinod Goenka, Chairman & Managing Director |
| **Relatives of KMP** | |
| | Mr.Usman Balwa - Father of Vice Chairman |
| | Mrs Sakina U Balwa – Mother of Vice Chairman |
| | Mrs.Shabana Balwa – Wife of Vice Chairman |
| | Mr.Arshad S.Balwa - Son of Vice Chairman |
| | Ms.Aaliya S.Balwa – Daughter of Vice Chairman |
| | Mr.Salim Balwa – Brother of Vice Chairman |
| | Mrs.Aseela V.Goenka – Wife of Chairman |
| | Mr.Krishna Murari Goenka – Father of Chairman |
| | Mr.Jayvardhan V.Goenka – Son of Chairman |
| | Ms.Sanjana Goenka – Daughter of Chairman |
| | Mr.Pramod Goenka – Brother of Chairman |
| | Mrs.Sunita Goenka – Sister of Chairman |
| | Mrs.Shanita Jain – Sister of Chairman |
| **Enterprise where individuals i.e. KMP and their relatives have significant influence** | |
| | Balwas Charitable Trust |
| | Conwood Agencies Private Limited. |
| | Conwood Associates (Partnership Firm) |
| | Conwood Construction & Developers Private Limited |
| | Conwood Pre-fab Limited |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| | |
|---|---|
| | Marine Drive Hospitality & Realty Private Limited (Formerly known as DB Hospitality Private Limited) |
| | Dynamix Contractors & Builders Pvt Ltd (Formerly Known as DB Modern Build tech Pvt Ltd) |
| | Pony Infrastructure and Contractors Limited |
| | Dynamix Developers Private Limited |
| | Dynamix Balwas Resorts Private Limited |
| | Dynamix Club and Resorts Private Limited |
| | Dynamix Man Pre-fab Limited |
| | Eversmile Properties Private Limited |
| | Eversmile Construction Company Private Limited. |
| | Face Inn Hotels Private Limited |
| | Goan Hotels & Clubs Private Limited |
| | Goan Real Estate and Construction Private Limited |
| | Goenka & Associates Educational Trust |
| | Goenka & Associates Medical Research Centre |
| | Goenka & Associates Social Welfare Trust |
| | K G Enterprises |
| | Milan Theatres Private Limited |
| | Modren Hi-Tech Developers Private Limited |
| | Neelkamal Central Appartment Private Limited /Neelkamal Central Apartment LLP |
| | Neelkamal Realtors and Builders Private Limited |
| | Nihar Construction Private Limited |
| | Oceanmint Buildcon Pvt Ltd (w.e.f. 9th March 2013) |
| | Neelkamal Realtors and Erectors India Private Limited |
| | Span Construction Company Private Limited |
| | Majestic Infracon Private Limited (formely known as Tiger Trustees Private Limited and DBI Infracon Private Limited ) |
| | Trident Estate Private Limited |
| | Vinod Goenka-HUF |
| | Chocklate Developers Pvt Ltd |
| | Y. J. Realty Private Limited |
| | Eon Aviation Pvt Ltd |
| | BD & P Hotels (India) Pvt Ltd |
| | Hotel Balwas Private Limited |

**Notes:**

The aforesaid related parties are identified by the management of the Company and relied upon by the auditors.

**(ii) Details of Transactions with Related Parties as per AS 18 Related Party Disclosures**

| Nature of Transaction | Subsidiaries | Associates | Entities under Joint Control of Company/ its subsidiaries | KMP, their Relatives and other related parties where significant influence exists | Total |
|---|---|---|---|---|---|
| **Loans and Advances Granted** | | | | | |
| Opening Balance as on 1st April 2013 | 3,908,103,167 | 143,319,936 | - | 773,638,704 | 4,825,061,807 |
| | (3,667,268,336) | (780,740,000) | (-) | (787,647,403) | (5,235,655,739) |
| Given during the year | 765,045,808 | 32,715,358 | - | 262,625,202 | 1,060,386,368 |
| | (896,588,200) | (143,319,936) | (-) | (124,138,704) | (1,164,046,840) |
| Received back during the year | 1,756,328,964 | 143,469,936 | - | 14,000,000 | 1,913,798,900 |
| | (655,753,369) | (-) | (-) | (138,147,403) | (793,900,772) |
| Closing Balance as on March 31, 2014 | 2,916,820,011 | 32,565,358 | - | 1,022,263,906 | 3,971,649,275 |
| | (3,908,103,167) | (143,319,936) | (-) | (773,638,704) | (4,825,061,807) |
| **Loans and Advances Received** | | | | | |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Nature of Transaction | Subsidiaries | Associates | Entities under Joint Control of Company/ its subsidiaries | KMP, their Relatives and other related parties where significant influence exists | Total |
|---|---|---|---|---|---|
| Opening Balance as on 1st April 2013 | 714,725,262 | - | - | - | 714,725,262 |
| | (86,632,142) | (-) | (-) | (-) | (86,632,142) |
| Taken during the year | 530,311,660 | - | - | - | 530,311,660 |
| | (1,008,543,120) | (-) | (-) | (-) | (1,008,543,120) |
| Repaid during the year | 586,586,531 | - | - | - | 586,586,531 |
| | (380,450,000) | (-) | (-) | (-) | (380,450,000) |
| Closing Balance as on March 31, 2014 | 658,450,391 | - | - | - | 658,450,391 |
| | (714,725,262) | (-) | (-) | (-) | (714,725,262) |
| **Intercorporate Deposits** | | | | | |
| Opening Balance as on 1st April 2013 | - | - | 299,564,000 | - | 299,564,000 |
| | ( -) | (-) | (340,549,000) | (-) | (340,549,000) |
| Taken during the year | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |
| Returned during the year | - | - | 61,485,000 | - | 61,485,000 |
| | (-) | (-) | (40,985,000) | (-) | (40,985,000) |
| Closing Balance as on March 31, 2014 | - | - | 238,079,000 | - | 238,079,000 |
| | (-) | (-) | (299,564,000) | (-) | (299,564,000) |
| **Project Advances** | | | | | |
| Opening Balance as on 1st April 2013 | - | 782,535,000 | - | - | 782,535,000 |
| | ( -) | (780,740,000) | (-) | (-) | (780,740,000) |
| Taken during the year | - | 4,910,000 | - | - | 4,910,000 |
| | (-) | (1,795,000) | (-) | (-) | (1,795,000) |
| Returned during the year | - | 5,500,000 | - | - | 5,500,000 |
| | (-) | (-) | (-) | (-) | (-) |
| Closing Balance as on March 31, 2014 | - | 781,945,000 | - | - | 781,945,000 |
| | (-) | (782,535,000) | (-) | (-) | (782,535,000) |
| **Investments in Equity Shares** | | | | | |
| Opening Balance as on 1st April 2013 | 2,053,612,767 | 1,058,073,147 | 986,503,899 | 783,029,928 | 4,881,219,741 |
| | (2,053,612,767) | (892,370,001) | (986,503,899) | (783,029,928) | (4,715,516,595) |
| Investment purchased during the year | 100,000 | - | - | - | 100,000 |
| | (-) | (-) | (-) | (-) | (-) |
| Investments sold/redeemed during the year | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |
| Closing Balance as on March 31, 2014 | 2,053,712,767 | 1,058,073,147 | 986,503,899 | 783,029,928 | 4,881,319,741 |
| | (2,053,612,767) | (1,058,073,147) | (986,503,899) | (783,029,928) | (4,881,219,741) |
| **Investment in Preference Shares** | | | | | |
| Opening Balance as on 1st April 2013 | 240,262,502 | 109,609,005 | 1,480,109,405 | 9,222,704,804 | 11,052,685,716 |
| | (240,262,502) | (109,609,005) | (1,480,109,405) | (8,282,704,804) | (10,112,685,716) |
| Investment purchased during the year | - | - | - | 5,054,256,000 | 5,054,256,000 |
| | ( -) | (-) | (-) | (940,000,000) | (940,000,000) |
| Investments sold/redeemed during the year | - | - | - | - | - |
| | ( -) | ( -) | ( -) | ( -) | ( -) |
| Closing Balance as on March 31, 2014 | 240,262,502 | 109,609,005 | 1,480,109,405 | 14,276,960,804 | 16,106,941,716 |
| | (240,262,502) | (109,609,005) | (1,480,109,405) | (9,222,704,804) | (11,052,685,716) |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

| Description | Subsidiaries | Associates | Entities under Joint Control of Company/its subsidiaries | Enterprises over which KMP and their relatives have significant influence. | Total |
|---|---|---|---|---|---|
| **Investment in Partnership Firms & Jointly Control Entities** | | | | | |
| Opening Balance as on 1st April 2013 | - | - | 3,424,884,103 | - | 3,424,884,103 |
| | (-) | (-) | (6,404,577,869) | (-) | (6,404,577,869) |
| Contribution during the year | - | - | 991,065,805 | - | 991,065,805 |
| | (-) | (-) | (7,773,379,247) | (-) | (7,773,379,247) |
| Contribution refunded during the year | - | - | 2,073,291,074 | - | 2,073,291,074 |
| | (-) | (-) | (10,846,170,426) | (-) | (10,846,170,426) |
| Share of Profit/ (Loss) during the year | - | - | (12,770,705) | - | (12,770,705) |
| | (-) | (-) | (93,097,413) | (-) | (93,097,413) |
| Closing Balance as on March 31, 2014 | - | - | 2,329,888,130 | - | 2,329,888,130 |
| | (-) | (-) | (3,424,884,103) | (-) | (3,424,884,103) |
| **Advance against share purchase** | | | | | - |
| Opening Balance as on 1st April 2013 | - | - | - | 3,288,471,940 | 3,288,471,940 |
| | (-) | (-) | (-) | (464,400,000) | (464,400,000) |
| Given during the year | - | - | - | 2,349,284,117 | 2,349,284,117 |
| | (-) | (-) | (-) | (3,833,571,940) | (3,833,571,940) |
| Shares issued during the year | - | - | - | 5,637,756,057 | 5,637,756,057 |
| | (-) | (-) | (-) | (1,009,500,000) | (1,009,500,000) |
| Closing Balance as on March 31, 2014 | - | - | - | - | - |
| | (-) | (-) | (-) | (3,288,471,940) | (3,288,471,940) |
| **Other Receivable** | 194,047 | - | 2,413,482 | 1,084,431 | 3,691,960 |
| | (1,983,396) | (-) | (497,425) | (2,109,317) | (4,590,138) |
| **Other Payable** | - | 4,331,500 | - | 23,108,964 | 27,440,464 |
| | (3,775,410) | (854,368) | (-) | (23,996,413) | (28,626,191) |
| **Interest free security deposits** | - | 20,000,000 | - | 3,683,125,000 | 3,703,125,000 |
| | (-) | (20,000,000) | (-) | (3,683,125,000) | (3,703,125,000) |
| **Mobilisation Advance** | - | - | - | 113,159,717 | 113,159,717 |
| | (-) | (-) | (-) | (113,159,717) | (113,159,717) |
| **Interest Income** | 40,881,403 | 23,699,287 | - | 109,272,446 | 173,853,136 |
| | (34,989,451) | (8,239,031) | (-) | (114,965,227) | (158,193,709) |
| **Interest Expense** | 91,443,496 | - | - | - | 91,443,496 |
| | (66,581,812) | (-) | (-) | (-) | (66,581,812) |
| **Reimbursement from other companies** | 5,719,871 | - | 251,153 | - | 5,971,024 |
| | (1,983,396) | (-) | (-) | (-) | (1,983,396) |
| **Reimbursement to other companies** | 1,238,820 | 8,774,470 | - | - | 10,013,290 |
| | (-) | (851,958) | (-) | (-) | (-) |
| **Construction Expenses** | - | - | - | - | - |
| | (-) | (-) | (-) | (18,169,321) | (18,169,321) |
| **Rent paid** | - | - | - | 27,890,967 | 27,890,967 |
| | (-) | (-) | (-) | (21,789,726) | (21,789,726) |
| **Miscellaneous Expenses (water and electricity expenses)** | - | - | - | 650,766 | 650,766 |
| | (-) | (-) | (-) | (1,122,255) | (1,122,255) |
| **Payable for Purchase of Fixed Assets** | - | - | - | - | - |
| | (-) | (-) | (-) | (1,404,978) | (1,404,978) |
| **Revenue from Operation (Sale of Project)** | - | - | - | - | - |
| | (-) | (-) | (-) | (430,000,000) | (430,000,000) |
| **Managerial Remuneration** | - | - | - | - | - |
| | (-) | (-) | (-) | (6,000,000) | (6,000,000) |
| **Travelling Expenses** | - | - | - | 710,095 | 710,095 |

| Description | Subsidiaries | Associates | Entities under Joint Control of Company/its subsidiaries | Enterprises over which KMP and their relatives have significant influence. | Total |
|---|---|---|---|---|---|
| | (-) | (-) | (-) | (10,048,565) | (10,048,565) |
| Guarantees given and securities provided by the Company to the lenders on behalf of verious entities.(Refer note 27) | 3,300,000,000 | 3,500,000,000 | 750,000,000 | (USD 138 million plus ₹ 13,130 million) | |
| | (3,000,000,000) | (4,125,000) | (74,125,000) | (USD 138 million plus ₹ 10,234 million) | |
| Irrevocable and unconditioner personal guarantees given by managing directors to the Company. (Refer note 27 (vi)) | | | | USD 138 million | |
| | | | | USD 138 million | |
| Sharing of Resources/Infrastructure** | - | - | - | - | |
| | (-) | (-) | (-) | (-) | |

(Figures in brackets denote Previous Year's balances)

**iii. Guarantees and securities received by the Company for Loans taken from lenders**

| Name | Relation | Opening Balance as on 1st April, 2013 | Received during the year | Released during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|---|
| Dynamix Realty | Joint Venture | - | 350,000,000 | - | 350,000,000 |
| Vinod Goenka | KMP | | | | |
| Shahid Balwa | KMP | | | | |
| | | (-) | (-) | (-) | (-) |
| Eversmile Construction Company Private Limited | Enterprises over which KMP and their relatives have significant influence. | - | 300,000,000 | - | 300,000,000 |
| YJ Realty & Aviation Private Limited | Enterprises over which KMP and their relatives have significant influence. | | | | |
| Milan Theatre Private Limited | Enterprises over which KMP and their relatives have significant influence. | | | | |
| Vinod Goenka | KMP | | | | |
| Shahid Balwa | KMP | | | | |
| | | (-) | (-) | (-) | (-) |
| Esteem Properties Private Limited | Subsidiary | 2,000,000,000.00 | - | - | 2,000,000,000.00 |
| Vinod Goenka | KMP | | | | |
| Shahid Balwa | KMP | | | | |
| | | (2,000,000,000) | (-) | (-) | (2,000,000,000) |
| Vinod Goenka | KMP | 610,000,000.00 | - | - | 610,000,000.00 |
| Shahid Balwa | KMP | | | | |
| | | (-) | (610,000,000.00) | - | (610,000,000.00) |

**(iv) Disclosure in respect of related party transactions having more than 10% of transaction during the year**

| Loans and Advances | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| **Loans to Subsidiaries (no repayment schedule and repayable on demand )** | | | | |
| D B Man Realty Limited | 250,000 | 65,000 | - | 315,000 |
| | (-) | (250,000) | (-) | (250,000) |
| Spacecon Realty Private Limited | 661,248,288 | 6,775,000 | 18,200,000 | 649,823,288 |
| | (645,413,288) | (31,135,000) | (15,300,000) | (661,248,288) |
| DB View Infracon Private Limited | 620,830,000 | 352,250,000 | 973,080,000 | - |
| | (194,602,713) | (515,930,000) | (89,702,713) | (620,830,000) |
| Esteem Properties Private Limited | 1,120,577,945 | 4,392,185 | - | 1,124,970,130 |
| | (1,106,077,945) | (17,800,000) | (3,300,000) | (1,120,577,945) |

| Loans and Advances | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| N. A. Estate Private Limited | 78,254,689 | 1,022,598 | - | 79,277,287 |
| | (76,379,689) | (1,875,000) | (-) | (78,254,689) |
| Neelkamal Realtor Suburban Private Limited | 160,533,107 | 182,667,061 | 145,140,000 | 198,060,168 |
| | (315,989,670) | (106,043,437) | (261,500,000) | (160,533,107) |
| Neelkamal Shantinagar Properties Private Limited | 412,214,316 | 131,685,000 | 540,000,000 | 3,899,316 |
| | (278,989,316) | (134,339,731) | (1,114,731) | (412,214,316) |
| Nine Paradise Erectors Private Limited | 217,185,000 | 1,025,000 | - | 218,210,000 |
| | (217,850,000) | (11,035,000) | (11,700,000) | (217,185,000) |
| Priya Construction Private Limited | 224,651,152 | 85,000 | - | 224,736,152 |
| | (216,461,152) | (8,190,000) | (-) | (224,651,152) |
| Real Gem Buildtech Private Limited | - | 79,904,133 | 79,904,133 | - |
| | (210,348,154) | (5,175,000) | (215,523,154) | (-) |
| Royal Netra Construction Private Limited | 372,377,203 | 5,000,000 | - | 377,377,203 |
| | (364,030,134) | (8,347,069) | (-) | (372,377,203) |
| Saifee Buckets Factory Private Limited | 1,022,467 | 4,831 | 4,831 | 1,022,467 |
| | (917,467) | (112,963) | (7,963) | (1,022,467) |
| Vanita Infrastructure Private Limited | 38,959,000 | 170,000 | - | 39,129,000 |
| | (38,779,000) | (180,000) | (-) | (38,959,000) |

| Particulars | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| **Project Advances to Associates** | | | | |
| D.B. Hi-Sky Constructions Private Limited | 328.535,000 | 410,000 | 5,500,000 | 323,445,000 |
| | (326,740,000) | (1,795,000) | (-) | (328,535,000) |
| Sangam City Township Private Limited | 454,000,000 | 4,500,000 | - | 458,500,000 |
| | (454,000,000) | - | (-) | (454,000,000) |
| | | | | |
| **Loans to Associates** (Interest bearing and no repayment schedule as repayable on demand) | | | | |
| Neelkamal Realtors Tower Private Limited | 143,319,936 | 32,715,358 | 143,469,936 | 32,565,358 |
| | (1,429,808) | (56,200,000) | (57,629,808) | (-) |

| Particulars | Opening Balance as on 1st April, 2013 | Taken during the year | Repaid during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| **Loans given to KMP Significant Entitles** (Interest bearing and repayable on demand) | | | | |
| Y J Realty Private Limited | 415,610,362 | 207,655,778 | 14,000,000 | 609,266,140 |
| | (479,815,541) | (67,610,362) | (131,815,541) | (415,610,362) |
| Milan Theatres Private Limited | 358,028,342 | 54,969,424 | - | 412,997,766 |
| | (307,831,862) | (56,528,342) | (6,331,862) | (358,028,342) |

| Particulars | Opening Balance as on 1st April, 2013 | Taken during the year | Repaid during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| **Loans from Subsidiaries** | | | | |
| Gokuldham Real Estate Development Company Private Limited | 699,200,000 | 254,374,133 | 398,001,000 | 555,573,133 |
| | (-) | (953,000,000) | (253,800,000) | (699,200,000) |
| DB MIG Realtors and Builders Private Limited | 15,525,262 | 273,628,000 | 188,585,531 | 100,567,731 |
| | (86,632,142) | (55,543,120) | (126,650,000) | (15,525,262) |
| D B View Infracon Private Limited | - | 2,309,527 | - | 2,309,527 |
| | (-) | (-) | (-) | (-) |
| **Loans taken from Jointly Controlled Entity** | | | | |
| DB(BKC) Realtors Private Limited | 299,564,000 | - | 61,485,000 | 238,079,000 |

| Particulars | Opening Balance as on 1st April, 2013 | Taken during the year | Repaid during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| | (340,549,000) | (-) | (40,985,000) | (299,564,000) |
| **Loans taken from KMP Significant Entity** | | | | |
| Neelkamal Realtors & Builders Private Limited | | | | |
| | (-) | (20,000,000) | (20,000,000) | (-) |

| Particulars | Opening Balance as on 1st April, 2013 | Investments purchased / made during the year | Investment sold / redeemed during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| **Investments in Equity Shares:** | | | | |
| Goregaon Hotel & Realty Pvt Ltd | - | 100,000 | - | 100,000 |
| | (-) | (-) | (-) | (-) |
| **Investments in Preference Shares** | **Opening Balance as on 1st April, 2013** | **Investments purchased / made during the year** | **Investment sold / redeemed during the year** | **Closing Balance as on 31st March, 2014** |
| Marine Drive Hospitality & Realty Pvt. Ltd.(Formerly D B Hospitality Pvt. Ltd.) | 9,222,704,804 | 5,054,256,000 | - | 14,276,960,804 |
| | (8,282,704,804) | (940,000,000) | (-) | (9,222,704,804) |

| Investments in Partnership firm (JCE) | Opening Balance as on 1st April, 2013 | Contribution during the year | Profit/(Loss) during the year | Repayment during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|---|
| Dynamix Realty | 1,163,889,990 | 179,650,000 | 8,715,123 | 1,928,214,117 | (575,959,004) |
| | (2,603,195,519) | (7,336,598,618) | (57,926,756) | (3,569,763,109) | 1,163,889,990 |
| D.B.S. Realty | (192,631,033) | 5,300,000 | (1,525,214) | 135,300,000 | (324,156,247) |
| | (297,944,782) | (134,000,000) | (1,986,251) | (30,000,000) | (192,631,033) |
| Mira Real Estate Developers | 1,381,283,269 | 27,975,000 | (19,611,807) | - | 1,389,646,462 |
| | (1,374,039,817) | (126,197,083) | (27,466,548) | (118,953,631) | (1,381,283,269) |
| D B Realty And Shreepati Infrastructure LLP | 63,960,926 | 756,956 | (385,067) | - | 64,332,815 |
| | (70,275,000) | (600,000) | (6,972,874) | (-) | (63,960,926) |

| Investments in Joint Venture | Opening Balance as on 1st April, 2013 | Contribution during the year | Repayment during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| Conwood D B- JV | 161,134,732 | 2,615,000 | - | 163,749,732 |
| | (157,654,732) | (3,480,000) | (-) | (161,134,732) |
| ECC DB- JV | 253,960,000 | 40,290,000 | 6,800,000 | 287,450,000 |
| | (296,885,000) | (27,075,000) | (70,000,000) | (253,960,000) |
| Turf Estate JV | 565,557,500 | 734,428,848 | 2,500,000 | 1,297,486,348 |
| | (468,682,500) | (96,875,000) | (-) | (565,557,500) |

| Particulars | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| **Other Payable** | | | | |
| D. B. S. Realty | 166,648 | 166,648 | - | - |
| | (297,944,782) | (134,378,260) | (30,544,908) | (194,111,430) |
| Nihar Construction Private Limited | 89,791 | 89,791 | - | - |
| | (3,500,000) | (3,500,000) | (89,791) | (89,791) |
| Eon Aviation Private Limited | - | 710,095 | 710,095 | - |
| | (-) | (11,967,665) | (11,967,665) | (-) |
| Pony Infrastructure & Contractor Ltd | 758,442 | 758,442 | - | - |
| | (-) | (-) | (758,442) | (758,442) |
| Real Gem Buildtech Pvt Ltd | 1,424,211 | 2,180,682 | 756,471 | - |
| | (-) | (-) | (1,424,211) | (1,424,211) |

| Particulars | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| Turf Estate JV | 395,963 | 395,963 | - | - |
| | (-) | (-) | (395,963) | (395,963) |
| YJ Realty Pvt Ltd | 73,578 | 73,578 | - | - |
| | (-) | (-) | (73,578) | (73,578) |
| Mira Real Estate Developers | 796,731 | 796,731 | - | - |
| | (-) | (-) | (796,731) | (796,731) |
| Gokuldham Real Estate Development Co Pvt Ltd | 1,425,216 | 1,425,216 | - | - |
| | (-) | (-) | (1,425,216) | (1,425,216) |
| Neelkamal Realtor Suburban Pvt Ltd | 129,252 | 129,252 | - | - |
| | (-) | (-) | (129,252) | (129,252) |
| Neelkamal Realtor Builder Pvt Ltd | 91,933 | 91,933 | - | - |
| | (-) | (-) | (91,933) | (91,933) |
| Neelkamal Realtor Tower Pvt Ltd | 851,958 | 5,294,928 | 8,774,470 | 4,331,500 |
| | (-) | (-) | (851,958) | (851,958) |
| KG Enterprise | 8,857,406 | 19,361,331 | 10,620,354 | 116,429 |
| | (3,601,288) | (18,599,685) | (23,855,803) | (8,857,406) |
| Neelkamal Realtors & Builders Pvt. Ltd._Rent Paid | 8,669,321 | 10,562,563 | 18,932,416 | 17,039,174 |
| | (-) | (9,500,000) | (18,169,321) | (8,669,321) |

| Other Current Assets - Reimbursement of Expenses Recoverable | Opening Balance as on 1st April, 2013 | Given during the year | Reimbursed during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| Dynamix Realty | 316,730 | - | 316,730 | - |
| | (-) | (486,467) | (169,737) | (316,730) |
| Majestic Infracon Private Limited | 510,131 | - | - | 510,131 |
| | (534,131) | (-) | (24,000) | (510,131) |
| Gokuldham Real Estate Dev. Co. P.L. | 1,051,307 | 2,485,720 | 3,537,027 | - |
| | (-) | (1,051,307) | (-) | (1,051,307) |
| Real Gem Buildtech Pvt. Ltd | (1,161,389) | 3,164,151 | 1,971,268 | 31,494 |
| | (-) | (701,198) | (1,862,587) | (1,161,389) |

| Interest free Security Deposit for Development of properties | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| Dynamix Club Resorts Private Limited | 500,000,000 | - | - | 500,000,000 |
| | (500,000,000) | (-) | (-) | (500,000,000) |
| Eversmile Construction Company Private Limited | 2,000,000,000 | - | - | 2,000,000,000 |
| | (2,000,000,000) | (-) | (-) | (2,000,000,000) |
| Neelkamal Realtors & Builders Private Limited | 750,000,000 | - | - | 750,000,000 |
| | (750,000,000) | (-) | (-) | (750,000,000) |
| Usman Ebrahim Balwa | 33,125,000 | - | - | 33,125,000 |
| | (33,125,000) | (-) | (-) | (33,125,000) |
| Nihar Construction Private Limited | 400,000,000 | - | - | 400,000,000 |
| | (400,000,000) | (-) | (-) | (400,000,000) |
| Neelkamal Realtors Tower Private Limited | 20,000,000 | - | - | 20,000,000 |
| | (20,000,000) | (-) | (-) | (20,000,000) |

| Mobilisation Advance | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|
| Majestic Infracon Private Limited (formerly as DBI Infracon Private Limited) | 113,159,717 | - | - | 113,159,717 |
| | (113,159,717) | (4,143,368) | (4,143,368) | (113,159,717) |

**Revenue from Operation (Sale of Project)**

| | Amount (Rs.) |
|---|---|
| Dynamix Balwas Resorts Private Limited | - |
| | (430,000,000) |

| Interest Income | Amount (Rs.) |
|---|---|
| Royal Netra Construction Private Limited | - |
| | (9,274,521) |
| Neelkamal Realtor Sub Private Limited | 30,512,215 |
| | (25,714,930) |
| Neelkamal Realtor Tower Private Limited | 23,699,287 |
| | (8,239,031) |
| MIG Bandra Realtors & Builders Ltd | 10,369,188 |
| | (6,159,022) |
| Milan Theater Private Limited | 51,321,582 |
| | (49,287,047) |
| YJ Realty Private Limited | 57,950,864 |
| | (65,678,180) |

| Interest Expense | Amount (Rs.) |
|---|---|
| Gokuldham Real Estate Development Private Limited | 91,432,909 |
| | (60,422,790) |
| DB View Infracon Pvt Ltd. | 10,587 |
| | (-) |

| Particulars | Nature of expenditure | Amount |
|---|---|---|
| Eon Aviation Prvate Limited | Travelling expenses | 710,095 |
| | | (10,048,565) |
| K G Enterprises | Rent Paid | 8,780,471 |
| | | (21,789,726) |
| Neelkamal Realtors & Builders Pvt Ltd | Rent Paid | 18,932,416 |
| | | (-) |
| Majestic Infracon Private Limited | Construction expenses | - |
| | | (18,169,321) |

**Closing Outstanding Items as on 31st March 2014**

**Payable for Purchase of Fixed Assets**

| Particulars | Amount (Rs.) |
|---|---|
| Goan Hotels & Clubs Pvt Ltd | - |
| | (1,404,978) |

**Consideration payable against developement rights acquired by the Company**

| Particulars | Nature of expenditure | Payable against Developement Rights |
|---|---|---|
| Eversmile Construction Co. Pvt. Ltd. | Village Sahar | 30% Build Up Area |
| Eversmile Construction Co. Pvt. Ltd. | Mahul Project | Road Amenity TDR- 33.33%, Constructions TDR- 24.81% & Reservation TDR - 100% |
| Eversmile Construction Co. Pvt. Ltd. | Ghodbandar Land | 23% of Build Up Area |
| Dynamix Club Resorts Pvt. Ltd. | Village Eksar | 20% of Build Up Area |
| Neelkamal Realtors & Builders Pvt. Ltd. | Johny Castel | 55% Salebale area & 55% Parking Space |
| Neelkamal Realtors Tower Pvt. Ltd. | Sakseria | 10% of Net Revenue but nor less than ₹ 20,00,00,000/- and not more than 25,00,00,000/- |
| Nihar Constrruction Pvt. Ltd. | Ismalia Co-op. Hsg. Soc. | Amount spent for acquisition plus 30% additional sum thereon. |

| | | |
|---|---|---|
| Neelkamal Realtors & Builders P. Ltd. | (Enclave II) | Independent structure consists of Ground floor plus 10 upper floor with latest amenities or provide area of 29,785 sq. ft. in redeveloped building |
| abdul Rehman Abdul Khalik | | |
| Asif Balwa | | |
| Ishaq Balwa | | |
| Mohammad Balwa | | |
| Usman Borahim Balwa | | |

**Sharing of Resources / Infrastructure****

| Description | Subsidiaries | Associates | Entities under Joint Control of Company/its subsidiaries | Enterprises over which KMP and their relatives have significant influence. | Total |
|---|---|---|---|---|---|
| D B Contractors & Builders Private Limited | - | - | - | - | - |
| Spacecon Realty Pvt. Ltd. | - | - | - | - | - |
| Neelkamal Shantinagar Properties Pvt Ltd | - | - | - | - | - |
| Shree Shantinagar Venture | - | - | - | - | - |
| Neelkamal Realtors Suburban Private Limited | - | - | - | - | - |
| Daund Warehousing Developers & Builders LLP | - | - | - | - | - |
| D B View Infracon Pvt Ltd | - | - | - | - | - |
| Esteem Properties Pvt Ltd | - | - | - | - | - |
| Vanita Infrastructure Pvt Ltd | - | - | - | - | - |
| Priya Constructions Pvt Ltd | - | - | - | - | - |
| Evergreen Industrial Estate | - | - | - | - | - |
| Real Gem Buildtech Pvt Ltd | - | - | - | - | - |
| Saifee Bucket Factory Pvt Ltd | - | - | - | - | - |
| Saswad Warehousing Developers & Builders LLP | - | - | - | - | - |
| Ahmednagar Warehousing Developers & Builders LLP | - | - | - | - | - |
| D B Realty & Shreepati Infrastructure LLP | - | - | - | - | - |
| Mira Real Estate Developers | - | - | - | - | - |
| DBS Realty | - | - | - | - | - |
| Turf Estate Joint Venture | - | - | - | - | - |
| Conwood DB Joint Venture | - | - | - | - | - |
| ECC DB Joint Venture | - | - | - | - | - |
| N. A. Estate Pvt. Ltd. | - | - | - | - | - |
| DB (BKC) Realtors Pvt. Ltd | - | - | - | - | - |
| Nine Paradise Erectors Pvt Ltd | - | - | - | - | - |
| Solapur Warehousing Developers & Builders LLP | - | - | - | - | - |
| D B Hi-Sky Construction Pvt Ltd | - | - | - | - | - |
| Latur Warehousing Developers & Builders LLP | - | - | - | - | - |
| Aurangabad Warehousing Developers & Builders LLP | - | - | - | - | - |
| MIG (Bandra) Realtors & Builders Pvt Ltd | - | - | - | - | - |
| Veer Jijamata Nagar Realty LLP | - | - | - | - | - |
| ** Transactions are of non-monetary consideration | | | | | |

**(v) Disclosure in respect of related party transactions during the year as per disclosure required by Clause 32 of the Listing Agreement:**

| Loans and Advances | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 | Maximum Balance Outstanding during the year |
|---|---|---|---|---|---|
| **Loans to Subsidiaries (repayable on demand and interest free)** | | | | | |
| D B Man Realty Limited | 250,000 | 65,000 | - | 315,000 | 315,000 |
| | (-) | (250,000) | (-) | (250,000) | (250,000) |
| Spacecon Realty Private Limited # | 661,248,288 | 6,775,000 | 18,200,000 | 649,823,288 | 661,248,288 |
| | (645,413,288) | (31,135,000) | (15,300,000) | (661,248,288) | (676,223,288) |
| DB View Infracon Private Limited | 620,830,000 | 352,250,000 | 973,080,000 | - | 755,580,000 |
| | (194,602,713) | (515,930,000) | (89,702,713) | (620,830,000) | (660,230,000) |
| Esteem Properties Private Limited# | 1,120,577,945 | 4,392,185 | - | 1,124,970,130 | 1,124,970,130 |
| | (1,106,077,945) | (17,800,000) | (3,300,000) | (1,120,577,945) | (1,120,577,945) |

| Loans and Advances | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 | Maximum Balance Outstanding during the year |
|---|---|---|---|---|---|
| N. A. Estate Private Limited # | 78,254,689 | 1,022,598 | - | 79,277,287 | 79,277,287 |
| | (76,379,689) | (1,875,000) | (-) | (78,254,689) | (78,254,689) |
| Neelkamal Realtor Suburban Private Limited*# | 160,533,107 | 182,667,061 | 145,140,000 | 198,060,168 | 285,599,175 |
| | (315,989,670) | (106,043,437) | (261,500,000) | (160,533,107) | (315,989,670) |
| Neelkamal Shantinagar Properties Private Limited # | 412,214,316 | 131,685,000 | 540,000,000 | 3,899,316 | 543,899,316 |
| | (278,989,316) | (134,339,731) | (1,114,731) | (412,214,316) | (412,214,316) |
| Nine Paradise Erectors Private Limited# | 217,185,000 | 1,025,000 | - | 218,210,000 | 218,210,000 |
| | (217,850,000) | (11,035,000) | (11,700,000) | (217,185,000) | (228,100,000) |
| Priya Construction Private Limited # | 224,651,152 | 85,000 | - | 224,736,152 | 224,736,152 |
| | (216,461,152) | (8,190,000) | (-) | (224,651,152) | (224,651,152) |
| Real Gem Buildtech Private Limited | - | 79,904,133 | 79,904,133 | - | 52,404,133 |
| | (210,348,154) | (5,175,000) | (215,523,154) | (-) | (211,448,154) |
| Royal Netra Construction Private Limited | 372,377,203 | 5,000,000 | - | 377,377,203 | 377,377,203 |
| | (364,030,134) | (8,347,069) | (-) | (372,377,203) | (372,377,203) |
| Saifee Buckets Factory Private Limited# | 1,022,467 | 4,831 | 4,831 | 1,022,467 | 1,022,467 |
| | (917,467) | (112,963) | (7,963) | (1,022,467) | (1,022,467) |
| Vanita Infrastructure Private Limited # | 38,959,000 | 170,000 | - | 39,129,000 | 39,129,000 |
| | (38,779,000) | (180,000) | (-) | (38,959,000) | (38,959,000) |

* Interest Bearing

# Directors and Shareholders are interested.

| Particulars | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 | Maximum Balance Outstanding during the year |
|---|---|---|---|---|---|
| **Loans to Associates** (Interest bearing and no repayment schedule as repayable on demand) | | | | | |
| Neelkamal Realtors Tower Private Limited # | 143,319,936 | 32,715,358 | 143,469,936 | 32,565,358 | 143,319,936 |
| | (1,429,808) | (56,200,000) | (57,629,808) | (-) | (143,319,936) |

# Directors and Shareholders are interested

(Figures in brackets denote Previous Year's balances)

| Particulars | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 | Maximum Balance Outstanding during the year |
|---|---|---|---|---|---|
| **Loans to Others** (Interest bearing and no repayment schedule as repayable on demand) | | | | | |
| Y. J. Realty & Aviation Pvt Ltd. | 415,610,362 | 207,655,778 | 14,000,000 | 609,266,140 | 609,266,140 |
| | (479,815,541) | (67,610,362) | (131,815,541) | (415,610,362) | (479,815,541) |
| Milan Theatres Private Limited | 358,028,342 | 54,969,424 | - | 412,997,766 | 412,997,766 |
| | (307,831,862) | (56,528,342) | (6,331,862) | (358,028,342) | (346,493,342) |
| Sagar Investment | 3,112,757 | 524,689 | | 3,637,446 | 3,637,446 |
| | (3,112,757) | (-) | (-) | (3,112,757) | (3,112,757) |
| Riddhi Siddhi Construction | | 32,991,452 | - | 32,991,452 | 32,991,452 |
| | (-) | (-) | (-) | (-) | (-) |
| Riddhi Siddhi Corporation | - | 76,980,054 | - | 76,980,054 | 76,980,054 |
| | (-) | (-) | (-) | (-) | (-) |

(Figures in brackets denote Previous Year's balances)

**47. Financial Interest in joint venture**

(a) The Group is having investments in following joint ventures and all are in real estate business. The following amounts represent the group's interest as per its holding in respective joint ventures.

(Amount in ₹)

| Particulars | Sneh Developers | National Tiles | Turf Estate Joint Venture | DB (BKC) Realtors Private Limited | Lokhandwala Dynamix Balwas Joint Venture | Dynamix Realty | DBS Realty | DB Realty and Shreepati Infrastructure LLP | Warehousing LLPS* |
|---|---|---|---|---|---|---|---|---|---|
| **% of Holding** | **49%** | **59.40%** | **66.67%** | **40.80%** | **50.00%** | **50.00%** | **33.33%** | **60.00%** | **50.00%** |
| | (-) | (-) | 66.67% | 40.80% | 50.00% | 50.00% | 33.33% | 60.00% | 50.00% |
| **Shareholders' Funds** | | | | | | | | | |
| Share Capital | **9,800** | **5,348,807** | **-** | **5,908,653** | **20,986,040** | **250,000** | **3,300,000** | **38,977,410** | **607,919** |
| | (-) | (-) | (314,951,939) | (5,908,653) | (21,135,932) | (1,163,889,990) | (3,300,000) | (38,713,525) | (566,213) |
| Reserves and Surplus | **-** | **(364,136)** | **-** | **1,733,032,943** | **-** | **-** | **-** | **-402,525** | **-28,818** |
| | (-) | (-) | (15,576,685) | (1,737,911,959) | (-) | (-) | (-) | (65,125) | (26,865) |
| **Non-current Liabilities** | | | - | - | - | - | - | - | - |
| Long-term Borrowings | - | - | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | (-) | (-) | (-) | (-) | (-) | (41,790) | (-) | (-) | (-) |
| Other Long Term Liabilities | - | - | **-** | **257,714** | **-** | **-** | **9,210,676** | **-** | **-** |
| | (-) | (-) | (1,447,231) | (254,411) | (-) | (18,628,996) | (8,002,257) | (208,084) | (-) |
| Long-term Provisions | - | - | **-** | **1,232,073** | **-** | **147,511** | **177,059** | **-** | **-** |
| | (-) | (-) | (3,237,951) | (2,037,553) | (-) | (3,247,127) | (360,002) | (-) | (-) |
| **Current Liabilities** | | | - | - | - | - | - | - | - |
| Short-term Borrowings | **490,000** | - | **-** | **-** | **-** | **1,643,375,000** | **-** | **-** | **-** |
| | (-) | (-) | (-) | (-) | (-) | (1,298,475,000) | (-) | (-) | (-) |
| Trade Payables | **26,427** | **5,006** | **-** | **2,155,224** | **18,118** | **59,670,941** | **79,090,582** | **85,031** | **40,731** |
| | (-) | (-) | (60,597,956) | (5,454,227) | (29,148) | (42,569,355) | (70,517,580) | (-) | (19,663) |
| Other Current Liabilities | - | **359,090** | **-** | **11,407,201** | **-** | **583,134,725** | **1,053,917,838** | **116,711** | **33,650,000** |
| | (-) | (-) | (901,171,159) | (14,547,260) | (-) | (37,894,877) | (960,515,756) | (6,486) | (33,650,232) |
| Short-term Provisions | - | - | **-** | **672,660** | **-** | **5,444,340** | **239,288** | **-** | **-** |
| | (-) | (-) | (261,903) | (304,909) | (-) | (981,218) | (34,375) | (-) | (-) |
| | | | - | - | - | - | - | - | - |
| **TOTAL** | **526,227** | **5,348,767** | **-** | **1,754,666,467** | **21,004,158** | **2,292,022,517** | **1,145,935,443** | **38,776,628** | **34,269,832** |
| | (-) | (-) | (1,266,091,454) | (1,766,418,972) | (21,165,080) | (2,565,728,353) | (1,042,729,970) | (38,862,970) | (34,209,243) |
| **Non Current Assets** | | | | | | | | | |
| Tangible Assets | | | 395,521 | 86,623 | - | 1,853,532 | 21,613 | - | - |
| | | | (582,577) | (118,472) | - | (1,261,494) | (31,003) | - | - |
| Intangible Assets | | | - | 4,102 | - | 16,718 | - | - | - |
| | | | - | (6,837) | - | (13,932) | - | - | - |
| Capital Work-in-progress | | | 61,465,563 | - | - | - | - | - | - |
| | | | (58,691,163) | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - |
| Fixed Assets | - | **5,346,000** | **-** | **67,761** | **-** | **1,376,660** | **116,941,684** | **-** | **-** |
| | (-) | (-) | (61,861,084) | (90,725) | (-) | (1,870,250) | (21,613) | (-) | (-) |
| Non-current Investments | - | - | **-** | **-** | **-** | **-** | **-** | **5,035,864** | **-** |
| | (-) | (-) | (5,494,553) | (-) | (-) | (-) | (-) | (5,400,000) | (-) |
| Long-term Loans and Advances | - | - | **-** | **264,532,263** | **-** | **-** | **358,304,861** | **30,287,472** | **-** |

(Amount in ₹)

| Particulars | Sneh Developers | National Tiles | Turf Estate Joint Venture | DB (BKC) Realtors Private Limited | Lokhandwala Dynamix Balwas Joint Venture | Dynamix Realty | DBS Realty | DB Realty and Shreepati Infrastructure LLP | Warehousing LLPS* |
|---|---|---|---|---|---|---|---|---|---|
| | (-) | (-) | (276,860,558) | (262,451,295) | (-) | (2,450,170) | (274,134,434) | (30,126,462) | (-) |
| Other Non-current Assets | - | - | - | - | - | - | 3,804,688 | - | - |
| | (-) | (-) | (16,727,867) | (-) | (-) | (-) | (-) | (-) | (-) |
| **Current Assets** | | | | | | | | | |
| Inventories | 516,427 | - | - | 1,391,996,125 | 17,026,485 | - | 627,392,544 | 3,380,931 | - |
| | (-) | (-) | (897,633,091) | (1,380,867,773) | (16,699,668) | (-) | (664,082,762) | (3,124,242) | (-) |
| Trade Receivables | - | - | - | - | - | 912,299,016 | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (918,852,584) | (-) | (-) | (-) |
| Cash and Cash Equivalents | 9,800 | 2,767 | | 568,747 | 3,974,698 | 235,347 | 2,093,435 | 8,219 | 201,253 |
| | (-) | (-) | (1,671,043) | (575,155) | (4,465,412) | (6,781,186) | (40,881,648) | (15,301) | (208,734) |
| Short-term Loans and Advances | | | | 97,501,571 | 2,975 | 709,872,727 | 1,231,190 | 43,429 | 34,068,579 |
| | (-) | (-) | (1,249,934) | (122,411,640) | (-) | (558,578,877) | (826,798) | (182,029) | (34,000,509) |
| Other Current Assets | | | | - | - | 668,238,767 | 36,167,042 | 20,712 | - |
| | (-) | (-) | (4,593,324) | (22,384) | (-) | (1,077,195,286) | (62,782,715) | (14,936) | (-) |
| | | | - | - | - | - | - | - | - |
| **TOTAL** | 526,227 | 5,348,767 | - | 1,754,666,467 | 21,004,158 | 2,292,022,517 | 1,145,935,443 | 38,776,627 | 34,269,832 |
| | (-) | (-) | (1,266,091,454) | (1,766,418,972) | (21,165,080) | (2,565,728,353) | (1,042,729,970) | (38,862,970) | (34,209,243) |
| **I. INCOME** | | | | | | | | | |
| Revenue from Operations | | | - | - | - | 34,263,022 | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (28,928,869) | (-) | (-) | (-) |
| Share of Profit / (Loss) from Partnership Firms, net | | | | - | - | - | - | -364,136 | - |
| | (-) | (-) | (14,732) | (-) | (-) | (-) | (-) | (-) | (-) |
| Other Income | | | | 46,300 | - | 4,002,848 | 2,040,580 | - | - |
| | (-) | (-) | (-) | (44,150) | (-) | (14,825,238) | (35,931) | (-) | (-) |
| | | | - | - | - | - | - | - | - |
| **TOTAL** | | | - | 46,300 | - | 38,265,870 | 2,040,580 | -364,136 | - |
| | (-) | (-) | (14,732) | (44,150) | (-) | (14,103,631) | (35,931) | (-) | (-) |
| | | | - | - | - | - | - | - | - |
| **II. EXPENDITURE** | | | | | | | | | |
| Project Expenses | 9,635 | - | - | 11,128,352 | 326,817 | - | 84,608,046 | 256,689 | - |
| | (-) | (-) | (23,358,523) | (15,946,314) | (-) | (-) | (271,545,677) | (455,874) | (-) |
| (Increase)/Decrease in Inventories | (9,635) | | | -11,128,352 | -326,817 | - | -84,608,046 | -256,689 | - |
| | (-) | (-) | (23,358,523) | (15,946,314) | (-) | (-) | (271,545,674) | (455,874) | (-) |
| Employee Benefit Expenses | - | - | - | 3,260,512 | - | 4,083,135 | 49,492 | - | - |
| | (-) | (-) | (6,727,923) | (3,652,407) | (-) | (11,495,522) | (86,572) | (-) | (-) |
| Finance Costs | - | 40 | | - | - | 30,260 | - | - | - |
| | (-) | (-) | (494,385) | (-) | (-) | (362,606) | (-) | (-) | (-) |

(Amount in ₹)

| Particulars | Sneh Developers | National Tiles | Turf Estate Joint Venture | DB (BKC) Realtors Private Limited | Lokhandwala Dynamix Balwas Joint Venture | Dynamix Realty | DBS Realty | DB Realty and Shreepati Infrastructure LLP | Warehousing LLPS* |
|---|---|---|---|---|---|---|---|---|---|
| Depreciation and Amortization Expenses | - | - | - | **22,965** | - | **441,047** | **4,386,214** | - | - |
| | (-) | (-) | (187,055) | (34,585) | (-) | (608,151) | (9,389) | (-) | (-) |
| Other Expenses | | **98,916** | | **1,641,840** | - | **24,022,599** | **59,994** | **38,389** | **28,818** |
| | (-) | (-) | (8,152,591) | (5,005,844) | (-) | (29,871,681) | (119,686) | (65,125) | (26,865) |
| Tax Expenses | | | - | - | - | **973,706** | **736,593** | - | - |
| | (-) | (-) | (-) | (-) | (-) | (1,485,164) | (555) | (-) | (-) |
| **Total Expenses** | - | **98,956** | - | **4,925,316** | - | **29,550,748** | **5,232,294** | **38,389** | **28,818** |
| | (-) | (-) | (15,561,954) | (8,692,836) | (-) | (43,823,124) | (215,095) | (65,125) | (26,865) |
| **Profit (Loss) after Tax** | - | **(98,956)** | - | **(4,879,016)** | - | **8,715,123** | **(3,191,714)** | **(402,525)** | **(28,818)** |
| | (-) | (-) | (15,576,686) | (8,648,686) | (-) | (57,926,755) | (179,164) | (65,125) | (26,865) |
| **Contingent Liability** | | | - | - | - | - | - | - | - |

(Figures in brackets denote Previous Year's balances)

* **Warehousing LLP's includes following entities**

- Daund Warehousing Developers & Builders LLP
- Saswad Warehousing Developers & Builders LLP
- Ahmednagar Warehousing Developers & Builders LLP
- Solapur Warehousing Developers & Builders LLP
- Latur Warehousing Developers & Builders LLP
- Aurangabad Warehousing Developers & Builders LLP
- Veer Jijamata Nagar LLP

b) There are no capital commitments and other commitments related to Company's interest in the joint ventures and no commitments of venture itself.

48. Figures of the previous year have been regrouped / reclassified wherever necessary to conform to the presentation of the current year.

Signatures to Notes 1 to 48

For and on behalf of the Board

Vinod Goenka
Chairman & Managing Director

Shahid Balwa
Vice Chairman & Managing Director

Mahesh Gandhi
Director

S A K Narayanan
Company Secretary

N.M. Gattu
Chief Financial Officer

Mumbai Dated: May 24, 2014

# CONSOLIDATED FINANCIAL STATEMENTS

# INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF DB REALTY LIMITED

**To the Board of Directors of DB Realty Limited**

We have audited the accompanying consolidated financial statements of **DB Realty Limited** ("the Company") and its subsidiaries, associates and joint ventures (the Company, its subsidiaries, associates and joint ventures constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

***Basis for Qualified Opinion***

*With reference to Note No. 46 of the consolidated financial statements in respect of a partnership Firm whose financial statements reflect total assets of Rs. 2,689,338,570, total revenue of Rs.* 6,122,352 *and cash outflow of Rs. 116,364,639, which are incorporated in the consolidated financial statements are as approved only by the Company as one of the three partners of the Firm. The other two partners of the Firm have not approved these financial statements. We are unable to comment upon the consequential impact, if any, on the audited consolidated financial statements.*

**Opinion**

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of DB Realty Limited, its subsidiaries (including subsidiaries of subsidiaries), associates and joint ventures.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, associates and joint ventures as mentioned in the 'Other Matter' paragraph below, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph,* the consolidated financial statements 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 March 31, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

Attention is invited to:

1. Note No. 12 (iii) of the consolidated financial statements regarding return on the investments of Rs. 14,276,960,804 in preference shares of an entity. As explained by the Management, investments in this entity is considered strategic and long term in nature and the current market value and future prospects of these investments are significantly in excess of Company's investment in this entity.
2. Note No 13.2 of the consolidated financial statements regarding security deposits of Rs. 3,575,000,000 given for acquisition of development rights. As explained by management, the Company is in process of obtaining necessary approvals with regard to such properties and that the current market values of such properties are significantly in excess of their carrying values and are expected to achieve adequate profitability on substantial completion of their projects.
3. Note No. 13.4 of the consolidated financial statements regarding non availability of contract documents in respect of project advances of Rs. 781,945,000 provided by the Company to its two Associate Companies.
4. Note No. 16 of the consolidated financial statements regarding the status of the projects and the opinion framed by the Company regarding realizable value of the cost incurred, being a technical matter, relied upon by us.

5. Note No. 30 of the consolidated financial statements regarding guarantees issued and securities provided of Rs. 25,673,772,400 by the Company to banks and financial institutions on behalf of various entities, which are significant in relation to the net worth of the Company. In the opinion of the Company, these are not expected to result into any financial liability on the Company.
6. Note No. 31 & 32 of the consolidated financial statements regarding loans and advances of Rs. 532,931,001 and Note No. 33 (B)(iv) & (v) of the consolidated financial statements regarding project cost of Rs. 925,410,073 carried in Inventory in two subsidiaries which are under litigation and are sub-judice. Based on Company's assessment of the outcome, no adjustments are considered necessary in respect of recoverability of these assets.
7. Note No. 33(A)(i) of the consolidated financial statements regarding outstanding receivables which include dues aggregating Rs. 1,533,892,995 as at 31st March 2014 which are considered good of recovery by the entity.
8. Note No. 33(A)(ii) of the consolidated financial statements regarding certain allegations made by the Central Bureau of Investigation, relating to 2G spectrum case. This matter is sub-judice and the impact, if any, of the outcome is unascertainable at this stage.
9. Note No. 42 of the consolidated financial statements regarding attachment order issued by adjudicating authority under Prevention of Money Laundering Act (PML Act), by which the Company's assets amounting to Rs. 521,621,696 have been attached on August 30, 2011. Out of these assets, adjudication authority has taken over the bank balance of Rs. 6,892,967. This matter is sub-judice and the impact, if any, of the outcome is unascertainable at this stage.
10. Note No. 33(A)(iii) and 33(B)(viii) to the consolidated financial statements regarding unsecured loans, trade receivables, balances held in bank, trade payables, contractors' retention money and mobilization advance which are subject to confirmation. As per the contention of the management these are payable/good for realization.
11. Note No. 33(A)(iv) of the consolidated financial statements. In one of the jointly controlled entities, the Component auditor has expressed Emphasis on Matter regarding the classification of Rs. 263,843,130 advanced to parties to acquire occupancy rights on behalf of such entity.
12. Note No. 33(B)(xi) of the consolidated financial statements regarding the claim over the ownership of salt pan land which is under litigation and is sub-judice. Based on Company's assessment of the outcome, it has a rightful claim over the ownership of the salt pan land and will be in a position to defend its title.
13. Note No. 33(C) of the consolidated financial statements. In one of the jointly controlled entities, the Component auditor has expressed Emphasis on Matter regarding the Status of the Project and the opinion framed by the entity regarding the realisable value of the land, being a technical matter, relied upon.
14. Note No. 40B of the consolidated financial statements regarding MAT Credit Entitlement of Rs. 37,572,425, which is based on the judgment of management.
15. Note No. 45 of the consolidated financial statements regarding recognition of expenses and income for ongoing projects, which are based upon estimated costs, as per the judgment of management and certified by Company's technical personnel.
16. Loans and advances aggregating Rs. 323,445,000 lacs has been given to an associate which has incurred losses and has negative net worth. As explained to us, this entity is in early stage of real estate development and the loans and advances are considered good and recoverable based on assessment of the projects under execution made by the management.

Our opinion is not qualified in respect of the above matters.

**Other Matter**

The audited consolidated financial statements for the year ended 31st March, 2014 include:

i. The consolidated audited financial statements of three subsidiaries (comprising of four joint ventures), which reflect total assets of Rs. 2,311,260,649, total revenue of Rs. 646,383,119 and net cash outflow of Rs. 14,830,403;

ii. The audited financial statements of nineteen subsidiaries, which reflect total assets of Rs. 24,812,338,125, total revenue of Rs. 2,303,605,598 and net cash inflow of Rs. 67,101,926;

iii. The audited financial statements of thirteen joint ventures, which reflect total assets of Rs. 11,354,257,154, total revenue of Rs. 72,100,592 and net cash outflow of Rs. 107,150,588;

iv. The audited financial statements of four associates wherein the Group's share of profit is Rs. 178,583;

The above financial statements have been audited by other auditors who have furnished their reports to us. We have not audited the financial statements of these subsidiaries, joint ventures, and associates and our opinion is based solely on the reports of other auditors.

Our opinion is not qualified in respect of the above matters.

**For Haribhakti & Co.**
Chartered Accountants
Firm Registration No.103523W

**Chetan Desai**
Partner
Membership No. 17000

Mumbai: 24th May 2014

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

**(Amount in ₹ )**

| | Particulars | Note No | As at March 31, 2014 | | As at March 31, 2013 | |
|---|---|---|---|---|---|---|
| **I** | **EQUITY AND LIABILITIES** | | | | | |
| **1** | **Shareholders' Funds** | | | | | |
| | Share Capital | 2 | **2,432,587,820** | | 2,432,587,820 | |
| | Reserve and Surplus | 3 | **31,677,062,778** | **34,109,650,598** | 31,561,638,160 | 33,994,225,980 |
| **2** | **Minority Interest** | | | **381,612,253** | | 465,694,880 |
| **3** | **Non-current Liabilities** | | | | | |
| | Long-term Borrowings | 4 | **3,008,626,442** | | 3,312,133,749 | |
| | Other Long Term Liabilities | 5 | **581,013,577** | | 284,745,477 | |
| | Long-term Provisions | 6 | **36,194,399** | **3,625,834,418** | 65,200,368 | 3,662,079,594 |
| **4** | **Current Liabilities** | | | | | |
| | Short-term Borrowings | 7 | **1,474,560,731** | | 1,313,489,868 | |
| | Trade Payables | 8 | **1,305,150,787** | | 1,147,564,643 | |
| | Other Current Liabilities | 9 | **13,421,703,487** | | 11,328,164,684 | |
| | Short-term Provisions | 10 | **779,820,254** | **16,981,235,259** | 776,987,793 | 14,566,206,988 |
| | | | | **55,098,332,528** | | **52,688,207,442** |
| **II** | **ASSETS** | | | | | |
| **1** | **Non-current Assets** | | | | | |
| | Fixed Assets | 11 | | | | |
| | Tangible Assets | | **1,736,965,276** | | 1,636,475,785 | |
| | Intangible Assets | | **160,602,669** | | 195,580,871 | |
| | Capital Work-in-progress | | **92,198,344** | | 84,959,459 | |
| | Intangible Assets under development | | **191,419,611** | | 225,134,008 | |
| | Goodwill on Consolidation (Net of Capital reserve) | | **2,657,072,413** | | 2,657,051,108 | |
| | | | **4,838,258,313** | | 4,799,201,231 | |
| | Non-current Investments | 12 | **16,984,074,576** | | 11,563,132,550 | |
| | Deferred Tax Assets (net) | 40A | **259,966,625** | | 144,903,698 | |
| | Long-term Loans and Advances | 13 | **9,778,705,736** | | 12,673,940,820 | |
| | Other Non-current Assets | 14 | **693,164,334** | **32,554,169,584** | 613,701,145 | 29,794,879,445 |
| **2** | **Current Assets** | | | | | |
| | Current Investments | 15 | **9,967,000** | | 10,095,169 | |
| | Inventories | 16 | **16,213,020,736** | | 15,038,562,914 | |
| | Trade Receivables | 17 | **1,575,785,512** | | 1,947,979,312 | |
| | Cash and Bank Balances | 18 | **389,461,169** | | 277,249,309 | |
| | Short-term Loans and Advances | 19 | **3,351,615,215** | | 3,713,071,065 | |
| | Other Current Assets | 20 | **1,004,313,312** | **22,544,162,944** | 1,906,370,229 | 22,893,327,997 |
| | | | | **55,098,332,528** | | **52,688,207,442** |
| | **Significant accounting policies** | 1 | | | | |

The accompanying notes form an integral part of the financial statements.
As per our report of even date

**For Haribhakti & Co.**
**Chartered Accountants**
Firm's Registration No. 103523W

**Chetan Desai**
Partner
Membership No. 17000

Mumbai, Dated 24th May, 2014

**For and on behalf of the Board**

**Vinod Goenka**
Chairman & Managing Director

**Shahid Balwa**
Vice Chairman & Managing Director

**Mahesh Gandhi**
Director

**S A K Narayanan**
Company Secretary

**N.M. Gattu**
Chief Financial Officer

Mumbai, Dated 24th May, 2014

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in ₹ )

| | Particulars | Note No. | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|---|---|---|---|---|
| I | Revenue from Operations | 21 | **3,140,792,864** | 3,407,898,109 |
| II | Other Income | 22 | **327,958,048** | 266,556,753 |
| III | **Total Revenue** | | **3,468,750,912** | 3,674,454,862 |
| IV | **Expenses:** | | | |
| | Project Expenses | 23 | **2,880,772,824** | 2,608,082,268 |
| | Changes in Inventories | 24 | **(525,879,922)** | 183,335,158 |
| | Employee Benefits Expenses | 25 | **120,788,331** | 169,108,873 |
| | Finance Costs | 26 | **378,343,037** | 181,282,103 |
| | Depreciation and Amortization Expenses | 11 | **82,516,180** | 139,792,371 |
| | Other Expenses | 27 | **294,506,657** | 406,245,568 |
| | **Total Expenses** | | **3,231,047,107** | 3,687,846,341 |
| V | **Profit before exceptional and extraordinary items and tax (III-IV)** | | **237,703,805** | (13,391,479) |
| VI | Exceptional Items | | **-** | 146,328 |
| VII | **Profit before extraordinary items and tax (V - VI)** | | **237,703,805** | (13,537,807) |
| VIII | Prior Period Items (net) | 43 | **16,792,883** | 55,418,932 |
| IX | **Profit before tax (VII - VIII)** | | **220,910,922** | (68,956,739) |
| X | Tax expense: | | | |
| | - Current tax | | **173,989,031** | 25,507,964 |
| | (Including ₹ 16,648,406/- (Previous Year ₹ 7,853,225/-) for earlier years) | | | |
| | - Deferred tax | 40A | **(115,062,927)** | (86,725,938) |
| XI | **Profit after tax and before Minority Interest and Share of Profit/ (Loss) in Associates (X-XI)** | | **161,984,818** | (7,738,765) |
| XII | Minority Interest | | **(12,455,044)** | 56,433,968 |
| XIII | Share of Loss in Associates | | **(34,045,835)** | (15,225,772) |
| XIV | **Profit for the period (XII + XIII + XIV)** | | **115,483,939** | 33,469,432 |
| XV | Earnings per equity share of face value of ₹ 10 each | 41 | | |
| | Basic | | **0.47** | 0.14 |
| | Diluted | | **0.47** | 0.14 |
| | **Significant accounting policies** | 1 | | |

The accompanying notes form an integral part of the financial statements.

As per our report of even date

**For Haribhakti & Co.**
**Chartered Accountants**
Firm's Registration No. 103523W

**Chetan Desai**
Partner
Membership No. 17000

Mumbai, Dated 24th May, 2014

**For and on behalf of the Board**

**Vinod Goenka**
Chairman & Managing Director

**Shahid Balwa**
Vice Chairman & Managing Director

**Mahesh Gandhi**
Director

**S A K Narayanan**
Company Secretary

**N.M. Gattu**
Chief Financial Officer

Mumbai, Dated 24th May, 2014

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

| Particulars | | For the year ended March 31, 2014 ₹ | ₹ | For the year ended March 31, 2013 ₹ | ₹ |
|---|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | | |
| Net profit before taxation | | **220,910,922** | | (68,956,739) | |
| **Adjustments for :** | | | | | |
| Depreciation | | **82,516,180** | | 139,792,371 | |
| Unrealised Exchange Loss (Net) | | **1,828,164** | | 415,471 | |
| Interest and Finance Charges | | **378,343,037** | | 181,282,103 | |
| Loss on Sale of Fixed Assets | | **-** | | 1,101,101 | |
| Dividend Income | | **(472,161)** | | (250,171) | |
| Profit on sale of Current Investments | | **-** | | (1,000,000) | |
| Profit on sale of Long Term Investments | | **-** | | (3,315,667) | |
| Advances Written Off | | **-** | | 10,031,626 | |
| Provision against Security Deposit | | **-** | | 11,983,866 | |
| Excess Provision Written back | | **(56,346,774)** | | (24,434,063) | |
| Interest Income | | **(214,452,323)** | | (198,885,283) | |
| Operating Profit before Working Capital Changes | | **412,327,045** | | 47,764,615 | |
| **Adjustments for :** | | | | | |
| Decrease in Loans and Advances | | **806,821,245** | | 1,347,848,597 | |
| Decrease / (Increase) in Inventories | | **(1,108,468,779)** | | 3,457,791,864 | |
| Decrease / (Increase) in Trade Receivables | | **372,193,800** | | (1,027,510,090) | |
| Increase/ (Decrease) in Current Liabilities | | **2,068,257,870** | | (1,658,909,838) | |
| (Decrease) in Provisions | | **(146,167,558)** | | (90,282,540) | |
| **Cash from operations** | | **2,404,963,623** | | 2,076,702,608 | |
| Direct Taxes (Paid) | | **(43,524,795)** | | (228,955,585) | |
| **Net cash from operating activities** | **A** | | **2,361,438,828** | | 1,847,747,023 |
| **Cash flows from investing activities:** | | | | | |
| Purchase of Fixed Assets (including CWIP) | | **(227,760,661)** | | (29,770,324) | |
| Sale of Fixed Assets | | **45,523,815** | | 136,039,925 | |
| Investment in Deposit (as per Note 14 & 18) | | **34,998,506** | | 89,639,500 | |
| Sale of investment properties | | **5,409,900** | | 8,922,928 | |
| Investments in Subsidiaries / Joint Ventures | | **(96,618,297)** | | (612,248,672) | |
| Contribution to Joint Venture | | **5,554,240** | | (1,296,667) | |
| Sale of Investment in Associate | | **-** | | (153,992,825) | |
| Dividend Received | | **472,161** | | 250,171 | |
| Purchase of Long Term Investments | | **(5,465,952,000)** | | (1,284,327,298) | |
| Sale of Current Investments | | **-** | | 2,000,000 | |
| Sale of Long Term Investments | | **-** | | - | |
| Purchase of Current Investments | | **128,169** | | (10,095,169) | |
| Advance (given) /adjusted for Share application | | **3,182,665,308** | | (3,211,271,940) | |
| Interest Received | | **259,813,037** | | 141,014,804 | |
| **Net Cash (used in) Investing Activities** | **B** | | **(2,255,765,822)** | | (4,925,135,567) |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

| Particulars | | For the year ended March 31, 2014 ₹ | ₹ | For the year ended March 31, 2013 ₹ | ₹ |
|---|---|---|---|---|---|
| **Cash flows from financing activities:** | | | | | |
| Issuance of Preference Shares by Joint Venture | | - | | (6,350,000) | |
| Proceeds from Secured Borrowings | | **244,783,229** | | 3,529,746,991 | |
| Repayment of Secured Borrowings | | **8,347,136** | | (218,528,997) | |
| Proceeds from Unsecured Borrowings | | **300,000,000** | | 480,000 | |
| Repayment of Unsecured Borrowings | | **(149,555,171)** | | (189,379,339) | |
| Interest and Finance Charges | | **(396,853,074)** | | (68,113,740) | |
| **Net Cash from Financing Activities** | **C** | | **6,722,120** | | 3,047,854,915 |
| Net Increase in Cash and Cash Equivalents | **(A+B+C)** | | **112,395,126** | | (29,533,629) |
| Add : Cash and Cash Equivalents at the beginning of the year | | | **200,586,977** | | 230,120,606 |
| **Cash and Cash Equivalents at the closing of the year** | | | **312,982,103** | | 200,586,977 |
| **Notes to cash flow:** | | | | | |
| 1 **Reconciliation of cash and cash equivalents:** | | | | | |
| Cash and Bank balances (as per note 14 & 18) | | | **419,281,169** | | 341,884,548 |
| Less: Fixed deposits more than 3 months | | | **106,299,066** | | 141,297,572 |
| **Cash and cash equivalents (Closing)** | | | **312,982,103** | | 200,586,977 |

2 The Cash flow statement has been prepared under the indirect method as set out in accounting standard (AS3) Cash flow statement as notified by the Companies (Accounting Standard) Rules 2006.

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

The accompanying notes form an integral part of the financial statements.
As per our report of even date

**For Haribhakti & Co.**
**Chartered Accountants**
Firm's Registration No. 103523W

**Chetan Desai**
Partner
Membership No. 17000

Mumbai, Dated 24th May, 2014

**For and on behalf of the Board**
**Vinod Goenka**
Chairman & Managing Director

**Shahid Balwa**
Vice Chairman & Managing Director

**Mahesh Gandhi**
Director

**S A K Narayanan**
Company Secretary

**N.M. Gattu**
Chief Financial Officer

Mumbai, Dated 24th May, 2014

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**Note 1 : Significant Accounting Policies On Consolidated Financial Statements**

a) BASIS OF PREPARATION

i) These consolidated financial statements pertain to DB Realty Limited (the "Company" / the "Parent"/ the "Holding Company"), its subsidiaries (Companies and Firms/AOPs where control exists), joint ventures, associates and limited liability partnership firms (LLPs).The Company and its subsidiaries, associates and joint ventures constitute "the Group" as detailed at Note 28 and 29 hereunder.

ii) The financial statements of the subsidiaries/ joint ventures/ associates (including partnership firms and LLPs), drawn up to the same reporting date as that of the Holding Company i.e. year ended March 31, 2014.

iii) These consolidated financial statements are prepared under historical cost convention and on accrual basis of accounting, in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.

b) PRINCIPLES OF CONSOLIDATION:

These consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiaries have been consolidated in accordance with the Accounting Standard 21 (AS 21) "Consolidated Financial Statements", on line-by-line basis by adding together the book value of like items of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profits/losses on balances remaining within the group.

ii) The financial statements of the Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances to the extent practicable.

iii) The excess of the cost to the Company of its investment in the subsidiaries/Jointly controlled entities, on the acquisition date over and above the Company's share of equity (i.e. Net Worth) in the subsidiaries/ Jointly controlled entities, is recognised in the financial statements as Goodwill on Consolidation and carried forward in the accounts. The said Goodwill is not amortised, however, it is tested for impairment at each Balance sheet date and the impairment loss, if any, is provided for. Alternatively, where the share of the equity in the subsidiaries as on the date of investments is in excess of cost of investment of the Company, it is recognised as "Capital Reserve on Consolidation" The net amount of Goodwill after set-off of capital reserve amount is presented under "Goodwill on Consolidation".

iv) Minority interest in the net assets of the consolidated subsidiaries consist of:

(a) The amount of equity attributable to minorities as at the date on which the investment in a subsidiary is made and,

(b) The minorities share of movements in equity since the date the parent-subsidiaries relationship came in existence. The losses applicable to the minority in excess of the minority interest in the equity of the subsidiary and further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to make good the losses. If the subsidiaries subsequently report profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered

(c) Minority interest is presented separately from the liabilities or assets and the equity of the parent shareholders in the Consolidated Balance Sheet. Minority interest in the income or loss of the Company is separately presented.

v) In case of associates, being entities in which the Group has significant influence and which are neither subsidiaries nor joint ventures, they are accounted using equity method in accordance with Accounting standard 23 (AS 23)-"Accounting for investment in Associates in Consolidated Financial Statements". Accordingly:

(a) The Company accounts for its share in the change in the net assets of the associates, post acquisition, through its Profit and Loss Account to the extent such change is attributable to the associate's Profit and Loss Account and through its reserves for the balance

(b) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of share in the associates is, included in the carrying amount of investment in the associates, identified as Goodwill or Capital Reserves as the case may be and so disclosed.

vi) The financial statements of entities, where there is joint control (pursuant to a contractual arrangement), have been combined by using proportionate consolidation method and accordingly, Company's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported in the consolidated financial statements as per Accounting Standard 27 (AS-27)- "Financial Reporting of Interests in Joint Ventures".

c) USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles which requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent liabilities on the date of the consolidated financial statements and the reported amounts of revenues and

expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialize.

d) FIXED ASSETS

A. Tangible Assets:

Fixed Assets are recorded at their cost of acquisition, net of modvat/ cenvat, less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bring the asset to its working condition for its intended use.

B. Intangible Assets:

Intangible Assets are recorded at their cost of acquisition, net of modvat/ cenvat, less accumulated amortization/ depletion.

e) DEPRECIATION / AMORTISATION

Depreciation on fixed assets, other than leasehold improvements and computer software, is provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. The cost of improvements on leasehold properties is amortised over the period of the lease. Computer software is being depreciated on straight line basis over a period of 3 years.

Structures constructed for purpose of demonstration to prospective buyers (to be demolished before the project completion) are capitalised as buildings and depreciated over the period by which the respective project is expected to be completed – not exceeding 48 months.

f) IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. Recoverable value is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

g) INVENTORIES

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

TDR Entitlements included under inventory mainly represents entitlement under agreement with the Slum Rehabilitation Authority (SRA) computed based on an agreed level of development and construction of property. The same is valued taking into consideration the entitlement under the agreement and the cost attributable to the project or estimated net realisable value, whichever is lower.

h) REVENUE RECOGNITION

(i) For projects commenced and period where revenue recognized before April 1, 2012

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method, subject to transfer of significant risk and rewards to the buyer. The percentage of completion is determined on the basis of physical proportion of the work completed, as certified by the Company's technical personnel, in relation to a contract or a group of contracts within a project, only after the work has progressed to the extent of 30% of the total work involved and at least 20% of construction cost (excluding cost incurred in acquisition of land and its development rights) is incurred. Accordingly, cost of construction / development is charged to the statement of profit and loss in proportion to the revenue recognized during the period and balance costs are carried as part of 'Project Work in Progress' under inventories. Amounts receivable / payable are reflected as Debtors / Advances from Customers, respectively, after considering income recognized in the aforesaid manner. The estimates of saleable area and costs as revised periodically by the management are considered as change in estimate and accordingly, the effect of such changes or estimates is recognized in the period such changes are determine.

(ii) For projects commenced on or after April 1, 2012 and also to projects which have already commenced but where revenue is being recognized for the first time on or after April 1, 2012

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method subject to transfer of significant risk and rewards to the buyer, outcome of the real estate project can be estimated reliably and stage of completion of the project reaches at reasonable level of development i.e. at least 25% of total project cost should be incurred at reporting date.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

When the outcome of a real estate project can be estimated reliably and the conditions stipulated below are satisfied, project revenue and project costs associated with the real estate project are recognised as revenue and expenses by reference to the stage of completion of the project activity at each reporting date. Stage of completion is arrived with reference to the entire project cost incurred versus total estimated project cost. Further, with regard to total estimated cost of each project is based upon the judgment of management and certified by Company's technical personnel.

The following specific recognition criteria is also considered before revenue is recognized:

- All critical approvals necessary for commencement of the project have been obtained.
- At least 25% of construction & development cost (excluding cost incurred in acquisition of land and its development rights and borrowing cost) is incurred.
- At least 25% of the saleable project area is secured by contracts or agreements with buyers.
- And at least 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

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

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

i) INVESTMENTS

Investments are classified as non-current or current, based on management's intension at the time of purchase. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.

Trade investments are investments made for or to enhance the Company's business interest.

Current investments are sated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost and provision for diminution in their value, other than temporary, is made in the consolidated financial statements.

Profit/loss on sale of investment is computed with reference to the average cost of the investment.

j) EMPLOYEE BENEFITS

(i) Defined Contribution Plan:

Group's Contribution paid/payable for the year/period to Defined Contribution retirement benefit plan is charged to Profit and Loss account.

(ii) Defined Benefit Plan and other long term benefit:

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

(iii) Short term employee benefits:

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

k) OPERATING LEASE:

Asset acquired on lease where significant portions of the risks and rewards incidental to ownership are retained by the lessor is classified as operating lease. Lease rentals are charged to profit and loss account on accrual basis and on straight line basis over the lease tenure if in case of long term non cancellable lease.

l) FOREIGN CURRENCY TRANSACTIONS

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

In case of monetary items which are covered by forward contracts, the difference between the year end/period end rate and the rate on the date of the contract is recognized as an exchange difference.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

m) BORROWING COST

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

n) TAXES ON INCOME

Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable effective tax rates. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using relevant enacted or substantively enacted effective tax rates as on the balance sheet date, to the extent the timing differences are expected to crystallise.

Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit & Loss as Current Tax. The Company recognizes MAT credit available as an Asset only to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an Asset in accordance with the Guidance note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said Asset is created by way of credit to the statement of Profit & loss & shown as “MAT Credit Entitlement”. The Company reviews the “MAT Credit Entitlement” asset at each reporting date & writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the sufficient period.

o) PROVISIONS AND CONTINGENT LIABILITY

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A Contingent Liability is, a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the consolidated financial statements.

p) EARNING PER SHARE

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split. (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The period during which, number of dilutive potential equity shares change frequently, weighted average number of shares are computed based on a mean date in the quarter, as impact is immaterial on earning per share.

q) CASH FLOW STATEMENT

Cash Flow Statement is prepared under the ‘Indirect Method’ prescribed under ‘Accounting Standard – 3 Cash Flow Statement’ prescribed under the Companies (Accounting Standard) Rules, 2006.

r) CASH AND CASH EQUIVALENTS

Cash and cash equivalent for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**Note 2 : Share Capital**

| Particulars | As at 31st March 2014 | | As at 31st March 2013 | |
|---|---|---|---|---|
| | Number | ₹ | Number | ₹ |
| **Authorised** | | | | |
| Equity Shares of ₹ 10 each | 298,500,000 | 2,985,000,000 | 298,500,000 | 2,985,000,000 |
| Preference Shares of ₹ 10 each | 1,500,000 | 15,000,000 | 1,500,000 | 15,000,000 |
| | | **3,000,000,000** | | **3,000,000,000** |
| **Issued, Subscribed & Paid up** | | | | |
| Equity Shares of ₹ 10 each fully paid up | 243,258,782 | 2,432,587,820 | 243,258,782 | 2,432,587,820 |
| **Total** | **243,258,782** | **2,432,587,820** | **243,258,782** | **2,432,587,820** |

**2.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting year.**

| Particulars | As at 31st March 2014 | | As at 31st March 2013 | |
|---|---|---|---|---|
| | Number | ₹ | Number | ₹ |
| Shares outstanding at the beginning of the period | 243,258,782 | 2,432,587,820 | 243,258,782 | 2,432,587,820 |
| Shares Issued (bought back) during the period | - | - | - | - |
| Shares outstanding at the end of the year | 243,258,782 | 2,432,587,820 | 243,258,782 | 2,432,587,820 |

**2.2 Rights, preferences and restriction attached to shares**

Equity shares have equal rights to dividend and voting rights pro rata the holdings. The Company has only one class of Equity Shares having a par value of ₹ 10 per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**2.3 Details of shares held by shareholders holding more than 5% shares in the Company**

| Name of Shareholder | As at March 31, 2014 | | As at March 31, 2013 | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| **Equity Shares :** | | | | |
| Neelkamal Tower Construction LLP | 104,564,838 | 42.99 | 104,564,838 | 42.99 |
| Walkinson Investment Limited | 14,587,500 | 6.00 | 14,587,500 | 6.00 |
| Vinod Goenka * | 15,364,216 | 6.32 | 15,364,216 | 6.32 |

*Out of the said above shareholding 100,000 shares (0.04%) are jointly held by Vinod Goenka and Aseela Goenka.

**2.4 Aggregate number of shares issued for consideration other than cash and shares bought back during the five years immediately preceding the reporting date:**

| Particulars | Year (Aggregate No. of Shares) | | | | |
|---|---|---|---|---|---|
| | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
| **Equity Shares :** | | | | | |
| Fully paid up by way of bonus shares | - | - | - | 201,150,000 | - |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### Note 3 : Reserve & Surplus

| | Particulars | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|---|
| a. | **Capital Redemption Reserve (refer Note 33 B (i))** | | |
| | Opening Balance | 400,000,000 | 400,000,000 |
| | Add : Current year transfer | - | - |
| | Closing Balance | **400,000,000** | **400,000,000** |
| b. | **Securities Premium Account** | | |
| | Opening Balance | 23,856,790,192 | 23,856,790,192 |
| | Add : During the year | - | - |
| | Closing Balance | **23,856,790,192** | **23,856,790,192** |
| c. | **Surplus** | | |
| | Opening balance | 7,304,847,968 | 7,155,252,911 |
| | Add : Net Profit for the Current Year | 115,483,939 | 33,469,432 |
| | Add : Adjustment of Associate converted in Subsidiary | - | 116,125,625 |
| | Less : Adjustments for Joint Venture profits | (59,321) | - |
| | Closing Balance | **7,420,272,586** | **7,304,847,968** |
| | **Total** | **31,677,062,778** | **31,561,638,160** |

### Note 4 : Long-term Borrowings

| | Particulars | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|---|
| I | **Secured** | | |
| | **Term Loans** | | |
| a. | From HDFC Limited | 2,189,706,298 | 2,884,335,076 |
| | 1) Exclusive mortgage overall the right, title, interest, claims, benefits and entitlements whatsoever in the unsold flats / units / Saleable Area being constructed (including car parking area, future FSI and other entitlements in connection therewith) and coming to the share of the Borrower / Mortgagor-1 under the said Agreements (including without limitation, any other deed, document, agreement or instrument in relation thereto) and in the project called "D B Crown"(construction both present and future) on freehold and leasehold land admeasuring 24,809.76 sq. mtrs situate at Gokhale Road (South), Dadar, Mumbai - 400 025 and bearing Final Plot No. 1043 of TPS IV, Mahim Division bearing C.S. no. 1123,with construction thereon present and future. | | |
| | 2) Exclusive charge / security interest over the receivables / book debts / cash flows / revenues / rentals (including booking amounts), Escrow Account / Designated Account (or other accounts), insurance proceeds. Obligor Contracts etc. pertaining to the aforesaid property/ies in favour of HDFC in such form and manner as may be required by the Lender. | | |
| | 3) Personal guarantee of Mr. Vinod Goenka. | | |
| | 4) Amount of Default (Interest amount) as at 31st March 2014 ₹ 25,870,719/- | | |
| | 5) The rate of interest is 15% to 16% p.a (CPLR -2.50%). | | |
| b. | From ICICI Bank limited | 145,000,000 | - |
| | The said loan was received for the purpose of financing the cost of construction in the project of one of the subsidiary, i.e known as DB Skypark. Sahar, Andheri East of the Company and carries floating interest rate of 14.5% p.a. linked to I-Base, payable monthly. The loan is repayable in 12 quarterly installments commencing from April 1st 2016. The loan is secured by | | |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

| | Particulars | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|---|
| | 1) Exclusive charge on the land situated at project of one of the subsidiary, DB Skypark, Sahar, Andheri East including all the structures thereon both present and future. | | |
| | 2) First pari-passu charge over Bacchuwadi property, Mumbai Central. | | |
| | 3) Corporate guarantee from YJ Realty & Aviation Pvt Ltd backed by first pari-passu charge over Dynamix Mall, Juhu. | | |
| | 4) Corporate guarantee from Milan Theatre Pvt Ltd backed by first pari-passu charge over Milan Mall, Santacruz, Mumbai. | | |
| | 5) Personal guarantee from one of the Managing Directors of the Company. | | |
| | Default - Interest for the month of March 2014 of ₹ 172,808/- has not been paid. | | |
| **c.** | From STCI Finance Ltd | 444,616,138 | 421,841,803 |
| | (Secured by Pledge of shares of DB Realty Ltd which are held by Neelkamal Realtors Apartment LLP) | | |
| | 1) The said loan was received for General Corporate purpose & it is Secured by Pledge of Shares of DB Realty Ltd and carries fixed interest rate of 9.75% p.a with monthly rest. | | |
| | 2) The Tenure of the Loan is of 36 months from the disbursement (i.e February 28, 2013). The Loan amount is repayable at the end of the Tenure of the loan and Interest cost is payable on monthly basis. | | |
| | 3) Redemption premium is payable at the end of the tenure so as to yield a nominal IRR of 14.75% p.a. on monthly rests.) (Out of the Outstanding amount, Debt redemption premium of ₹ 24,616,138/- (Previous year ₹ 1,841,803/- is payable at the end of tenure) | | |
| **d.** | IL&FS Fiancial Services limited | 215,000,000 | - |
| | 1) The said loan was received for the purpose of financing the cost of construction of the Company, investment or advances to subsidiaries and other group companies and general corporate purpose and carries floating interest rate of 18.5% p.a. linked to IBMR, payable monthly. | | |
| | 2) The Loan is repayable at the end of 18 Months from the date of 1st disbursement of the loan. The loan is secured by pledge of 3,838,382 shares of Marine Drive Hospitality & Realty Private Limited (Formerly DB Hospitality Private Limited) held by the Company and mortgage and hypothication of two TDR certificate with cummulative TDR of 85,287sq. mt. along with escrow of receivables emanating from sale of this TDR certificate to be created by partnership firm in which the Company is the partner for that the Loan is guaranteed by personal guarantees of Managing Directors of the Company. | | |
| **e.** | Vehicle Loan from Banks | 11,316,321 | 2,969,185 |
| | (Secured by way of hypothecation of vehicles purchased | | |
| | Terms of Repayment : | | |
| | Payable in equated monthly installment as per the loan amortization schedule.) | | |
| | (The rate of interest are in range of 9% to 14% p.a) | | |
| | **Total I** | **3,005,638,757** | **3,309,146,064** |
| **II** | **Unsecured** | | |
| **a.** | **Preference Shares issued by Joint Venture :** | | |
| | 188,008 (188,008) Compulsory Convertible Preference Shares (CCPS) Series 'C' of ₹ 10 each fully paid | 1,880,085 | 1,880,085 |
| | 62,760 (62,760) Redeemable Optionally Convertible Cumulative Preference Shares (ROCCPS) Series 'A' and Series 'B' of ₹ 10 each fully paid. | 627,600 | 627,600 |

| Particulars | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|
| (The CCPS/ROCCPS carry minimum coupon rate of 0.001% p.a. or such rate as may be decided by the Board of Directors of the Company, provided in the event the Company declares dividend to the Equity Shares, then the same shall be entitled to the same rate of equity dividend. Tenure of CCPS/ ROCCPS is four/five years, subject to earlier redemption at the discretion of the Board of Directors in the event the holders of the series express their desire for redemption to the Company. Compulsory conversion in Equity Shares of part of the CCPS/ROCCPS upon happening of agreed event.<br>The Joint Venture had issued ROCCPS in the year ended 31st March 2007. As per the terms of issue, the ROCCPS are convertible/redeemable. The latest date of redemption was 26th March 2012. Similarly, the Company had issued CCCPS in the year ended 31st March 2008. As per the terms of issue, the CCCPS are compulsorily convertible. The latest date of conversion was 30th January 2012. However, pending reaching any finality in the matter with the ROCCPS/CCPS holders, the Management has decided to keep the decision of conversion/redemption in abeyance.) | | |
| **b. Loan from Others** | 480,000 | 480,000 |
| **Total II** | **2,987,685** | **2,987,685** |
| **Total ( I + II)** | **3,008,626,442** | **3,312,133,749** |

**Note 5 : Other Long-term Liabilities**

| Particulars | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|
| **a.** Trade payables (refer note (i) below and footnote of note no. 8) | 165,416,092 | 166,350,386 |
| **b. Others** | | |
| Deposit payable | 1,797,485 | 1,206,305 |
| Society dues payable | - | 3,388,786 |
| Advance received towards flat bookings | 413,800,000 | 113,800,000 |
| **Total** | **581,013,577** | **284,745,477** |

(i) Represents amount retained as per the terms of the contract(s) and are due for payment after a period of 12 months from the year-end.

**Note 6 : Long-term Provisions**

| Particulars | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Gratuity (unfunded) | 19,011,984 | 27,005,426 |
| Leave Encashment (unfunded) | 17,182,415 | 38,194,942 |
| **Total** | **36,194,399** | **65,200,368** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### Note 7 : Short-term Borrowings

| | Particulars | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|---|
| I | **Secured** | | |
| | **Loans repayable on demand** | | |
| | From Banks | 10,626,034 | - |
| | Secured By: | | |
| | Secured by lien on fixed deposit receipt of ₹ 14,000,000/- placed by Neelkamal Realtors & Builders Private Limited with Oriental Bank of Commerce. | | |
| | From Reliance Capital Limited | 610,017,232 | 610,017,232 |
| (a) | The said loan was received as Loan against Residential Property i.e D B Golf Link (Pune). The tenure of the loan was of 6 months from the date of disbursement | | |
| (b) | The loan amount was repayable at the end of the tenure of the loan and interest cost was payable on a monthly basis. The said loan has been restructured on March 25, 2014. It is revolving and reviewed every year and carries floating interest rate of 20.75% p.a subject to BPLR being constant. The loan is guaranteed by personal guarantees of Managing Directors of the Company. Further, registered mortgage has been created on plot 2 & 3(A+C) at Yerwada Pune. | | |
| | **Total I** | **620,643,266** | **610,017,232** |
| II | **Unsecured** | | |
| | **Loans repayable on demand** | | |
| | From Reliance Capital Limited | 300,000,000 | - |
| | The said loan is repayable on demand and carries interest rate of 15% p.a which is payable quarterly . | | |
| | From other parties | 553,917,465 | 703,472,636 |
| | **Total II** | **853,917,465** | **703,472,636** |
| | **Total ( I + II)** | **1,474,560,731** | **1,313,489,868** |

### Note 8 : Trade Payables

| Particulars | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|
| * Micro Small and Medium Enterprise | - | - |
| Others | 1,305,150,787 | 1,147,564,643 |
| **Total** | **1,305,150,787** | **1,147,564,643** |

*Micro,Small and medium Enterprises under the Micro ,Small and Medium Enterprises Development Act,2006 have been determined based on the information available with the Company and the required disclosures are given below:

| | Description | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|---|
| a) | Principal amount remaining unpaid as at year end | - | - |
| b) | Interest due thereon as at period / year end | - | - |
| c) | Interest paid by the Company in terms of section 18 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| d) | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| e) | Interest accrued and remaining unpaid as at period / year end | - | - |
| f) | Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise. | - | - |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**Note 9 : Other Current Liabilities**

| Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|
| Current maturities of long term borrowings (refer note (i) below) | 2,092,138,001 | 1,546,126,362 |
| Advance received from Customers | 7,323,480,558 | 7,006,641,263 |
| Advance towards sale of Land TDR | 1,014,799,889 | 903,446,930 |
| Due to Partnership Firms towards capital contribution | 217,861,607 | 155,353,056 |
| Advance Received against Tenancy Rights | 30,190,316 | 30,389,966 |
| Temporary overdrawn current account balance as per books of subsidiaries / jointly controlled entites | 9,919,508 | 3,548,280 |
| Amount Refundable on Cancellation of Flats | 317,527,010 | 165,040,347 |
| Employee Benefits Payable | 44,780,407 | 42,537,091 |
| Statutory dues including PF and TDS | 136,864,381 | 224,912,654 |
| Interest accrued but not due on loans | 40,717,359 | 107,214,726 |
| Interest accrued and due | 91,755,312 | 43,767,983 |
| Compensation payable | 6,854,955 | 48,946,922 |
| Payable to Project Partner by one of the Subsidary (refer to note no 33 (B) (vi) | 720,186,191 | 728,886,114 |
| Other Payables * | 1,374,627,993 | 321,352,990 |
| **Total** | **13,421,703,487** | **11,328,164,684** |

* Other Payables includes outstanding expenses and payables towards purchase of fixed assets, property, tenancy rights.

(i) **Current maturities of long term borrowing are secured by following :**

(a) Mortgage of certain flats of the Project (specified flats) together with proportionate undivided share, right, title and interest in the common area and in the underlying land on which the Project is constructed.

Exclusive charge on the Scheduled Receivables emanating from the Project.

Mortgage of the land at Village Bapnala, Andheri (East), Mumbai, owned by Eversmile Construction Co. Pvt. Ltd, the development rights whereof being vested with ECC DB Joint Venture entered into by and between Eversmile Construction Co. Pvt. Ltd, DB Realty Limited and Konark Developers.

Personal guarantee of the Managing Directors of the Company.

(b) Mortgage of land situated at Dahisar (East) which has been undertaken for development and construction.

Exclusive charge on the receivables emanating from sale of premises of the project.

Personal guarantee of the Managing Directors of the Company.

(c ) The Loan is guaranteed by personal guarantees of Managing Directors of the Company. Further,the loan is secured by mortgaged of one of the subsidiary Company's land at Sahar, Andheri.

(d) Interest on above loans are in the range of 15% to 17% p.a.

**Note 10 : Short-term Provisions**

| | Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|---|
| **a.** | **Provision for Employee Benefits** | | |
| | Gratuity (unfunded) | 4,386,074 | 3,475,939 |
| | Leave encashment (unfunded) | 10,875,533 | 9,261,364 |
| **b.** | **Others** | | |
| | Provision for tax (Net of with advance tax ₹ 39,576,923/- Previous year ₹ 73,593,392/-) | 172,491,321 | 51,649,240 |
| | Provision for incidental cost related to land | 579,270,067 | 712,149,610 |
| | Provision for expenses | 12,797,259 | 451,640 |
| | **Total** | **779,820,254** | **776,987,793** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**Note 11 : Fixed Assets**

| | Particulars | Gross Block | | | | | Accumulated Depreciation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Balance as at April 1, 2013 | Additions | Disposals | Adjustments for the year | Balance as at March 31, 2014 | Balance as at April 1, 2013 | Adjustments for the year | Depreciation charge for the period (refer note (1) below) | On disposals | Balance as at March 31, 2014 | Balance as at March 31, 2014 | Balance as at March 31, 2013 |
| a | **Tangible Assets** | | | | | | | | | | | | |
| | Sample Flat | 198,545,427 | - | - | - | 198,545,427 | 66,287,996 | - | 33,064,358 | - | 99,352,354 | 99,193,073 | 132,257,431 |
| | Land (including Salt Pan Land) (refer note no (xi) of 33 (B) ) | 1,373,710,486 | 9,944,181 | - | - | 1,383,654,667 | - | - | - | - | - | 1,383,654,667 | 1,373,710,486 |
| | Buildings | | | | | | | | | | | | |
| | - Temporary Structure | 31,850,676 | 116,708,542 | - | | 148,559,218 | 2,026,800 | - | 12,333,601 | - | 14,360,401 | 134,198,817 | 29,823,876 |
| | - Others | 12,273,980 | 23,493,896 | - | - | 35,767,876 | 2,860,627 | - | 2,513,252 | - | 5,373,879 | 30,393,997 | 9,413,353 |
| | Computers | 18,908,327 | 79,695 | - | 513,564 | 19,501,586 | 14,374,401 | 382,800 | 1,744,422 | - | 16,501,623 | 2,999,963 | 4,533,926 |
| | Furniture & Fixtures | 50,415,883 | 235,125 | - | 22,360 | 50,673,368 | 28,455,062 | 9,820 | 4,040,100 | - | 32,504,982 | 18,168,386 | 21,960,821 |
| | Office Equipments | 20,722,644 | 226,790 | - | 152,491 | 21,101,925 | 7,822,478 | 62,486 | 1,814,828 | - | 9,699,792 | 11,402,133 | 12,900,166 |
| | Plant & Machinery | 14,995,601 | 120,000 | - | 391,317 | 15,506,918 | 6,506,807 | (5,273) | 1,223,634 | - | 7,725,168 | 7,781,750 | 8,488,794 |
| | Vehicles | 107,255,210 | 17,054,569 | - | - | 124,309,779 | 63,868,279 | - | 11,269,011 | | 75,137,290 | 49,172,490 | 43,386,932 |
| | Improvement on Leasehold Property | 136,509,242 | - | - | | 136,509,242 | 136,509,242 | - | - | - | 136,509,242 | - | - |
| | **Total** | **1,965,187,476** | **167,862,798** | **-** | **1,079,732** | **2,134,130,006** | **328,711,692** | **449,833** | **68,003,206** | **-** | **397,164,731** | **1,736,965,276** | **1,636,475,785** |
| b | **Intangible Assets** | | | | | | | | | | | | |
| | Computer software | 15,081,104 | 45,523,815 | | - | 60,604,919 | 11,120,775 | - | 16,628,501 | | 27,749,276 | 32,855,643 | 3,960,329 |
| | Goodwill on Amalgamation | 319,367,573 | - | | | 319,367,573 | 127,747,031 | | 63,873,516 | - | 191,620,547 | 127,747,026 | 191,620,542 |
| | **Total** | **334,448,677** | **45,523,815** | **-** | **-** | **379,972,492** | **138,867,806** | **-** | **80,502,017** | **-** | **219,369,823** | **160,602,669** | **195,580,871** |
| c | **Capital Work In Progress** | 84,959,459 | 400,777 | - | 6,838,108 | 92,198,344 | - | - | - | - | - | 92,198,344 | 84,959,459 |
| | **Total** | **84,959,459** | **400,777** | **-** | **6,838,108** | **92,198,344** | **-** | **-** | **-** | **-** | **-** | **92,198,344** | **84,959,459** |
| d | **Intangible assets under Development** (refer note 2 below) | 225,134,008 | 11,809,418 | (45,523,815) | - | 191,419,611 | - | - | - | - | - | 191,419,611 | 225,134,008 |
| | **Total** | **225,134,008** | **11,809,418** | **(45,523,815)** | **-** | **191,419,611** | **-** | **-** | **-** | **-** | **-** | **191,419,611** | **225,134,008** |
| | **Total (a+b+c+d)** | **2,609,729,620** | **225,596,808** | **(45,523,815)** | 7,917,840 | **2,797,720,453** | **467,579,498** | **449,833** | **148,505,223** | **-** | **616,534,554** | **2,181,185,900** | **2,142,150,123** |
| | **Previous Year (Including CWIP)** | **2,753,269,037** | **263,593,724** | **(140,977,411)** | (266,155,730) | **2,609,729,620** | **303,090,997** | **(35,956,305)** | **204,281,191** | **(3,836,385)** | **467,579,498** | **2,142,150,123** | **2,450,178,040** |

**Note :**

1 Depreciation inventorised during the year ₹ 65,933,279/- (Previous Year ₹ 66,580,683/-)

2 As per the agreement, the revenue to be generated from Film shooting and Advertising activities for the group companies in the promenade area shall be shared in equal proportion between the Company and MSRDC, the Management is of the opinion that future economic benefits from the said assets is reasonably higher than cost incurred by the Company and the Company is having Control on the said asset to get future economic benefits.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**Note 12 : Non-current Investments (at cost, unless otherwise specified)**

| | Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|---|
| a. | **Investment in Equity Instruments (Unquoted, Non-trade)** | | |
| | The Kapol Co-operative Bank Limited | 50,000 | 50,000 |
| | [5,000 (Previous Year 5,000) Equity Shares of ₹ 10 each, fully paid up] | | |
| | Saraf Chemicals limited | 49,600,000 | 49,600,000 |
| | [310,000 (Previous Year 310,000) Equity Shares of ₹ 10 each, fully paid up] | | |
| | Marine Drive Hospitality & Realty Private Limited (Formerly DB Hospitality Private Limited) | 783,029,928 | 783,029,928 |
| | [3,838,382 (Previous Year 3,838,382) Equity Shares of ₹ 10 each, fully paid up] | | |
| | (refer to note no.v) | | |
| | **In Equity Shares of Associate Companies (Unquoted, Trade)** | | |
| | (Refer note below) | | |
| | Sangam City Township Private Limited | | |
| | [9,500 (Previous Year 9,500) Equity Shares of ₹ 10 each, fully paid up] | 1,123,746 | 1,120,036 |
| | DB Hi-Sky Private Limited | - | - |
| | [5,000 (Previous Year 5,000) Equity Shares of ₹ 10 each, fully paid up] | | |
| | Mahal Pictures Private Limited | 896,215,730 | 896,040,857 |
| | [3,600 (Previous Year 3,600) Equity Shares of ₹ 10 each, fully paid up] | | |
| | Neelkamal Realtors Tower Private Limited (refer note no. iv) | 111,462,065 | 145,686,483 |
| | [1,010,807 (Previous Year 1,010,807) Equity Shares of ₹ 10 each, fully paid up] | | |
| | [Including ₹ 886,241,641 (Previous Year ₹ 886,241,641) of Goodwill and net of ₹ 169,756,718 (Previous Year ₹ 169,756,718 ) of Capital Reserve arising on the acquisition of Associates] | | |
| b. | **Investment in Preference Shares (Unquoted, Non-trade)** | | |
| | Marine Drive Hospitality & Realty Private Limited (Formerly DB Hospitality Private Limited) (refer to note iii below) | | |
| | [24,233,571 (Previous Year 24,233,571) 0.002% Redeemable Optionally Convertible Cumulative Preference Shares of ₹ 10 each, fully paid up] | 4,943,648,484 | 4,943,648,484 |
| | [9,260,080 (Previous Year 9,260,080) 0.002% Compulsory Convertible Cumulative Preference Shares of ₹ 10 each, fully paid up] | 1,889,056,320 | 1,889,056,320 |
| | [74,44,256 (Previous Year 2,390,000) 0.001% Cumulative Redeemable Preference Shares of ₹ 10 each, fully paid up] | 7,444,256,000 | 2,390,000,000 |
| | [313,478 (Previous Year 313,478) 0.001% Redeemable Compulsory Convertible Cumulative Preference Shares of ₹ 10 each, fully paid up] | 172,163,649 | 172,163,649 |
| | [313,478 (Previous Year 313,478) 0.001% Redeemable Optionally Convertible Cumulative Preference Shares of ₹ 10 each, fully paid up] | 172,163,649 | 172,163,649 |
| | Neelkamal Realtors Tower Private Limited | | |
| | [660,918 (Previous Year 660,918) 0.002% Redeemable Optionally Convertible Cumulative Preference Shares of ₹ 10 each, fully paid up] | 109,609,005 | 109,609,005 |
| | Konark Realtec Private Limited (refer note no. (i) | | |
| | [857,700 (Previous Year-Nil) Redeemable Optionally Convertible Preference Shares of ₹.10 each fully paid-up] | 411,696,000 | - |
| c. | **Investments in Partnership Firms (Unquoted, trade)(refer note no. (ii))** | | |
| | Investment made in Partnership Firm "Evergreen Industrial Estate" by one of the Joint Venture namely "Turf Estate JV". | - | 5,554,240 |
| | Investment made in Partnership Firm "Sneh Developers" by one of the subsidiary namely "DB View Infracon Private Limited". | - | 9,900 |
| | Investment made in Partnership Firm "National Tiles & Industries" by one of the Limited Liability Partnership Firm namely "DB Realty and Shreepati Infrastructures LLP". | - | 5,400,000 |
| | | **16,984,074,576** | **11,563,132,550** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(i) The tenure of ROCPS is five years from the date of allotment carrying coupon rate of 0.01% on Non cumulative basis. The said preference shares shall be convertible at the option of the Company at book value/ issue price at the time of conversion. The Company, in compliance of the provisions of Section 372A of the 1956 Act, has ratified its Investment in ROCPS by taking post-facto authorisation of its shareholders at their meeting held on 1st March, 2014.

(ii) During the current year, investment in partnership firm have been eliminated as these investment have been considered for consolidation purpose.

(iii) There is no return on investments in preference shares of Marine Drive Hospitality & Realty Private Limited ("DBH") during the year. In view of the management, investments in these entities are considered strategic and long term in nature and the current market values and future prospects of these investments are significantly in excess of Company's investment in DBH.

(iv) The Company has pledged its investment of 986,613 Class A equity shares (Previous Year Nil) of Neelkamal Realtors Tower Private Limited, an associate Company, in favour of Yes Bank which provided term loan of ₹ 350 crores, to the said associate.

(v) The Company has pledged its investment of 3,838,382 equity shares of Marine Drive Hospitality & Realty Pvt. Ltd., in favour of IL & FS Financials Services Ltd which provided term loan of ₹ 21.50 crores (Previous year Nil), to the Company.

**Notes :**

**The particulars of investment in associate companies as of March 31, 2014 are as follows :**

**(Amount in ₹ )**

| Sr No | Name of the Associate | Country of Incorporation | Ownership Interest | Original Cost of Investment | Amount of Goodwill / (Capital Reserve) in the Original Cost | Share of post acquisition Reserves & Surplus | Carrying Cost of Investments |
|---|---|---|---|---|---|---|---|
| 1 | Sangam City Township Private Limited | India | 31.67% | 95,000 | (1,725,827) | 1,028,746 | 1,123,746 |
| | Previous Year | | (31.67%) | (95,000) | (-1,725,827 ) | (1,025,036) | (1,120,036) |
| | (formerly known as Dharadhar Developers Private Limited) | | | | | | |
| 2 | DB Hi-Sky Private Limited | India | 50% | 50,000 | 12,481 | (50,000) | - |
| | Previous Year | | (50%) | (50,000) | (12,481)* | (-50,000) | ( -) |
| 3 | Mahal Pictures Private Limited | India | 33.33% | 892,225,001 | 886,229,160 | 3,990,729 | 896,215,730 |
| | Previous Year | | (33.33%) | (892,225,001) | (886,229,160) | (3,815,856) | (896,040,857) |
| 4 | Neelkamal Realtors Tower Private Limited # | India | 38.47% | 165,703,146 | (168,030,891) | (54,241,081) | 111,462,065 |
| | Previous Year | | (38.47%) | (165,703,146) | (-168,030,891) | (-20,016,663) | (145,686,483) |
| | **Total** | | | **1,058,073,147** | **716,484,924** | **(49,271,606)** | **1,008,801,541** |
| | **Previous Year Total** | | | **(1,058,073,147)** | **(716,484,924)** | **(15,225,772)** | **(1,042,847,375)** |

(Figures in brackets denote Previous Year's ownership interest and balances)

* Previous year's figures in brackets with negative sign denotes Capital Reserve and without negative sign denotes Goodwill.

# The Company became associate with effect from October 25, 2012 by having economic interest @ 50.83%. Hence, the same has been considered for consolidation purpose under equity method.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**Note 13 : Long-term Loans and Advances**

| Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|
| **a. Security Deposits** (refer note 13.2) | | |
| ***Unsecured, considered good*** | | |
| Deposits to Related Parties | 3,609,933,934 | 3,260,545,934 |
| Deposits to others | 1,201,394,774 | 1,742,380,557 |
| **b. Loans and Advances to Related Parties** | | |
| ***Unsecured, considered good*** | | |
| Loans to Associates | - | 143,319,936 |
| Project advance to Associates (refer to note 13.4 below) | 781,945,000 | 782,535,000 |
| Due from members of Partnership Firms /Joint ventures | 1,643,375,000 | 1,289,815,697 |
| Mobilisation Advances | 222,307,486 | 137,820,410 |
| Share Application Money Pending Allotment | - | 3,288,471,940 |
| **c. Loans and Advances to Others** | | |
| ***Unsecured, considered good*** | | |
| Loans to Others | 495,650,000 | 140,650,000 |
| Advance against Share Purchase (refer note 13.3 below) | 893,006,632 | 787,200,000 |
| Mobilsation Advances | 108,017,846 | 108,176,007 |
| Due from members of Partnership Firms /Joint ventures | 145,421,652 | 267,241,522 |
| Advance Payment of Taxes (Net of provision for tax ₹ 31,733,573/- (Previous year ₹ 32,966,573/-) | 30,190,003 | 25,659,304 |
| MAT Credit Entitlement (refer note no. 40 B) | 37,572,425 | 37,500,000 |
| Advance recoverable in cash or in kind or for value to be received | 609,890,984 | 662,624,513 |
| **Total** | **9,778,705,736** | **12,673,940,820** |

**13.1** Loans and advances due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director a member

| Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|
| Private Company in which director is a member | 3,978,535,000 | 7,518,861,378 |

**13.2** Security deposits includes of ₹ 3,575,000,000/- given to various related parties for acquisition of development rights. The Company is in process of obtaining necessary approvals with regard to said properties and the said properties have current market values significantly in excess of carrying values and are expected to achieve adequate profitability on substantial completion of their projects.

**13.3** Refer note no. 31 for advance for share purchases of ₹ 400,000,000/- (Previous year ₹ 400,000,000/-)

**13.4** In respect of project advances of ₹ 78,19,45,000/- forming a part of long term loans and advances provided by the Company to its two Associate Companies, the required documents are under execution.

**Note 14 : Other Non-current Assets**

| Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|
| Margin Money Deposits *(more than 12 months) | 29,820,000 | 64,635,239 |
| Prepaid Expenses | 3,804,688 | 16,727,867 |
| Unbilled Revenue | 590,781,894 | 474,669,160 |
| Interest accrued but not due | 7,263,120 | - |
| Cost attributable to Leased Units | 61,494,631 | 57,668,879 |
| **Total** | **693,164,333** | **613,701,145** |

* The said deposits are under lien with Banks.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**Note 15 : Current Investments (At lower at cost or fair value) (Unquoted, Non-trade)**

| Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|
| Investment in Mutual Funds | 9,967,000 | 10,095,169 |
| **Total** | **9,967,000** | **10,095,169** |

**Note 16 : Inventories**

| Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|
| **Valued at cost or net realisable value whichever is lower** | | |
| a. Project Work in Progress (refer foot note no (ii) of 30) * # | 15,821,790,665 | 14,344,104,926 |
| b. Transferable Development Rights | 391,230,071 | 694,457,988 |
| **Total (a+b)** | **16,213,020,736** | **15,038,562,914** |

* Note : Out of this ₹ 2,262,607,335/- (Previous year ₹ 2,005,660,682/- are under initial stage of development & expected to have net realizable value greater than the cost.

# Refer note 4 (I) (a), (b) ,(d) ,9 (1) , 7 (1) (a) & foot note (iv) (a) to Note 30 for securities given for projects by the Company.

**Note 17 : Trade Receivables**

| Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|
| **Unsecured, considered good** | | |
| Outstanding for a period exceeding six months(refer note 33 A (i) (c) ) | 1,069,076,564 | 1,342,183,814 |
| Other | 506,708,948 | 605,795,498 |
| **Total** | **1,575,785,512** | **1,947,979,312** |

**Note 18 : Cash and Bank Balances**

| Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|
| **Cash and Cash Equivalents** | | |
| Cash on Hand | 2,142,090 | 1,312,571 |
| Balances with Banks in Current Accounts | 309,411,653 | 199,274,405 |
| Cheques in hand | 1,428,361 | - |
| **Other Bank Balances (More than 3 months but less than 12 months)** | | |
| Fixed Deposits with Banks * | 76,479,066 | 76,662,333 |
| | **389,461,169** | **277,249,309** |

* Includes deposits under lien ₹ 48,965,739/- (Previous year ₹ 69,758,000/-)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**Note 19 : Short-term Loans and Advances**

| Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|
| **a. Security Deposits** | | |
| ***Unsecured, considered good*** | | |
| Deposit placed (related parties) | 612,000 | 612,000 |
| ***Unsecured, considered doubtful*** | | |
| Security Deposits | - | 11,983,866 |
| Provision for Doubtful Security Deposits | - | (11,983,866) |
| **b. Loans and Advances to Related Parties** | | |
| ***Unsecured, considered good*** | | |
| Loans given | 1,280,610,756 | 1,351,042,947 |
| Mobilisation advances | 113,159,717 | 118,632,785 |
| Due from members of Partnership Firms /Joint ventures | 229,103 | 273,519,206 |
| Advances recoverable in Cash or in Kind or for Value to be received | 17,490,098 | 15,823,768 |
| **c. Others** | | |
| ***Unsecured, considered good*** | | |
| Loan to others | 274,300,904 | 179,807,417 |
| Deposits placed | 202,554,798 | 3,865,889 |
| Trade advances | 153,852,090 | 76,916,153 |
| Mobilisation advances | 278,400,711 | 287,737,163 |
| Prepaid expenses | 4,108,847 | 18,139,482 |
| Advance Payment of Taxes (Net of provision for tax ₹ 18,421,747/- Previous year (Nil)) | 7,195,232 | 21,420,511 |
| Advance against Share Purchase | - | 468,989,874 |
| Due from members of Partnership Firms /Joint ventures | 32,195,377 | 228,969 |
| Advances recoverable in Cash or in Kind or for Value to be received * | 986,905,582 | 896,334,901 |
| ***Unsecured, considered doubtful*** | | |
| Advances Given | 17,557,328 | 17,557,328 |
| Provision for Doubtful Advances | (17,557,328) | (17,557,328) |
| | **3,351,615,215** | **3,713,071,065** |

* Inclusive of amount of ₹ 8,692,930/- ( ₹ 6,892,967/- & 50% of ₹ 3,599,926/-) taken by Enforcement Directorate. (refer to note No.33 (A) (ii) and 42)

**19.1** Loans and advances due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private Companies respectively in which any director is a partner or a director a member

| Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|
| Private Company in which director is a member | 470,902,968 | 953,299,764 |
| | **470,902,968** | **953,299,764** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### Note 20 : Other Current Assets

| Particulars | As at March 31, 2014<br>₹ | As at March 31, 2013<br>₹ |
|---|---|---|
| Interest accrued and due | 110,699,117 | 140,352,865 |
| Interest accrued but not due | 1,340,612 | 17,047,578 |
| Transferable Development Rights | 70,073,640 | 96,671,483 |
| Service Tax Receivale | 58,386,375 | 48,979,299 |
| Advance Recoverable | 76,505 | 658,976 |
| Unbilled Revenue | 763,737,063 | 1,602,660,028 |
| **Total** | **1,004,313,312** | **1,906,370,229** |

### Note 21 : Revenue from Operations

| Particulars | For the year ended March 31, 2014<br>₹ | For the year ended March 31, 2013<br>₹ |
|---|---|---|
| Sale of Properties | 2,697,573,324 | 3,198,382,237 |
| Sale of Transferable Development Rights | 443,219,540 | 209,515,872 |
| **Total** | **3,140,792,864** | **3,407,898,109** |

### Note 22 : Other Income

| Particulars | For the year ended March 31, 2014<br>₹ | For the year ended March 31, 2013<br>₹ |
|---|---|---|
| Interest Received on Loans - Others | 195,708,242 | 175,408,382 |
| Interest on Bank Fixed Deposit | 7,673,170 | 11,074,495 |
| Interest Received - Other | 11,070,911 | 12,402,406 |
| Exchange Gain, net | 2,047 | - |
| Dividend Income | 472,161 | 250,171 |
| Profit on sale of Current Investments | - | 1,000,000 |
| Profit on sale of Long Term Investments | - | 3,315,667 |
| Amount forfeited on cancellation of allotment of property and assignment development rights | 43,254,872 | 27,177,975 |
| Excess Provision Written Back | 56,346,774 | 24,434,063 |
| Miscellaneous Income | 13,429,871 | 11,493,594 |
| **Total** | **327,958,048** | **266,556,753** |

### Note 23 : Project Expenses

| Particulars | For the year ended March 31, 2014<br>₹ | For the year ended March 31, 2013<br>₹ |
|---|---|---|
| Land Acquisition and Purchase of Tenancy Rights | 442,390,344 | 127,549,070 |
| Construction Expenses | 2,349,847,946 | 2,303,299,243 |
| Project Salaries, Wages and Bonus | 86,917,165 | 175,039,368 |
| Contribution to Provident Fund and Others | 1,617,369 | 2,194,587 |
| **Total** | **2,880,772,824** | **2,608,082,268** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### Note 24 : Changes in Inventories

| Particulars | | For the year ended March 31, 2014 ₹ | For the year ended March 31, 2013 ₹ |
|---|---|---|---|
| **Project Work in Progress:** | | | |
| Opening Balance | | 14,344,104,926 | 17,575,658,866 |
| Taken over on Acquisition | | 357,067,568 | - |
| Transferred to Profit and Loss Account / Capitalised during the year | | (245,920,414) | (2,755,510) |
| Transferred to Advance recoverable in Cash or Kind | | - | (52,781,630) |
| Prior Period Adjustment | | - | (26,823,592) |
| Adjustment on account of Disposal / Sale of Investment | | 537,430,746 | (3,127,607,154) |
| Closing Balance | | (15,821,790,665) | (14,344,104,926) |
| **(Increase)/Decrease in Project Work in Progress** | **Total (a)** | **(829,107,839)** | **21,586,054** |
| **Transferable Development Rights** | | | |
| Opening Balance | | 694,457,988 | 856,207,092 |
| Adjustment to Opening Stock | | - | - |
| Transferred to Current Assets | | - | - |
| Closing Balance | | (391,230,071) | (694,457,988) |
| **Decrease in Transferable Development Rights** | **Total (b)** | **303,227,917** | **161,749,104** |
| | **Total (a+b)** | **(525,879,922)** | **183,335,158** |

### Note 25 : Employee Benefits Expenses

| Particulars | | For the year ended March 31, 2014 ₹ | For the year ended March 31, 2013 ₹ |
|---|---|---|---|
| Salaries, Wages and Bonus (Including Managerial Remuneration) | | 111,687,338 | 145,728,053 |
| Contribution to Provident Fund and Others | | 1,187,351 | 3,773,827 |
| Staff Welfare and Other Amenities | | 7,913,642 | 19,606,993 |
| | **Total** | **120,788,331** | **169,108,873** |

### Note 26 : Finance Cost

| Particulars | | For the year ended March 31, 2014 ₹ | For the year ended March 31, 2013 ₹ |
|---|---|---|---|
| Interest Expenses | | 339,227,360 | 151,312,985 |
| Other Borrowing Costs | | 39,115,677 | 29,969,118 |
| | **Total** | **378,343,037** | **181,282,103** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**Note 27 : Other Expenses**

| Particulars | For the year ended March 31, 2014 ₹ | For the year ended March 31, 2013 ₹ |
|---|---|---|
| Rent, (including lease rents -refer note no. 39) | 60,087,769 | 79,722,250 |
| Rates and Taxes | 7,003,195 | 728,992 |
| Repairs and Maintenance | 2,893,506 | 6,660,104 |
| Legal and Professional Charges (refer to note no. 36) | 57,804,556 | 58,374,212 |
| Donations | 3,226,401 | 880,986 |
| Directors Sitting Fees | 800,000 | 980,000 |
| Advertisement and Publicity | 31,756,488 | 71,335,057 |
| Business Promotions Expenses | 20,586,047 | 12,528,301 |
| Books, Periodicals, Subscription and Membership Fees | 1,605,626 | 1,484,112 |
| Printing, Stationery, Postage, Telegram and Telephone Charges | 2,403,747 | 4,219,349 |
| Travelling and Conveyance Expenses | 3,232,912 | 18,729,416 |
| Commission and Brokerage | 52,938,578 | 30,863,572 |
| Compensation Charges | 8,186,884 | 24,000,000 |
| Loss on Sale of Assets | - | 1,101,101 |
| Provision against Security Deposit | - | 11,983,866 |
| Exchange Loss, Net | 1,830,211 | 415,471 |
| Advances Written Off | - | 10,031,626 |
| Miscellaneous Expenses | 40,150,737 | 72,207,153 |
| **Total** | **294,506,657** | **406,245,568** |

**28** Entities included in the consolidated financial statements with details of the holdings therein are as under.

a) Subsidiary companies consolidated on 'line by line' basis as per AS 21:

| Name | Country of Incorporation | Percentage of Ownership Interest as at March 31,2014 | Percentage of Ownership Interest as at March 31,2013 |
|---|---|---|---|
| Neelkamal Realtors Suburban Private Limited | India | 66.00% | 66.00% |
| Gokuldham Real Estate Development Company Private Limited | India | 75.00% | 75.00% |
| Neelkamal Shantinagar Properties Private Limited (refer note i below) | India | 100.00% | 100.00% |
| Esteem Properties Private Limited. | India | 100.00% | 100.00% |
| Saifee Bucket Factory Private Limited | India | 100.00% | 100.00% |
| Real Gem Buildtech Private Limited | India | 100.00% | 100.00% |
| DB Man Realty Limited | India | 51.00% | 51.00% |
| Priya Constructions Private Limited (refer note ii below) | India | 100.00% | 100.00% |
| Royal Netra Construction Private Limited | India | 50.40% | 50.40% |
| Nine Paradise Erectors Private Limited (formerly Nine Paradise Hotels Private Limited) | India | 100.00% | 100.00% |
| N.A. Estate Private Limited | India | 100.00% | 100.00% |
| MIG (Bandra) Realtors and Builders Private Limited (formerly DB MIG Realtors and Builders Private Limited) | India | 100.00% | 100.00% |
| Spacecon Realty Private Limited (formerly DB Spacecon Private Limited) | India | 74.00% | 74.00% |
| Vanita Infrastructure Private Limited | India | 100.00% | 100.00% |
| DB View Infracon Private Limited (refer note iii below) | India | 100.00% | 100.00% |
| DB Contractors and Builders Private Limited (refer to note iv below) | India | 100.00% | 100.00% |
| Goregaon Hotel and Realty Private Limited | India | 100.00% | - |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

i) The subsidiary Company has a Joint Venture agreement with Shankala Realtors Private Limited having profit sharing ratio of 100% (Previous year 50%) for development and construction of a residential complex in the name and style of M/s. Shree Shantinagar Venture. The said Joint Venture is consolidated as per AS-21 in the accounts of this subsidiary Company and consolidated financial statements of the subsidiary have been considered for preparation of consolidated financial statements of the Company.

ii) The subsidiary Company has an investment in the capital of a partnership firm, viz. M/S. Evergreen Industrial Estate having profit sharing ratio of 67% (including 1 % held by Turf estate joint venture) for construction and development of the immovable properties. During the year the said partnership firm is consolidated as per AS-21 in the consolidated financial statement of ultimate holding Company directly and hence, accounts of the said partnership firm and standalone financial statements of the subsidiary have been considered for preparation of consolidated financial statements of the Company.

iii) The subsidiary Company has invested in the capital of a partnership firm, viz. M/s. Suraksha DB Realty, on April 1, 2011 and having profit sharing ratio of 50% for construction and development of the immovable Properties. The said partnership firm is consolidated as per AS-27 in the accounts of this subsidiary Company and consolidated financial statements of the subsidiary have been considered for preparation of consolidated financial statements of the Company.

Further, the Company has invested 48% Profit Sharing in Sneh developers (i.e. partnership firm) and 1% invested by another Subsidiary Company i.e. Nine paradise erectors private limited. Hence, the said firm has consolidated as joint venture with 49% in consolidated financial statements.

iv) During the year, the subsidiary Company has invested and considered the said LLP as a joint venture in accordance with AS -27. The said Joint Venture is consolidated as per AS-27 in the accounts of this subsidiary Company and consolidated financial statements of the subsidiary have been considered for preparation of consolidated financial statements of the Company. However, the investment made as part of share capital are still shown under bank reconciliation as bank account has not been opened by the said joint venture.

b) Association of Person /Partnership Firms (where control exists) consolidated on a 'line by line' basis (AS-21) :

| Name | Country of Formation | Percentage of ownership interest as at March 31, 2014 | Percentage of ownership interest as at March 31, 2013 |
|---|---|---|---|
| Conwood DB Joint Venture | India | 90.00% | 90.00% |
| ECC DB Joint Venture | India | 75.00% | 75.00% |
| Mira Real Estate Developers @ (formerly Mira Salt Works Company) | India | 100.00% | 100.00% |
| Turf - Estate Joint Venture # (refer note no. 28 (a) (ii) ) | India | 66.67% | - |
| M/s. Evergreen Industrial Estate (refer note 28 (a) ii ) | India | 67.00% | 67.00% |

@ The share of the Holding Company (99%) and DB View Infracon Private limited (1%), the wholly owned subsidiary of the Holding Company. Hence, the Company has consolidated 100% as subsidiary in accordance with AS-21.

# During the year Turf Estate Joint venture has been considered as a subsidiary for the purpose of consolidation and consolidated as per AS 21.

c) Joint ventures/ partnership firms/Company/limited liability partnership firms accounted on proportionate consolidation basis as per AS- 27:

| Name | Percentage of Ownership Interest as at March 31, 2014 | Percentage of Ownership Interest as at March 31, 2013 |
|---|---|---|
| Dynamix Realty (Partnership Firm in construction TDR) (refer note i below) | 50.00% | 50.00% |
| DBS Realty (Partnership Firm) | 33.33% | 33.33% |
| DB (BKC) Realtors Private Limited (formerly known as M. K. Malls and Developers Private Limited) | 40.80% | 40.80% |
| Lokhandwala Dynamix Balwas JV | 50.00% | 50.00% |
| Turf - Estate Joint Venture * | - | 66.67% |
| Sneh Developers (refer note a(iii) above) | 49.00% | - |
| DB Realty and Shreepati Infrastructures LLP (refer note ii below) | 60.00% | 60.00% |
| Daund Warehousing Developers & Builders LLP | 50.00% | 50.00% |
| Saswad Warehousing Developers & Builders LLP | 50.00% | 50.00% |
| Ahmednagar Warehousing Developers & Builders LLP | 50.00% | 50.00% |
| Solapur Warehousing Developers & Builders LLP | 50.00% | 50.00% |
| Latur Warehousing Developers & Builders LLP | 50.00% | 50.00% |
| Aurangabad Warehousing Developers & Builders LLP | 50.00% | 50.00% |
| DB Realtors & Builders LLP # | 70.00% | 70.00% |
| Baramati Warehousing Developers & Builders LLP # | 50.00% | 50.00% |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

i) The said partnership firm has a SRA project by which it is entitled for two components of TDR viz. Land Component of TDR and Construction Component of TDR. The Partners of the Firm have amended the terms of profits sharing ratio vide supplementary deed dated 11-2-2012 and accordingly, the said project is divided into two projects viz. a) Project I- Land component of TDR (Partners – Eversmile Construction Company Private Limited – profit/ (loss) sharing ratio of 99% and Conwood Construction and Developers Private Limited – profit/ (loss) sharing ratio of 1%) and b) Project II – Construction component of TDR (Partners – DB Realty Limited – profit/ (loss) sharing ratio of 50% and Eversmile Construction Company Private Limited – profit/ (loss) sharing ratio of 50%). Since, the Holding Company has share only in the profit / loss in the Project II, the profit/ (loss) has been considered for the same on the basis of project wise break-up of audited accounts.

ii) The LLP has investment in partnership firm viz M/s National Tiles towards 99% share in Profit /(Loss ). During the year the said partnership firm is consolidated as a joint venture as per AS-27 in the consolidated financial statement of the Company. The said firm has been considered for consolidation directly and hence, standalone financial statement of DB Realty and Shreepati Infrastructures LLP have been considered for consolidation.

* During the year Turf Estate Joint venture has been considered as a subsidiary for the purpose of consolidation and consolidated as per AS 21.

\# These LLPs in which the Holding Company was a partner during those year, has applied to Registrar of LLP for striking off there names on February 15, 2012 from the register of LLPs and the same is in process.

**29 The associates accounted under 'equity method' as per AS-23:**

| Name | Percentage of equity interest as at March 31,2014 | Percentage of equity interest as at March 31,2013 |
|---|---|---|
| Sangam City Township Private Limited | 31.67% | 31.67% |
| DB Hi-Sky Construction Private Limited | 50.00% | 50.00% |
| Mahal Pictures Private Limited | 33.33% | 33.33% |
| Neelkamal Realtors Tower Private Limited # | 38.47% | 38.47% |

#The Company became associate with effect from October 25, 2012 having economic interest @ 50.83%, hence the same have been considered for consolidation purpose under equity method.

**30 Contingent Liabilities and Commitments:**

| Particulars | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|
| A. Guarantees to banks and financial institutions (in India and overseas) against credit facilities extended to | | |
| **i) Jointly controlled entity** | | |
| DB (BKC) Realtors Private Limited (formerly known as M. K. Malls and Developers Private Limited) (refer note (i) below) | 750,000,000 | - |
| **ii) Associates** | | |
| Neelkamal Realtors Tower Private Limited (refer note (ii) below) | 3,500,000,000 | 4,125,000 |
| **Sub total (i)** | 4,250,000,000 | 4,125,000 |
| **iii) Company under the same management** | | |
| Majestic Infracon Private Limited (earlier known as DBI Infracon Private Limited / Tiger Trustees Private Limited (refer notes iv below) | 8,530,000,000 | 8,530,000,000 |
| Neelkamal Realtors and Builders Private Limited (refer note iii below) | - | 4,125,000 |
| Delux Hospitality Limited, Mauritius (earlier known as D B Hospitality Limited,Mauritius) (Term Loan of USD 138 Million) & Y J Realty and Aviation Private Limited (earlier known as Y J Realty Private Limited) (Stand by Letter of Credit of USD 65 Million) (Overall Guarantee of the Company in USD 138 million) (refer note iv below) | 8,293,772,400 | 7,505,723,400 |
| **Sub Total (ii)** | **16,823,772,400** | **16,039,848,400** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

| | Particulars | As at March 31, 2014 ₹ | As at March 31, 2013 ₹ |
|---|---|---|---|
| iv) | **Others** | | |
| | Heaven Star Hotels (Delhi) Private Limited (earlier known as DB Hotels (India) Private Ltd)(Guarantees given and Security provided) (Refer Note (v) below) | 1,700,000,000 | 1,700,000,000 |
| | Pune Buildtech Private limited (refer note vi below) | 2,250,000,000 | - |
| | BD&P Hotels Private Limited (refer note vi below) | 650,000,000 | - |
| | **Sub Total (iii)** | **4,600,000,000** | **1,700,000,000** |
| | **Grand Total ( i + ii + iii )** | **25,673,772,400** | **17,743,973,400** |
| B. | Arrears of dividend in respect of 0.001 % Redeemable Optionally Convertible Cumulative Preference Shares (ROCCPS) | 153 | 132 |
| C. | Arrears of Dividend on 0.001 % compulsorily Convertible Cumulative Preference shares (CCPS) | 158 | 347 |
| D | Esteem Properties Private Limited, as per terms of Consent Terms entered into with Air Inn Private Limited, is liable to re-imburse to Air Inn Private Limited the liability that may devolve upon it on account of suit pending against it in the Hon'ble High Court of Judicature of Bombay | 15,000,000 | 15,000,000 |
| E | Contingent payments to the holders of Redeemable Optionally Convertible Cumulative Preference Shares (ROCCPS), Compulsory Convertible Preference Shares (CCPS) and equity shares subscribed by other shareholders of an entity (in which the Holding Company has joint control) - representing the amount payable or adjustable by the Holding Company on exercise of various exit options by such other holders based on agreement entered with them. | Amount unascertainable | Amount unascertainable |
| F | Provisional attachment of assets under Prevention of Money Laundering Act, 2002 for:<br>DB Realty Limited (refer note no 42)<br>Dynamix Realty (refer note no 33 (A) (ii)) | Amount unascertainable | Amount unascertainable |
| G | The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings which is unascertainable to have any adverse effect on its financial conditions, results of operations or cash flows. | | |

Notes :

**(i)** No loan has been borrowed by the joint venture towards a total corporate guarantee provided of ₹ 750,000,000/- (Previous year ₹ 750,000,000/-)

**(ii)** During the year, the Company has given Corporate Guarantee on behalf of Neelkamal Realtors Tower Private Limited . The said facilities are secured by (i) Exclusive charge by in respect of all that pieces and parcels of land of Byculla Division CS no.1906 admeasuring 19434.10 Square Meters and structure constructed or to be constructed thereon. (ii) All moveable fixed and current assets including receivables (present and future) of the project "ORCHID HEIGHT".(iii) Escrow Account of project receivables (Orchid Heights). Exclusive charge by way of 30% of total shareholding of the Company which are held by D B Realty Limited (986,613 class A equity share). (iv) Personal Guarantee of Mr Shahid Balwa and Mr Vinod Goenka.

**(iii)** Towards vehicle loan.

**(iv)** In a earlier year, the Company had given Corporate Guarantees on behalf of two companies in which some of the directors of the Company are interested. The said Companies are however, not a part of DB consolidated group. Such guarantees are:

a) In respect of facilities availed by Majestic Infracon Private Limited from Punjab National Bank, Mumbai and Bank of India, Mumbai, for an amount aggregating ₹ 8,530,000,000/- (Previous Year ₹ 8,530,000,000/-).

b) In respect of facilities availed by Delux Hospitality Limited, Mauritius ('DBH, Mauritius') & Y J Realty and Aviation Private Limited (earlier known as Y J Realty Private Limited) from ICICI Bank - United Kingdom PLC of USD 138 millions – ₹ 8,293,772,400/- as at the year end March 31, 2014 (Previous Year ₹ 7,505,723,400/-). For the purpose of the said corporate guarantee, the Company has received in its favour irrevocable and unconditional personal guarantees from the two interested directors covering the entire amount of such guarantees issued by the Company. (Conversion rate used ₹ 60.0998/- USD as per RBI conversion rate as on 31st March 2014)(Previous year ₹ 54.3893/-)

The Company is confident that these companies would fulfill their obligations under the credit facilities and does not expect any outflow of resources.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

For the purpose of the said corporate guarantees, the Company has received in its favour irrevocable and unconditional personal guarantees from the two interested managing directors covering the entire amount of such guarantees issued by the Company.

The aforesaid facilities are secured as under:

a) Majestic Infracon Private Limited: by (a) pledge of its investments consisting of 45,934,000 equity shares in Etisalat DB Telecom Private Limited; (b) a pari passu charge on its property consisting of Hotel Hilton, Mumbai. (c) Together with collateral securities of the Company's property admeasuring 80,934 sq meters at Malad (East), Mumbai with all including all development rights, unutilized Floor Space Index (FSI) / or such other FSI that may be granted in future.

b) Delux Hospitality Limited by : (a) mortgage of its property consisting of Milan Mall in Milan Theatres Private Limited, Dynamix Mall in Y J Realty and Aviation Private Limited (earlier known as Y J Realty Private Limited), Orchid Garden in Conwood DB JV and Orchid Park in holding Company (against stand by letter of credit issued by ICICI Bank Limited as an integral part of the arrangement); (b) pledge of its entire shareholding of DB Hospitality Private Limited ('DBHPL') in DBH, Mauritius (being the wholly owned subsidiary of DBHPL).

The Company is confident that these companies would fulfill their obligations under those credit facilities and does not expect any outflow of resources.

**(v)** During an earlier year, the Company has given Corporate Guarantee and has pledged its entire shareholding of Marine Drive Hospitality & Realty Private Limited for loan availed by Heaven Star Hotels (Delhi) Private Limited, from IL & FS Financial Services Limited.

The said facility is also secured by (i) charge on Fixed Assets both present and future of the project other than project land (ii) charge on all current assets including receipt of all the receivables related to the project (iii) charge on all bank accounts, insurance contracts (iv) Goan Hotels & Clubs Private Limited in Heaven Star Hotels (Delhi) Private Limited.

The Company is confident that this Company would fulfill the obligations under the credit facilities and does not expect any outflow of resources.

**(vi)** During the year, the Company has given corporate guarantees and has given collateral securities of the Company's property DB Hill Park admeasuring 80,934 sq meters at Malad (East), Mumbai and Resham Bhavan located at Churchgate, Mumbai (forming part of Inventory), on behalf of BD&P Hotels (India) Private Limited and Pune Buildtech Pvt. Ltd.

The said facilities are also secured by (i) charge on Fixed Assets both present and future of the respective projects other than project land (ii) charge on all current assets including receipt of all the receivables related to the respective project (iii) charge on all bank accounts, insurance contracts of respective Company alongwith the following common securities (iv) a pari passu charge on its property consisting of Hotel Hilton, Mumbai.

The Company is confident that this Company would fulfill the obligations under the credit facilities and does not expect any outflow of resources.

31 During the previous years the Company has acquired 1/3rd stake in another Company by paying ₹ 892,225,001/-. By and under a Share Purchase Agreement dated December 2, 2010, the Company agreed to purchase additional 1/3rd stake from another shareholder of this Company and paid advance of ₹ 400,000,000. However, as per the said agreement, such purchase is subject to settlement of a suit which is pending at the High Court of Judicature at H'ble Bombay High Court. The Company, based on legal advice is confident of a favourable resolution in getting the matter resolved favourably so as to be able to develop the underlying land parcel; and accordingly the said amounts paid are considered to be good of recovery.

32 The Company has incurred a sum of ₹ 132,931,001/- (Previous year ₹ 155,772,388/-) towards acquisition of development rights pertaining to a SRA redevelopment project, which is the subject matter of litigation. There are five litigations pending regarding the same. Based on legal advice, the Company believes that it has a good chance of getting the project and is confident of commencement of redevelopment activities shortly and accordingly the said amount is considered as good of recovery.

33 Significant matters stated in the notes to the audited financial statements/audit reports of the subsidiaries / Partnership firms / joint ventures and jointly controlled entities.

**A) Joint venture / Partnership firm(s)/ Limited Liability Partnership(s) (consolidated as per AS-27)**

i) Notes to financial statements of Dynamix Realty (Dynamix) relating to outstanding receivables of ₹ 1,533,892,995/- (Previous Year ₹ 1,727,612,945/-) (including dues aggregating ₹ 540,764,810/- (Previous Year ₹ 737,420,341/-) from companies in which directors of the Holding Company are interested) as at March 31, 2014 as follows:

(a) As at the balance sheet date, the other partner (being an entity in which a director of the Company is interested viz. Eversmile Construction Company Private Limited (ECC)) is having a debit balance of ₹ 453,614,810/- (Previous Year ₹ 492,920,341/-). As represented by partners of the Firm, the said balance shall be recovered in due course of time and hence, the same is considered good of recovery.

(b) The Firm has granted unsecured loans, with/without interest as applicable and repayable on demand with no other terms, for which the Partners have given their consent. In the opinion of the Firm, the outstanding amount as of year-end of loan and interest thereon of ₹ 220,319,819/- (Previous Year ₹ 374,547,577/-) is considered good for recovery.

(c) Trade Receivables outstanding more than 1 year of ₹ 859,958,366,/- (Previous year ₹ 860,145,027) which Includes dues of ₹ 838,154,114/- (Previous year ₹ 838,154,114/-) attached under the PML Act, for which the parties have given their acknowledgement. In the opinion of the partners of the firm, they do not expect any shortfall in recovery.

ii) Notes to financial statements and reference in auditor's report of Dynamix relating to matter which is sub-judice:

The Firm had granted Loan to Kusegaon aggregating to ₹ 2,092,500,000/-, (the said loans) as upto 31.03.2010. As of 31.03.2014, the outstanding balance due from Kusegaon is ₹ 91,501,379/- (Previous year ₹ 91,501,379/-), being part of interest charged. Central Bureau of Investigation Anti-corruption Branch, New Delhi (CBI)) in the Supplementary (First) charge sheet RC.DAI.2009.A.0045 (2G Spectrum Case) has alleged that out of the said loans, through the Firm, ₹ 2,000,000,000/- crores is paid as illegal gratification to M/s Kalaignar TV Private Limited (Kalaignar) through Kusegaon and M/s Cineyug Films Pvt. Ltd., in lieu of the undue favours by accused public servants to Swan Telecom Private Limited (SWAN) in 2G Spectrum Case. The CBI have alternatively alleged in the said charge sheet that even if the said transaction of ₹ 2,000,000,000/- is accepted as genuine business transaction, the said loans obtained by Kalaignar for a consideration which being known as inadequate, constitutes commission of offence. The Firm is not an accused in the 2G Spectrum Case. In the opinion of the Partners of the Firm, these are preliminary charges based on investigation carried out by the CBI Team and the personnel named in the charge sheet are presumed to be innocent till their alleged offence is established after a fair trail. These preliminary charges have no impact on the business/operations of the Firm.

Further, consequent to above, a complaint was filed under the Prevention of Money Laundering Act, 2002 (the PML Act) (Money Laundering Case) and the Adjudicating Authority vide Order dated 10.01.2012 has confirmed the Provisional Attachment Order (the Order). The Firm being included as one of the defendant, properties in the form of bank balances and sundry debtors aggregating to ₹1,338,900,000/- (Previous Year ₹ 1,338,900,000/-) were provisionally attached, out of which, sundry debtors of ₹ 497,100,000/- (Previous year ₹ 497,100,000/-) stands realised after furnishing the information for which the requisite intimation has been made to the Prescribed Authority. An appeal has been preferred against the Order before the Appellate Tribunal under the PML Act. During the year, the Directorate of Enforcement has taken physical possession of bank balance of ₹ 3,599,925/-, against which the Firm has written a letter to convert the amount so recovered into Fixed Deposits which is pending. Post Balance sheet date, the Directorate of Enforcement has filed a complaint before the Hon' Court in connection with Money Laundering Case relating 2G Spectrum Case. In response thereto, the Firm, the Partners of the Firm and persons named in the said complaint have been issued summons for attendance. The parties hereto are yet to be provided a copy of the complaint.

As upto the date of signing of the financial statement the outcome of 2G Spectrum case/Money Laundering Case are sub judies.

iii) Notes to Financial statements relating to procedures pertaining to direct confirmations:

The Firm's Auditors have carried out direct confirmation procedure for verification of balances of certain parties from / to whom unsecured loans, trade receivables, balances held in bank, trade Payables, contractors' retention money and mobilization advance in the financial statements which are subject to confirmation. As per the contention of the management the same are good for realization.

iv) Group share in loans and advances :

Includes ₹ 263,843,130 (Previous Year ₹ 261,762,162) paid advances to various parties including associates to facilitate the jointly controlled entity (JCE) and for acquiring the occupancy rights of the occupant(s) in connection with the Project and as such, these parties are acting in fiduciary capacity for and on behalf of the JCE. For the purpose, the associate has executed Memorandum of Understanding with each of the party. The Management of the JCE has decided to appropriate the advances so paid to each of the party to the account of compensation in the year in which the occupancy rights shall get transferred to the JCE. Further, the JCE is in the process of quantifying the amount of stamp duty liability, if any, payable by each of the party in execution of agreement for acquiring occupancy rights from the occupants and shall account the same upon such ascertainment. However, as regards, the capital gain tax liability, if any, the JCE does not expect the same to arise having regard to the market value of the property as per the stamp duty ready reckoner and the value as per the agreement. The aforesaid classification of monies so advanced to parties to acquire occupancy rights at the behest of the JCE and accounting the same to the account of compensation in the year of transfer of such occupancy rights of the JCE has no adverse impact in determination of loss for the year as the amount of compensation, including the stamp duty, if any, and other costs shall stand allocated to the value of Project Work-in-Progress as and when paid.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**B) Subsidiaries (Consolidated as per AS 21):**

i) One of the subsidiary Company had issued redeemable preference shares, which were redeemed out of profits in the year ended 31st March 2011. In order to comply with the requirements of Section 80 of the Companies Act,1956, the said subsidiary Company had transferred amounting to ₹ 400,000,000 to the account of Capital Redemption Reserve.

ii) In the earlier years, a subsidiary (entity) had changed the conceptualization of its project from "Mall" to "Residential cum Commercial". In relation to Mall project, the entity had executed Joint Venture Agreements with parties for constructing part of the project on their land as per the agreed terms therein. The entity expects to execute the requisite Deed of Modification, having no material impact on the rights and obligations of the said entity, qua the executed Joint Venture Agreements. Pending reaching finality in the matter, in these accounts,incidental land cost have been provided for on the following basis:

**(Amount in ₹ )**

| Particulars | Amount Provided | Amount Paid/Cost of Construction allocated as up to March 31, 2014 | Outstanding Amount of Provision as of March 31, 2014 |
|---|---|---|---|
| Estimated construction cost referable to the saleable area to be provided by the entity free of cost to the respective party | 496,320,994 | 386,055,667 | 110,265,327 |
| | (476,132,353) | (345,661,052) | (130,471,301) |

(Figures in brackets denote Previous Year's balances).

Notes:

a) Further, as per the terms of a Joint Venture Agreement, the entity has to pay compensation of ₹ 2,000,000/- per month if there is delay in completing and giving possession of the agreed Saleable Area. Accordingly, as upto 31.03.2013 the entity has booked ₹ 84,000,000/- (Previous year: ₹ 84,000,000/-) as compensation, against which unpaid amount is ₹ 42,500,000/- (Previous year: ₹ 42,500,000/-). The Board Director at their meeting have re-assessed the Company's liability on this count and for the reason recorded, have concluded that the Company is not liable to pay any further amount including against the unpaid amount also. Accordingly, in these accounts, the unpaid amount of ₹ 42,500,000/- has been written back and no further provision is made therefor.

b) Interest free performance refundable deposit paid by the entity on execution of above Joint Venture Agreements is ₹ 29,000,000/- (Previous Year ₹ 29,000,000/-)

The entity has entered into an arrangement with the Mumbai Metropolitan Region Development Authority (MMRDA), wherein it has agreed to construct residential complex of self-contained tenements and provide land, in view of the Rental Housing Scheme framed by MMRDA. In consideration thereof, MMRDA has provided additional Floor Space Index on the land on which the entity is developing and constructing its Project. Accordingly, the cost of construction thereof represents land cost in the hands of the entity. Pending incurrence of such cost, in these accounts, provision thereof has been made on the following basis:

**(Amount in ₹ )**

| Particulars | Amount Provided | Amount Paid/Cost of Construction allocated as up to March 31, 2014 | Outstanding Amount of Provision as of March 31, 2014 |
|---|---|---|---|
| Estimated construction cost referable to the residential complex | 985,187,215 | 577,049,475 | 408,137,740 |
| | (985,187,215) | (464,375,906) | (520,811,309) |

(Figures in brackets denote Previous Year's balances).

The entity, keeping in view the maximum potential of the land on which the Project is constructed, is required to purchase Transferrable Development Rights and accordingly, has provided for estimated cost in respect thereof of ₹ 60,867,000/-.

During the preceding financial year, the management of the entity had re-assessed the potentiality of the land on which the project is constructed and formed an opinion that no further land would be required to be purchased. Accordingly, provision of ₹ 104,132,500/- made for estimated cost of land was reversed and reduced from project expenses.

Necessary adjustments, if any, shall be made for the estimated cost of land so provided for in the year, upon reaching finality in each of the matter.

The entity is legally advised that in respect of the land forming part of the Project, which has been obtained by execution of Joint Venture Agreement(s), the consideration in respect of which is to be discharged by way of handing over the agreed square feet of built up area, is not liable for stamp duty.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

iii) During the year ended March 31, 2014, the Management of one of its subsidiary Company had revised the estimated project cost from ₹ 8,993,425,215/- to ₹ 9,513,425,215/- which has the impact of reversal of the profits which were recognised upto 31st March 2013 of ₹ 313,380,287/-. Consequently the consolidated profits stands adjusted to this effect for the year ended March 31, 2014.

iv) One of the Company's wholly owned subsidiary has plans to construct/ develop/ market project/s on its land, which are delayed due to title dispute concerning the previous landlords. The subsidiary has filed a special leave petition before the Supreme Court of India which is pending and a status quo order has been passed by the Supreme Court of India. The subsidiary has been legally advised that the outcome of the petition before the High Court of Bombay against the Reversed Order and that of the Supreme Court of India against the Order of the Bombay High Court in PIL could be in its favour and accordingly, in the opinion of the Management of the Company, the said land may be available to it for development. Further, the Company is in physical possession of the land. Accordingly, the costs incurred in acquiring the land as well as other costs and expenses considered by the management incurred in relation to the development and construction of the said land have been allocated to Project Work in Progress and the value thereof as of 31st March, 2014 is ₹ 848,817,724. /- ( Previous year ₹ 844,634,973/-)

v) The Letter of Allotment (LOA) issued by Pimpri Chinchwad New Town Development Authority (PCNTDA) for development and construction of the Project was cancelled by them during the preceding financial year. Consequently, PCNTDA refunded the upfront fees of ₹ 500,000,000/- to the subsidiary in the said year. The subsidiary has filed writ petition before the Hon' High Court of Bombay against such cancellation. Pending outcome thereof, the Management of the subsidiary has continued to value the Project Work-in-Progress of ₹ 76,592,349/- (Previous year ₹ 76,592,349/-)

vi) As per the terms of the Development Agreement and Supplementary Agreement entered into by the subsidiary with Bhishma Realty Limited (Bhishma), a proportionate expenditure incurred towards the project by the Company has to be recovered from Bhishma. Accordingly, during the year, the Company has raised a total debit notes of ₹18,449,959/-(Previous year ₹ 992,093,494/- towards Bhishma's share of project costs, mobilsation advance, etc., However Bhishma has raised certain objections to the extent of ₹ 54,699,830/- (Previous year ₹ 58,204,492/-). The subsidiary is in negotiations with Bhishma Realty Limited for recovery / reaching a settlement of the same.

vii) One of the subsidiary has entered into agreement with HDIL for purchase of 1,500 sq. mtrs. worth of Transferable Development Rights and have paid consideration for the same. However, the said rights are yet to be transferred in the name of the subsidiary. The subsidiary is making efforts to transfer the rights in it's favour.

viii) Notes to Financial statements relating to procedures pertaining to direct confirmations:

The Auditors have carried out direct confirmation procedure for verification of balances of certain parties from / to whom unsecured loans, trade receivables, balances held in bank, trade Payables, contractors' retention money and mobilization advance in the financial statements are subject to confirmation. As per the contention of the management the same are good for realization.

ix) Significant matters stated in the notes to the financial statement / auditor's report of partnership firm in which one of the subsidiary is a partner :

**Land Cost :**

As per the Scheme of Rehabilitation Authority, the Firm has to construct buildings and hand over to the Authority for the project affected persons/for slum dwellers, In consideration thereof, the Firm is provided Additional Floor Space Index on the land on which the Firm is developing and constructing its project. Accordingly, the cost of construction thereof representing land cost in the hands of the Firm and consequently, it has provided for the estimated cost in respect thereof to be incurred.

x) One of the subsidiary has entered into a Development Agreement with Middle Income Group Co-Operative Society Limited, Bandra East, Mumbai ( MIG ) to redevelop the property admeasuring 15,907.32 square meters or there about . The Society has 176 Members having Occupancy rights titles and Interest in their respective flats alloted to them . The Project was taken over from L & T Urban Infrastructures Limited ( LTUIL ) and Bombay Dyeing Manufacturing Company limited ( BDMC) - (A Joint Venture ) as on 13.09.2010 . Initial Security deposit plus Additional Security Deposits agreegating to ₹ 71,500,000 is lying with the MIG Society, which will be refunded/adjusted as per the terms of Development Agreement.

(xi) Notes to financial statements of Mira Real Estate Developers regarding a matter which is sub-judice :

The Salt Department, Union of India has filed a petition and the partnership firm has filed cross petitions towards their respective claim for exclusive title over the salt pan land of amounting to ₹ 1,373,710,486/-. Though the matter is sub-judice, the firm is of opinion that it has a rightful claim over the ownership of the salt pan land and will be in a position to defend its title.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**C) Joint Ventures (consolidated as per AS-21)**

One of the joint venture owns development rights of Land bearing Survey No. 92 of Village Mahajanwadi, Mira, District Thane (the Project), which at present is a forest land and consequently non – developable. The Enterprise has filed a Special Leave Petition before the Hon'ble Supreme Court of India wherein it has appealed, for giving directions to the relevant authority for considering the application for conversion of the said land into developable land has been disposed off whereby appropriate directions are given to delete wrong recording of land as "forest" land for which application is made to Thane Municipality for giving effect thereto. On deletion of such wrong recording, the Enterprise shall commence development/construction work of its proposed project.

34 Group Share in Inventories (Note 16 of the Balance Sheet) represents the unsold TDR of the partnership firms and valued at cost as per the accounting policy followed on inventories. However, the said firms have considered such unsold TDR at its estimated realisable value prevailing as at the year end and recognised as revenue / provided as contract revenue to the extent of unrecognised revenue, which has been reversed for the purpose of consolidation.

35 **Managerial Remuneration (pertaining to the Holding Company and one of the subsidiary):**

**(Amount in ₹ )**

| Particulars | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|---|---|---|
| a) Salaries and Allowances | - | 15,900,000 |
| b) Perquisites | - | - |
| c) Directors' sitting fees | 800,000 | 980,000 |
| **Total** | **800,000** | **6,380,000** |

a) In view of inadequate profit during the year, the Company has paid Nil (Previous year ₹ 15,900,000/-) managerial remuneration to managing directors. Further, during the previous year, Managerial Remuneration paid of ₹ 15,900,000/- by the group had exceeded the limits specified under Schedule XIII read with Sec 349, 350 & 198 of the Companies Act, 1956. The Company has recovered such excess remuneration of ₹13,936,500/- from the directors during the current year.

b) The above remuneration excludes;

(i) contributions to provident and other funds are not made as per declarations of non deduction received from the respective directors;

(ii) provision for gratuity and leave encashment (amount unascertained) payable to the managing directors is waived by them.

Such waivers in (i) and (ii) above have been approved by the Board of Directors.

c) During the year, one of the subsidiary Company appointed one of the managing directors of the Company as its managing director for overall responsibilities and functions of the said subsidiary Company and it has not paid any remuneration (Previous year ₹ 13,500,000/-) in the absence of adequate profit.

36 **Payment to Auditors of the Group (Refer note 27 other expenses) :**

**(Amount in ₹ )**

| Particulars | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|---|---|---|
| As Auditors (Statutory Audits including limited reviews) | 9,619,574 | 9,691,756 |
| For Other Services (Certification) | 2,116,517 | 2,219,970 |
| Reimbursement of Expenses | 111,098 | 204,449 |
| Service tax | 1,443,818 | 1,497,559 |
| **Total** | **13,291,007** | **13,613,734** |

37 The disclosures under the Accounting Standard 15 notified by the Companies (Accounting Standards) Rules 2006 are given below.

**Defined Contribution Plan:**

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

| Particulars | For the year ended | |
|---|---|---|
| | 31-Mar-14 | 31-Mar-13 |
| Employers contribution to Provident fund | 1,227,174 | 2,199,006 |

**Defined Benefit Plan:**

The present value of obligation is determined based on actuarial valuation by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

The following table sets out the status of the gratuity plan (unfunded) and the amounts recognised as at March 31, 2014:

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

(Amount in ₹)

| Particulars | For the year ended | |
|---|---|---|
| | 31-Mar-14 | 31-Mar-13 |
| Liability at the beginning of the year | 29,252,536 | 23,856,047 |
| Interest cost | 2,510,850 | 2,017,804 |
| Current Service cost | 6,428,323 | 11,714,319 |
| Liability transfer in | (553,631) | - |
| Past Service Cost | 3,131,090 | - |
| Settlement Cost/(Credit) | (11,630,867) | - |
| Adjuestment towards change in group interest | 2,078,283 | - |
| Actuarial (gain)/loss on obligations | (11,433,695) | (7,328,126) |
| Benefit Paid | (742,154) | (234,395) |
| **Liability at the end of the period** | **19,040,734** | **30,025,649** |

b) Reconciliation of fair value of plan assets and obligations:

(Amount in ₹)

| Particulars | For the year ended | |
|---|---|---|
| | 31-Mar-14 | 31-Mar-13 |
| Liability at the end of the period | 23,362,105 | 30,025,648 |
| Fair value of Plan Assets at the end of the period | - | - |
| Difference | (23,362,105) | (30,025,648) |
| **Amount Recognised in the Balance Sheet** | **23,362,105** | **30,025,648** |

c) Expense recognized during the period:

(Amount in ₹)

| Particulars | For the year ended | |
|---|---|---|
| | 31-Mar-14 | 31-Mar-13 |
| Current service cost | 6,428,323 | 11,714,319 |
| Settlement Cost/(Credit) | 668,814 | - |
| Past Service Cost - Vested Benefit | 4,230,144 | - |
| Acquisition (gains)/loses | (773,814) | - |
| Interest cost | 2,510,850 | 2,017,804 |
| Expected Return on Plan Assets | - | - |
| Actuarial (Gain) or Loss | (11,433,695) | (9,355,802) |
| Benefits paid | 34,879 | - |
| **Expense Recognised in Profit and loss account** | **1,665,501** | **4,376,321** |

d) Actuarial Assumptions:

| Particulars | For the year ended | |
|---|---|---|
| | 31-Mar-14 | 31-Mar-13 |
| Discount rate ( per annum) | 8.74% | 7.90% |
| Rate of escalation in salary (per annum) | 10.00% | 15.00% |

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

e) Experience Adjustments*

| Particulars | 31-Mar-14 | 31-Mar-13 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 |
|---|---|---|---|---|---|
| Present value of defined benefit obligation | 4,387,562 | 4,762,602 | 11,878,955 | 10,465,061 | 3,768,438 |
| Fair value of plan assets | Nil | Nil | Nil | Nil | Nil |
| Experience adjustments on actuarial (Gain)/ loss: | | | | | |
| Plan liabilities (gain)/loss | (767,981) | 10,322,525 | 6,038,702 | (4,370,588) | Refer Note |
| Plan assets (gain) loss | Nil | Nil | Nil | Nil | Refer Note |

**Note:** The details of the Experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n) (ii) of AS 15 (Revised) on "Employee Benefits" for the year ended march 2010 is not available in the valuation report hence, are not furnished

* The above experience adjustments are taken from D B Realty Limited (Standalone)

f) **Other Long Term Employee Benefit:**

The compensated absences charge for the year ended March 31, 2014 based on actuarial valuation carried out using the Projected Unit Credit Method, amounting ₹ 7,288,763/- (for Previous Year ₹ 25,643,920/-) has been recognized in the Profit and Loss Account.

38 **Segment Reporting :**

The group is mainly engaged in the business of real estate development viz. construction of residential buildings/ commercial complexes and activities connected and incidental thereto. The group has also placed its bid for certain infrastructure projects, outcome of which are awaited. On that basis, the group has only one reportable business segment – real estate development, the results of which are embodied in the consolidated financial statements. The group operates in only one geographical segment – within India.

39 **Obligation on Long-term,Non Cancellable operating Lease assets taken on Lease (Refer note 27 other expenses) :**

The Group has taken commercial premises on Non-Cancellable Operating Lease and lease rent of ₹ 60,087,769/- (Previous Year ₹ 79,722,250/-) has been debited to Profit and Loss Account. The future minimum lease payments are as under:

**(Amount in ₹)**

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|---|---|---|
| Not later than one year | 52,388,087 | 50,738,666 |
| Later than one year but not later than five year | 128,523,596 | 154,127,881 |
| Later than five year | - | - |
| **Total** | **180,911,684** | **204,866,547** |

There are no exceptional/restrictive covenants in the lease agreement.

The above mentioned amounts debited to Consolidated Statement of Profit and Loss and future minimum lease payments are exclusive of service tax to the extent applicable

The above future minimum lease rental includes normal escalation rate based on the agreements. Further, normal escalation rates are 5% to 10% every year.

The Company does not have any contingent lease rental expenses/ income.

40A **Deferred Tax**

The components of deferred tax recognised as on March 31, 2014 are as follows:

**( Amount in ₹)**

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|---|---|---|
| **(A) Deferred Tax Liabilities** | | |
| - Related to Depreciation | 32,676,728 | 27,692,385 |
| **Total (A)** | **32,676,728** | **27,692,385** |
| **(B) Deferred Tax Assets** | | |
| - Disallowances u/s 43 (B) the Income Tax Act | 16,979,206 | 25,091,568 |
| - Related to depreciation | 17,391,939 | 31,381,157 |
| - Unabsorbed depreciation | 65,454,677 | 27,692,385 |
| - Carried forward business loss | 192,817,531 | 60,738,588 |
| **Total (B)** | **292,643,353** | **144,903,698** |
| **Deferred Tax Assets / (Liability) (B-A)** | **259,966,625** | **144,903,698*** |

During the year, one of the subsidiary Company has recognised deferred tax assets of ₹ 116,776,744/-on the basis of vertual certinity which was shown as unregnised deffered tax assets in previous year.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Three entities considered in consolidation has not accounted for deferred tax assets taking prudence as consideration as per AS-22 regarding future available profit to be set off against deferred tax assets.

The components of Unrecognised Deferred Tax Assets are as follows :

( Amount in ₹)

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|---|---|---|
| **(A) Deferred Tax Liabilities** | | |
| - Related to Depreciation | (41,255) | 41,030,789 |
| **Total (A)** | **(41,255)** | **41,030,789** |
| **(B) Deferred Tax Assets** | | |
| - Disallowances u/s 43 (B) the Income Tax Act | 68,000,273 | 22,351,199 |
| - Related to Depreciation | - | - |
| - Unabsorbed Business Loss | 76,649,259 | 63,693,504 |
| - Unabsorbed Depreciation | 22,216,737 | 61,508,187 |
| **Total (B)** | **166,866,269** | **147,552,890** |
| **Deferred Tax Assets / (Liability) (B-A)** | **166,907,524** | **106,522,102** |

40B MAT Credit Entitlement of ₹ 37,572,425/- (Previous Year ₹ 37,500,000/- ) is based on future performance of the Company as projected by the Management and it has been relied upon by the Auditors.

41 Earnings per share (EPS) is calculated as follows:

( Amount in ₹)

| | Particulars | As at March 31, 2014 | As at March 31, 2013 |
|---|---|---|---|
| A | Net Profit after tax as per Profit and Loss Account (₹) | 115,483,939 | 33,469,432 |
| | Less: Preference Dividend in arrears | 311 | 480 |
| | Net Profit after tax available to equity shareholders | 115,483,628 | 33,468,952 |
| B | Weighted average number of equity shares outstanding | | |
| | - for Basic EPS ( Nos ) | 243,258,782 | 243,258,782 |
| | - for Diluted EPS (Nos ) | 243,258,782 | 243,258,782 |
| C | Earning per equity shares of face value of Rs 10 each | | |
| | - for Basic EPS (₹) | 0.47 | 0.14 |
| | - for Diluted EPS (₹) | 0.47 | 0.14 |
| D | Reconciliation between number of shares used for calculating basic and diluted Earnings per share: | | |
| | Number of shares used for calculating Basic EPS | 243,258,782 | 243,258,782 |
| | Add : Potential Equity Shares (Refer note below) | - | - |
| | Number of shares used for calculating Diluted EPS | 243,258,782 | 243,258,782 |

There are no convertible preference share and convertible debentures issued by the Company. Hence, no potential equity shares are considered for diluted EPS as on reporting date.

42 Dynamix Realty ("Partnership Firm") in which DB Realty Limited ("Company") is a partner, had granted Loans to Kusegaon aggregating to ₹ 2,092,425,485, (the said loans) as upto 31st March 2010. As of 31st March, 2014, the outstanding balance due from Kusegaon is ₹ 91,501,379/-, being part of interest charged. Central Bureau of Investigation Anti-corruption Branch, New Delhi) in the Supplementary (First) charge sheet RC.DAI.2009.A.0045 (2G Spectrum Case) has alleged that out of the said loans granted, ₹ 2,000,000,000/- is paid as illegal gratification to M/s Kalaignar TV Private Limited through Kusegaon and M/s Cineyug Films Pvt. Ltd., in lieu of the undue favours by accused public servants to Swan Telecom Private Limited in 2G Spectrum Case. The Central Bureau of Investigation has alternatively alleged in the said charge sheet that even if the said transaction of ₹ 2,000,000,000/- is accepted as genuine business transaction, the interest charged being inadequate is a favor to a government servant, hence constitutes commission of offence. In the opinion of the Partners of the firm and the Management of the Company, these are preliminary charges based on investigation carried out by the Central Bureau of Investigation Team and the personnel named in the charge sheet is presumed to be innocent till their alleged offence is established after a fair trial. These preliminary charges have no impact on the business/operations of the firm.

Further, The Deputy Director Enforcement vide his attachment order No: 01/2011 dt. 30th August, 2011 has provisionally attached Company's bank account number 05211011001053 maintained with Oriental Bank of Commerce, Goregaon (East), having Bank Balance of ₹ 68,92,967/-. Further the Enforcement Directorate has also attached two flats belonging to the Company situated at

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Goregaon (East). The combined value of these two flats as shown in Company's financial statement of ₹ 10,765,400/- at the time of attachment (WDV as on 31st March, 2014 is ₹ 8,663,544/- (Previous Year ₹ 9,119,520/-). Also, a loan amounting to ₹ 503,963,329/- (at the time of attachment) advanced to Goan Hotels & Clubs Pvt. Ltd. has also been provisionally attached. However, the above loan was converted into the ROCCPS of DB Hospitality Limited (holding Company of Goan Hotels & Clubs Private Limited) before the provisional attachment Order via tripartite confirmation. This fact has been brought to the notice of Enforcement Directorate vide this Office Letter dated 20th September, 2011.

This provisional attachment order has been upheld by adjudicating authority vide order number 116/2011 dt. 10th January, 2012. Appeal has been filed on 19th March, 2012 with Appellate Tribunal under prevention of money laundering act (PML Act). The appeal is pending before appellate tribunal for PML.

During the year, the Directorate of Enforcement has taken physical possession of bank balance of ₹ 68,92,967/-, against which the Firm has written a letter to convert the amount so recovered into Fixed Deposits, till date ED has not entertained this request. In view of the same, the said balance is shown as part of advances recoverable in cash or in kind. Post Balance sheet date, the Directorate of Enforcement has filed a complaint before the Hon'ble Court in connection with Money Laundering Case relating 2G Spectrum Case. In response thereto, the Firm, the Partners of the Firm and certain Personnel's / certain Directors of the company have been issued summons for attendance. The requisite proceedings are in progress.

43 **Prior Period Item (Net):**

(Amount in ₹)

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|---|---|---|
| **Prior period Income** | | |
| Other Income | 1,911,813 | 440,094 |
| **Total (A)** | **1,911,813** | **440,094** |
| **Prior period Expenses** | | |
| Rent | 10,361,080 | - |
| Wealth Tax | 1,724,010 | - |
| Legal & Professional fees | - | 334,000 |
| Interest paid | 897,347 | 37,200,000 |
| Employee Benefit Expenditure | 201,314 | - |
| Miscellaneous Expenses | 183,075 | - |
| Property tax | 5,337,870 | - |
| Minority Interest adjustments | - | 18,325,026 |
| **Total (B)** | **18,704,696** | **55,859,026** |
| **Net Prior period items (A-B)** | **(16,792,883)** | **(55,418,932)** |

44 **Disclosure As Per Guidance Note On Accounting For Real Estate Transactions (Revised 2012)**

(Amount in ₹)

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|---|---|---|
| Project Revenue Recognised in the reporting period | - | - |
| The Aggregate amount of cost incurred and profits recognised till date | - | - |
| Advances Received (Net of revenue recognition) | 6,048,971,684 | 5,089,022,076 |
| Work in Progress | 14,186,700,197 | 12,035,332,006 |
| Unbilled Revenue | - | - |

45 Recognition of Income and Expenses for on-going projects are based upon actual sales value, estimated costs and work completion status. The work completion status is determined based on the actual costs incurred vis-a-vis the estimated cost of the project. The estimated costs of every project are reviewed periodically and revised whenever required. The consequential effect of such revision is considered in the year of revision and in the balance future period of the project.

46 The consolidated financial statements includes figures of one Joint Venture (partnership Firm) whose financial statements reflect total assets of ₹ 268,93,38,570/-, total revenue of ₹ 61,22,352/- and cash outflow of ₹ 11,63,64,639/- where the Company is one of the three partners. The financial statements of such Firm are approved by the Company, and yet to be approved by the other two partners. However, the management of the Company does not expect any material impact arising out of such financial statements of the Firm, upon such approval.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

47 Related Parties Disclosure

i) Disclosure required by the Accounting Standard 18 (As-18)"Related Party Disclosure " are given below.

| Sr. No. | Name of the Related Party |
|---|---|
| **Associates:** | |
| 1 | Sangam City Township Private Limited |
| 2 | D.B. Hi-Sky Constructions Private Limited |
| 3 | Neelkamal Realtors Tower Private Limited (w.e.f. 25th October 2012) |
| 4 | Mahal Pictures Private Limited |
| **Jointly Controlled Entities:** | |
| 5 | Dynamix Realty (Partnership firm under joint control) |
| 6 | DBS Realty (Partnership firm) |
| 7 | Lokhandwala-Dynamix Balwas Joint Venture |
| 8 | DB (BKC) Realtors Private Limited (formerly known as MK Malls & Developers Private Limited) |
| 9 | DB Realty and Shreepati Infrastructure LLP |
| 10 | Daund Warehousing Developers & Builders LLP |
| 11 | Saswad Warehousing Developers & Builders LLP |
| 12 | Ahmednagar Warehousing Developers & Builders LLP |
| 13 | Solapur Warehousing Developers & Builders LLP |
| 14 | Latur Warehousing Developers & Builders LLP |
| 15 | Aurangabad Warehousing Developers & Builders LLP |
| 16 | Veer Jijamata Nagar LLP |
| 17 | M/s. Sneh Developers |
| **Entity in respect of which the Holding Company is an Associate** | |
| 18 | Neelkamal Tower Construction LLP (formerly known as Neelkamal Tower Construction Private limited) |
| **Key Management Personnel (KMP)** | |
| 19 | Mr. Vinod Goenka,Chairman & Managing Director |
| 20 | Mr. Shahid Balwa, Vice Chairman &Managing Director |
| **Relatives of KMP** | |
| 21 | Mr.Usman Balwa - Father of Vice Chairman |
| 22 | Mrs Sakina U Balwa - Mother of Vice Chairman |
| 23 | Mrs.Shabana Balwa -Wife of Vice Chairman |
| 24 | Mr.Arshad S.Balwa -Son of Vice Chairman |
| 25 | Ms.Aaliya S.Balwa -Doughter of Vice Chairman |
| 26 | Mr.Salim Balwa -Brother of Vice Chairman |
| 27 | Mrs.Aseela V.Goenka - Wife of Chairman |
| 28 | Mr.Krishna Murari Goenka - Father of Chairman |
| 29 | Mr.Jayvardhan V.Goenka - Son of Chairman |
| 30 | Ms.Sanjana Goenka - Doughter of Chairman |
| 31 | Mr.Pramod Goenka - Brother of Chairman |
| 32 | Mrs.Sunita Goenka - Sister of Chairman |
| 33 | Mrs.Shanita Jain -Sister of Chairman |
| **Enterprise where individuals i.e. KMP and their relatives have significant influence** | |
| 34 | A G Mercantile Private Limited |
| 35 | Aniline Construction Company Private Limited |
| 36 | Aniline Real Estate Developers Private Limited |
| 37 | Ashtlakshmi Financial and Investment Services Private Limited |
| 38 | Associated Hotels Private Limited |
| 39 | Azure Tree Township LLP |
| 40 | Balwas Charitable Trust |
| 41 | Consort Hotels Private Limited |
| 42 | Conwood Agencies Private Limited |
| 43 | Conwood Associates |
| 44 | Conwood Construction & Developers Private Limited |
| 45 | Conwood Pre-fab Limited |
| 46 | Crystal Granite and Marbles Private Limited |
| 47 | Marine Drive Hospitality & Realty Private Ltd. (Formerly DB Hospitality Private Limited) |
| 48 | DB Tele Wimax Private Limited |
| 49 | Dynamix Contractors & Builders Private Limited ( formerly known as DB Modern Buildtech Private Limited ) |
| 50 | Dense wood Private Limited |
| 51 | Pony Infrastructure and Contractors Limited |
| 52 | Pune Buildtech Private Limited |
| 53 | Dynamix Club and Resorts Private Limited |
| 54 | Dynamix Securities and Holdings Limited |
| 55 | Dynamix Man Pre-fab Limited |
| 56 | Earthen Agro & Infrastructure Private Limited |
| 57 | Topgrow Agro And Infrastructure Private Limited |
| 58 | Eversmile Properties Private Limited |
| 59 | Excon Developers Private Limited |
| 60 | Eversmile Construction Company Private Limited |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

| | |
|---|---|
| 61 | Face Inn Hotels Private Limited |
| 62 | Goan Hotels & Clubs Private Limited |
| 63 | Goan Real Estate and Construction Private Limited |
| 64 | Goenka & Associates Educational Trust |
| 65 | Goenka & Associates Medical Research Centre |
| 66 | Goenka & Associates Social Welfare Trust |
| 67 | Heritage Mining Company Private Limited |
| 68 | Hillside Construction Company Private Limited |
| 69 | Hiracon Properties Private Limited |
| 70 | K G Enterprises |
| 71 | Khairun Developers Private Limited |
| 72 | Kalpataru Plaza Private Limited |
| 73 | Milan Theatres Private Limited |
| 74 | M. J. Estates Private Limited |
| 75 | Maldunge Farming and Agro Produce Private Limited |
| 76 | Maldunge Retreat & Farming Private Limited |
| 77 | Modren Hi-Tech Developers Private Limited |
| 78 | Neelkamal Central Appartment LLP |
| 79 | Neelkamal Realtors and Builders Private Limited |
| 80 | Neelkamal Realtors And Complex Private Limited |
| 81 | Nihar Construction Private Limited |
| 82 | Oceanmint Buildcon Private Limited (w.e.f March 9, 2013) |
| 83 | Pegasus Builders Private Limited |
| 84 | Neelkamal City Shopping Mall India Limited |
| 85 | Neelkamal Realtors and Erectors India Private Limited |
| 86 | P G Developers Private Limited |
| 87 | Panchsheel Developers |
| 88 | Pushpa Properties Private Limited |
| 89 | Sahapur Plantations & Orchard Private Limited |
| 90 | Schon Farms Private Limited |
| 91 | Siddhivinayak Realities Private Limited |
| 92 | Sigatu Chemicals Private Limited |
| 93 | Span Construction Company Private Limited |
| 94 | Sahyadri Cow Farms Limited (w.e.f March 31, 2013) |
| 95 | Indocon Agro And Allied Activities Private Limited |

| | |
|---|---|
| 96 | Schreiber Dynamix Dairies Limited |
| 97 | Perfect Spacecon Private Limited (w.e.f May 16, 2012) |
| 98 | The Cresent Iron & Steel Corporation Limited |
| 99 | Majestic Infracon Private Limited (formely known as Tiger Trustees Private Limited and DBI Infracon Private Limited) |
| 100 | Trident Estate Private Limited |
| 101 | V.S. Erectors & Builders Private Limited |
| 102 | Vinod Goenka-HUF |
| 103 | Chocklate Developers Private Limited |
| 104 | Y. J. Realty and Aviation Private Limited (Formely known as Y J Realty Private Limited) |
| 105 | Peerless Contractors & Infra Private Ltd |
| 106 | Exceptional Construction & Developers Private Ltd |
| 107 | Terrific Construction & Developers Private Ltd |
| 108 | Exceptional Developers & Infrastructure Private Ltd |
| 109 | Terrific Contractors & Infra Private Ltd |
| 110 | Spectacular Construction & Developers Private Ltd |
| 111 | Eon Aviation Private Limited |
| 112 | BDP & Hotels (India)nPrivate Limited |
| 113 | Hotel Balwas Private Limited |
| 114 | Aasma Realtors Private Limited |
| 115 | Zenstar Hotel Private Limited |
| 116 | Basera Hotels Inn Private Limited |
| 117 | Bed Inn Hotels Private Limited |
| 118 | Close Hotels Private Limited |
| 119 | Fair Brother Securities Private Limited |
| 120 | Feel Good Hotels Private Limited (w.e.f July 28, 2012) |
| 121 | Glossy Inn Hotels Private Limited |
| 122 | Kalbadevi Hotels Private Limited |
| 123 | SB Fortune Realty Private Limited |
| 124 | Ship Hotels India Private Limited |
| 125 | Success Inn Hotels Private Limited |
| 126 | Sunday Inn Hotels Private Limited |
| 127 | Taloja Hotels Private Limited |
| 128 | Thanks Inn Hotels Private Limited |
| 129 | Three star dulex Private Limited |
| 130 | Yadgar Hotels Private Limited |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

ii) Details of the transactions with Related Parties

(Amount in ₹ )

| | Particular | Associates | Key Management Personnel | Relatives of Key Management Personnel | Jointly controlled entities | Other related party where control / significant influence exists |
|---|---|---|---|---|---|---|
| a) | **Loans given** | | | | | |
| | Opening Balance | 143,319,936 | - | - | - | 1,296,184,872 |
| | | - | (-) | (-) | (-) | (1,363,934,816) |
| | Given during the year /on acquisition | 34,401,450 | - | - | 100,000 | 1,125,664,804 |
| | | (143,319,936) | (-) | (-) | (-) | (595,608,551) |
| | Returned during the year | 155,972,518 | - | - | - | 1,163,087,788 |
| | | (-) | (-) | (-) | (-) | (663,358,495) |
| | Closing Balance | 21,748,868 | - | - | 100,000 | 1,258,761,888 |
| | | (143,319,936) | (-) | (-) | (-) | (1,296,184,872) |
| b) | **Deposits placed** | | | | | |
| | Opening Balance | 20,000,000 | - | - | - | 3,666,769,934 |
| | | (-) | (-) | (-) | (-) | (4,416,769,934) |
| | Placed during the year/Adjusted During the year | - | - | - | - | - |
| | | (20,000,000) | (-) | (-) | (-) | (-) |
| | Repaid / adjusted during the year | - | - | - | - | 76,224,000 |
| | | (-) | (-) | (-) | (-) | (750,000,000) |
| | Closing Balance | 20,000,000 | - | - | - | 3,590,545,934 |
| | | (20,000,000) | (-) | (-) | (-) | (3,666,769,934) |
| c) | **Project advance given /Inter corporate deposits** | | | | | |
| | Opening Balance | 782,535,000 | - | - | 184,870,530 | - |
| | | (780,740,000) | (-) | (-) | (201,593,763) | (600,000) |
| | Taken / adjusted during the year | 4,910,000 | - | - | - | - |
| | | (1,795,000) | (-) | (-) | (-) | (-) |
| | Repaid / adjusted during the year | 5,500,000 | - | - | 43,927,762 | - |
| | | - | (-) | (-) | (16,723,233) | (600,000) |
| | Closing Balance | 781,945,000 | - | - | 140,942,768 | - |
| | | (782,535,000) | (-) | (-) | (184,870,530) | (-) |
| d) | **Advance received against sale of Land TDR** | | | | | |
| | Opening Balance | - | - | - | - | 2,913,546 |
| | | (-) | (-) | (-) | (-) | (2,913,546) |
| | Received during the year | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | - |
| | Repaid / adjusted during the year | - | - | - | - | 2,913,546 |
| | | (-) | (-) | (-) | (-) | (-) |
| | Closing Balance | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (2,913,546) |
| e) | **Sundry Creditors** | | | | | |
| | Opening Balance | - | - | 414,600 | - | 130,333,967 |
| | | (-) | (-) | (1,250,325) | (-) | (185,262,085) |
| | Payable during the year | 9,626,428 | - | 120,000 | - | 180,803,419 |
| | | (-) | (-) | (7,560,000) | (-) | (335,538,025) |
| | Paid / adjusted during the year | 5,294,928 | - | 534,600 | - | 171,133,050 |
| | | (-) | (-) | (8,395,725) | (-) | (390,466,142) |
| | Closing Balance | 4,331,500 | - | - | - | 140,004,336 |
| | | (-) | (-) | (414,600) | (-) | (130,333,967) |
| f) | **Other Current Liabilities** | | | | | |
| | Opening Balance | - | 15,681,076 | - | 145,593,301 | - |
| | | (-) | (2,418,500) | (-) | (215,055,784) | (-) |
| | Payable during the year | - | - | - | 91,216,809 | - |
| | | (-) | (23,863,500) | (-) | (20,364,290) | (-) |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

| | | | | | | |
|---|---|---|---|---|---|---|
| | Paid during the year | - | 11,536,500 | - | 3,533,333 | - |
| | | (-) | (41,963,076) | (-) | (89,826,773) | (-) |
| | Adjustments, net | - | - | - | 1,546,864 | - |
| | | (-) | 15,681,076 | (-) | - | (-) |
| | Closing Balance | - | 4,144,576 | - | 234,823,641 | - |
| | | (-) | (15,681,076) | (-) | (145,593,301) | (-) |
| **g)** | **Sundry Debtors** | | | | | |
| | Opening Balance | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (129,168) |
| | Receivable during the year | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) |
| | Received / adjusted during the year | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (129,168) |
| | Adjusted against transfer | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) |
| | Closing Balance | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (-) |
| **h)** | **Advances Recoverable in cash or kind** | | | | | |
| | Opening Balance | - | - | 1,156,200 | 217,528,177 | 258,235,485 |
| | | (-) | (-) | (-) | (-) | (1,210,082,062) |
| | Recoverable during the year | 27,880,824 | - | - | 1,643,375,000 | 84,487,076 |
| | | (-) | (-) | (-) | (-) | (5,965,659) |
| | Recovered during the year | 11,584,634 | - | - | 217,261,366 | 7,255,358 |
| | | (-) | (-) | (-) | (-) | (957,812,235) |
| | Closing Balance | 16,296,190 | - | 1,156,200 | 1,643,641,811 | 335,467,203 |
| | | (-) | (-) | (-) | (-) | (258,235,485) |
| **i)** | **Advance against purchase of shares** | | | | | |
| | Opening Balance | - | - | - | - | 3,288,471,940 |
| | | (-) | (-) | (-) | (-) | (464,400,000) |
| | Given during the year | - | - | - | - | 2,349,284,117 |
| | | (-) | (-) | (-) | (-) | (3,833,571,940) |
| | Adjusted during the year | - | - | - | - | 5,637,756,057 |
| | | (-) | (-) | (-) | (-) | (1,009,500,000) |
| | Closing Balance | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (3,288,471,940) |
| **j)** | **Advance for tenancy rights / flat / land** | | | | | |
| | Opening Balance | - | - | 33,125,000 | - | 18,228,624 |
| | | (-) | (-) | (33,125,000) | (-) | (14,749,200) |
| | Given during the year | - | - | - | - | 40,800 |
| | | (-) | (-) | (-) | (-) | (3,479,424) |
| | Returned / Adjusted during the year | - | - | - | - | - |
| | | (-) | (-) | - | (-) | (-) |
| | Closing Balance | - | - | 33,125,000 | - | 18,269,424 |
| | | (-) | (-) | (33,125,000) | (-) | (18,228,624) |
| | | | | | | |
| **k)** | **Equity Share Capital** | - | 153,642,160 | 71,642,760 | - | 1,139,703,400 |
| | | (-) | (153,642,160) | (71,642,760) | (-) | (1,139,703,400) |
| **l)** | **Purchase of fixed assets** | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | (1,404,978) |
| **m)** | **Investment in Equity Shares** | 1,058,073,147 | - | - | - | 783,029,928 |
| | | (1,058,073,147) | (-) | (-) | (-) | (783,029,928) |
| **n)** | **Investment in Preference Shares** | 109,609,005 | - | - | - | 14,621,288,502 |
| | | (109,609,005) | (-) | (-) | (-) | (9,567,032,102) |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

| | | | | | | |
|---|---|---|---|---|---|---|
| o) | **Corporate Guarantee given by the Holding Company towards Financial and Performance Guarantees extended by the Banks/ Financial Institutions to various companies (Refer foot note (i) (ii) (iii) & (iv) of note 30 )** | 3,500,000,000 | (USD 138 million plus ₹ 16824 million) | - | 443,775,000 | - |
| | | (4,125,000) | (USD 138 million Plus ₹ 16039 million) | (-) | (441,712,500) | (16,039,848,400) |
| p) | **Irrevocable and unconditional personal guarantee by each Managing Director in favour of the Company against guarantees given by Holding Company to the lenders on behalf of various entities (Refer footnote (iv) (b) to note 30)** | - | USD 138 million | - | - | - |
| | | (-) | USD 138 million | (-) | (-) | (-) |
| q) | **Managerial Remuneration / Remuneration to relatives of KMP** | - | - | - | - | - |
| | | (-) | (5,400,000) | (3,000,000) | (-) | (-) |
| r) | **Travelling expenses / Hire charges** | - | - | - | - | 843,051 |
| | | (-) | (-) | (-) | (-) | (12,856,819) |
| s) | **Rent paid** | - | - | - | - | 51,595,488 |
| | | (-) | (-) | (-) | (-) | (65,414,094) |
| t) | **Miscellaneous Expenses paid** | - | - | - | - | 2,684,726 |
| | | (-) | (-) | (-) | (-) | (1,766,234) |
| u) | **Contractor Charges** | - | - | - | - | 85,296,992 |
| | | (-) | (-) | (-) | (-) | (154,797,871) |
| v) | **Interest received on loans given** | - | - | - | - | 109,272,446 |
| | | (-) | (-) | (-) | (-) | (55,854,857) |

(Figures in brackets denote Previous Year's balances/transactions).

(iii) Guarantees and securities received by the Company for Loans taken from lenders **(Amount in ₹)**

| Particular | Relation | Opening Balance as on 1st April, 2013 | Received during the year | Released during the year | Closing Balance as on 31st March, 2014 |
|---|---|---|---|---|---|
| Dynamix Realty | Joint Venture | | | | |
| Vinod Goenka | KMP | | 175,000,000 | | 175,000,000 |
| Shahid Balwa | KMP | | | | |
| | | (-) | (441,712,500) | (-) | (441,712,500) |
| Eversmile Construction Company Private Limited | Enterprises over which KMP and their relatives have significant influence. | | | | |
| YJ Realty & Aviation Private Limited | Enterprises over which KMP and their relatives have significant influence. | - | 300,000,000 | - | 300,000,000 |
| Milan Theatre Private Limited | Enterprises over which KMP and their relatives have significant influence. | | | | |
| | | (-) | (-) | (-) | (-) |
| Vinod Goenka and Shahid Balwa | KMP | 5,960,000,000 | 650,000,000 | - | 6,610,000,000 |
| | | (4,610,000,000) | (1,350,000,000) | - | (5,960,000,000) |
| Vinod Goenka | KMP | 3,500,000,000 | - | - | 3,500,000,000 |
| | | (3,500,000,000) | (-) | (-) | (3,500,000,000) |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(iv) Consideration payable against development rights acquired by the Company

| Particular | Projects | Payable against Development Rights |
|---|---|---|
| Eversmile Construction Co Pvt Ltd (Adv) | Village Sahar | 30% Build Up Area |
| Eversmile Construction Co Pvt Ltd (Adv) | Mahul Project | Road Amenity TDR- 33.33%, Construction TDR - 24.81% & Reservation TDR - 100% |
| Eversmile Construction Co Pvt Ltd (Adv) | Ghodbander Land | 23% of Build Up Area |
| Dynamix Club Resorts Pvt Ltd(Adv) | Village Eksar | 20% Build Up Area |
| Neelkamal Realtors & Builders Pvt Ltd | Johney Castel | 55% saleable area & 55% parking Space |
| Neelkamal Realtors Tower Pvt Ltd | Sakseria | 10% of Net Revenue but not less than ₹ 200,000,000/- and not more than 250,000,000/- |
| Nihar Construction Pvt. Ltd | Ismalia Co-Op Hsg Soc | Amount spent for acquisition plus 30% additional sum thereon |
| Neelkamal Realtors & Builders P.Ltd. | (Enclave II) | Independent structure consists of Ground floor plus 10 upper floor with latest amenities or provide area of 29,785 sq. ft. in redeveloped building |
| Abdul Rehman Abdul Khalik | | |
| Asif Balwa | | |
| Ishaq Balwa | | |
| Mohammad Balwa | | |
| Usman Ebrahim Balwa | | |

(v) Sharing of Resources / Infrastructure**

| Particular | Associates | Key Management Personnel | Relatives of Key Management Personnel | Jointly controlled entities | Other related party where control / significant influence exists |
|---|---|---|---|---|---|
| Daund Warehousing Developers & Builders LLP | - | - | - | - | - |
| Saswad Warehousing Developers & Builders LLP | - | - | - | - | - |
| Ahmednagar Warehousing Developers & Builders LLP | - | - | - | - | - |
| D B Realty & Shreepati Infrastructure LLP | - | - | - | - | - |
| DBS Realty | - | - | - | - | - |
| DB (BKC) Realtors Pvt. Ltd | - | - | - | - | - |
| Solapur Warehousing Developers & Builders LLP | - | - | - | - | - |
| D B Hi-Sky Construction Pvt Ltd | - | - | - | - | - |
| Latur Warehousing Developers & Builders LLP | - | - | - | - | - |
| Aurangabad Warehousing Developers & Builders LLP | - | - | - | - | - |
| Veer Jijamata Nagar Realty LLP | - | - | - | - | - |

** Transactions are of non-monetary consideration

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

iv) Disclosure in respect of related party transactions having more than 10% of transaction during the year

(Amount in ₹ )

| Loans Given | Opening Balance as on April 1, 2013 | Given / adjusted during the year | Returned / adjusted during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| Neelkamal Realtors Tower Pvt Ltd | 143,319,936 | 32,715,358 | 154,312,077 | 21,723,217 |
| | (-) | (143,319,936) | (-) | (143,319,936) |
| Majestic Infracon Private Limited (formerly known as DBI Infracon Private Limited) | 40,001,670 | 840,788,493 | 816,442,181 | 64,347,982 |
| | (35,951,670) | (4,500,000) | (450,000) | (40,001,670) |
| Nihar Construction Private Limited | 404,800,754 | 18,350,000 | 251,000,754 | 172,150,000 |
| | (271,386,884) | (201,650,377) | (68,236,507) | (404,800,754) |
| Y J Realty and Aviation Private Limited (Formely known as Y J Realty Private Limited) | 415,610,362 | 207,655,778 | 14,000,000 | 609,266,140 |
| | (479,815,541) | (67,610,362) | (131,815,541) | (415,610,362) |
| Eversmile Construction Company Private Limited | - | - | - | - |
| | (200,406,152) | (-) | (200,406,152) | (-) |
| Pony Infrastructure Contractors Limited (formerly known as Dynamix Balwas Infrastructure Limited) | 77,743,744 | 3,901,109 | 81,644,853 | - |
| | (68,542,707) | (9,923,375) | (722,338) | (77,743,744) |
| Milan Theatres Private Limited | 358,028,342 | 54,969,424 | - | 412,997,766 |
| | (307,831,862) | (56,528,342) | (6,331,862) | (358,028,342) |

(Figures in brackets denote Previous Year's balances/transactions).

(Amount in ₹ )

| Advance received against sale of Land TDR | Opening Balance as on April 1, 2013 | Given / adjusted during the year | Returned / adjusted during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| K.G.Enterprises | 2,913,546 | - | 2,913,546 | - |
| | (2,913,546) | (-) | (-) | (2,913,546) |

(Figures in brackets denote Previous Year's balances/transactions).

(Amount in ₹ )

| Deposits Placed | Opening Balance as on April 1, 2013 | Given / adjusted during the year | Returned / adjusted during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| Conwood Constructions and Developers Private Limited | 16,769,934 | - | - | 16,769,934 |
| | (16,769,934) | (-) | (-) | (16,769,934) |
| Eversmile Construction Company Private Limited | 2,750,000,000 | - | 75,000,000 | 2,675,000,000 |
| | (2,750,000,000) | (-) | (-) | (2,750,000,000) |
| Dynamix Club Resorts Private Limited | 500,000,000 | - | - | 500,000,000 |
| | (500,000,000) | (-) | (-) | (500,000,000) |
| Neelkamal Realtors & Builders Private Limited | 750,000,000 | - | - | 750,000,000 |
| | (750,000,000) | (-) | (-) | (750,000,000) |
| Nihar Constructions Private Limited | 400,000,000 | - | - | 400,000,000 |
| | (400,000,000) | (-) | (-) | (400,000,000) |
| Neelkamal Realtors Tower Private limited (refer note iii above) | 20,000,000 | - | - | 20,000,000 |
| | (-) | (20,000,000) | (-) | (20,000,000) |

(Figures in brackets denote Previous Year's balances/transactions).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in ₹ )

| Project advance given /Inter corporate deposits | Opening Balance as on April 1, 2013 | Given / adjusted during the year | Returned / adjusted during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| DB Hi-Sky Construction Private Limited | 328,535,000 | 410,000 | 5,500,000 | 323,445,000 |
| | (326,740,000) | (1,795,000) | (-) | (328,535,000) |
| Sangam City Township Private Limited | 454,000,000 | 4,500,000 | - | 458,500,000 |
| | (454,000,000) | (-) | (-) | (454,000,000) |
| DB (BKC) Realtors Private Limited (formerly known as M. K. Malls and Developers Private Limited) | 184,870,530 | - | 36,397,090 | 148,473,440 |
| | (201,593,763) | - | (16,723,233) | (184,870,530) |
| Nihar Construction Pvt Ltd | - | - | - | - |
| | (600,000) | (-) | (600,000) | (-) |

(Figures in brackets denote Previous Year's balances/transactions).

(Amount in ₹ )

| Advances Recoverable in cash or kind | Opening Balance as on April 1, 2013 | Given / adjusted during the year | Returned / adjusted during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| Neelkamal Realtors Tower Private limited | - | 27,880,824 | 11,584,634 | 16,296,190 |
| | (-) | (-) | (-) | (-) |
| Turf Estate JV | 188,500,315 | - | 188,500,315 | - |
| | (156,211,877) | (32,288,438) | (-) | (188,500,315) |
| DB Realty & Shreepati Infrastructures LLP | 28,514,750 | - | 28,514,750 | - |
| | (28,274,750) | (240,000) | (-) | (28,514,750) |

(Figures in brackets denote Previous Year's balances/transactions).

(Amount in ₹ )

| Sundry Creditors | Opening Balance as on April 1, 2013 | Given / adjusted during the year | Returned / adjusted during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| Eon Aviation Private Limited | 2,770,625 | 1,900,818 | 1,935,326 | 2,736,117 |
| | - | (14,775,919) | (12,005,294) | (2,770,625) |
| Pony Infrastructure Contractors Limited (formerly known as Dynamix Balwas Infrastructure Limited) | 40,182,226 | 3,814,756 | 1,636,337 | 42,360,644 |
| | (92,274,773) | (80,427,283) | (132,519,830) | (40,182,226) |
| Majestic Infracon Private Limited (formerly known as DBI Infracon Private Limited) | 40,417,038 | 88,457,677 | 73,048,903 | 55,825,812 |
| | (64,440,378) | (138,169,246) | (162,192,586) | (40,417,038) |
| Conwood Construction and Developers Private Limited | 12,004,248 | 573,866 | 5,478,114 | 7,100,000 |
| | (20,010,315) | (1,319,034) | (9,325,101) | (12,004,248) |
| K.G.Enterprises | 26,283,909 | 66,652,795 | 78,385,376 | 14,551,328 |
| | (5,030,019) | (80,309,593) | (59,055,703) | (26,283,909) |
| Salim Balwa | 414,600 | - | 414,600 | - |
| | (1,088,325) | (7,200,000) | (7,873,725) | (414,600) |
| Vinod Goenka | (13,346,500) | - | 11,536,500 | (1,810,000) |
| | (1,727,500) | (22,663,500) | (37,737,500) | 13,346,500 |
| Shahid Balwa | (2,334,576) | - | - | (2,334,576) |
| | (691,000) | (1,200,000) | (4,225,576) | (2,334,576) |

(Figures in brackets denote Previous Year's balances/transactions).

(Amount in ₹ )

| Other Current Liabilities | Opening Balance as on April 1, 2013 | Given / adjusted during the year | Returned / adjusted during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| DBS Realty (Partnership Firm) | 129,414,090 | 91,216,809 | 3,533,333 | 217,097,566 |
| | (198,639,786) | (20,364,290) | (89,589,986) | (129,414,090) |
| DB (BKC) Realtors Private Limited (formerly known as M. K. Malls and Developers Private Limited) | 16,179,211 | - | - | 16,179,211 |
| | (16,415,998) | - | (236,787) | (16,179,211) |

(Figures in brackets denote Previous Year's balances/transactions).

(Amount in ₹ )

| Sundry Debtors | Opening Balance as on April 1, 2013 | Given / adjusted during the year | Returned / adjusted during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| Conwood Agencies Private Limited | - | - | - | - |
| | (129,168) | (-) | (129,168) | (-) |

(Figures in brackets denote Previous Year's balances/transactions).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in ₹ )

| Advance recoverable in cash or kind | Opening Balance as on April 1, 2013 | Given / adjusted during the year | Returned / adjusted during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| Pony Infrastructure Contractors Limited (formerly known as Dynamix Balwas Infrastructure Limited) | 31,735,972 | 31,153,743 | 582,229 | 62,307,486 |
| | (978,627,151) | (622,229) | (947,513,408) | (31,735,972) |
| Majestic Infracon Private Limited (formerly known as DBI Infracon Private Limited) | 225,335,769 | 53,333,333 | 5,509,385 | 273,159,717 |
| | (231,454,911) | (4,179,685) | (10,298,827) | (225,335,769) |

(Figures in brackets denote Previous Year's balances/transactions).

(Amount in ₹ )

| Advance against share purchase | Opening Balance as on April 1, 2013 | Given / adjusted during the year | Returned / adjusted during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| Marine Drive Hospitality & Realty Private Ltd. (Formerly DB Hospitality Private Limited) | 3,288,471,940 | 2,349,284,117 | 5,637,756,057 | - |
| | (464,400,000) | (3,833,571,940) | (1,009,500,000) | (3,288,471,940) |

(Figures in brackets denote Previous Year's balances/transactions).

(Amount in ₹ )

| Advance for development rights | Opening Balance as on April 1, 2013 | Given / adjusted during the year | Returned / adjusted during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| Usman Balwa | 33,125,000 | - | - | 33,125,000 |
| | (33,125,000) | (-) | (-) | (33,125,000) |
| Aim Properties & Investments Private Limited | 3,468,000 | - | - | 3,468,000 |
| | (3,468,000) | (-) | (-) | (3,468,000) |
| Neelkamal Realtors & Builders Private Limited | 3,549,600 | - | - | 3,549,600 |
| | (3,549,600) | (-) | (-) | (3,549,600) |
| Neelkamal Relators & Erectors (India) Private Limited | 3,651,600 | - | - | 3,651,600 |
| | (3,651,600) | (-) | (-) | (3,651,600) |
| Nihar Construction Priavte Limited | 4,080,000 | - | - | 4,080,000 |
| | (4,080,000) | (-) | (-) | (4,080,000) |

(Figures in brackets denote Previous Year's balances/transactions).

(Amount in ₹ )

| Investment in Equity Shares | Opening Balance as on April 1, 2013 | Investments purchased / made during the year | Investment sold / redeemed during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| Marine Drive Hospitality & Realty Private Ltd. (Formerly DB Hospitality Private Limited) | 783,029,928 | - | - | 783,029,928 |
| | (783,029,928) | (-) | (-) | (783,029,928) |

(Figures in brackets denote Previous Year's balances/transactions).

(Amount in ₹ )

| Investment in Preference Shares | Opening Balance as on April 1, 2013 | Investments purchased / made during the year | Investment sold / redeemed during the year | Closing Balance as on March 31, 2014 |
|---|---|---|---|---|
| Marine Drive Hospitality & Realty Private Ltd. (Formerly DB Hospitality Private Limited) | 9,567,032,502 | 5,054,256,000 | | 14,621,288,502 |
| | (8,627,032,502) | (940,000,000) | - | (9,567,032,502) |

| Managerial Remuneration paid | (Amount in ₹ ) |
|---|---|
| Mr. Shahid Balwa | - |
| | (1,200,000) |
| Mr. Vinod Goenka | - |
| | (4,200,000) |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

| Travelling expenses / hire charges | (Amount in ₹ ) |
|---|---|
| Eon Aviation Private Limited | 843,051 |
| | (12,856,819) |

| Rent paid | (Amount in ₹ ) |
|---|---|
| K.G.Enterprises | 51,340,569 |
| | (64,616,598) |

| Expenses paid | (Amount in ₹ ) |
|---|---|
| K.G.Enterprises | 2,684,726 |
| | (1,766,234) |

| Contractor Charges | (Amount in ₹ ) |
|---|---|
| Majestic Infracon Private Limted (formerly known as DB Infracon Private Limted) | 85,296,992 |
| | (150,159,108) |
| Pony Infrastructure & Contractors Limited (formerly known as Dynamix Balwas Infrastructure Limited) | - |
| | (4,638,763) |

| Interest received on loans given | (Amount in ₹ ) |
|---|---|
| Y. J. Realty Private Limited | 57,950,864 |
| | (6,567,810) |
| Milan Theatres Private Limited | 51,321,582 |
| | (49,287,047) |

The aforesaid related parties are identified by the Holding Company and relied upon by the Auditors.

(vii) **Disclosure in respect of related party transactions during the year as per disclosure required by Clause 32 of the Listing Agreement:**

(Amount in ₹)

| Loans and Advances | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 | Maximum Balance Outstanding during the year |
|---|---|---|---|---|---|
| **Loans to Associates** (Interest bearing and no repayment schedule as repayable on demand) | | | | | |
| Neelkamal Realtors Tower Private Limited # | 143,319,936 | 32,715,358 | 154,312,077 | 21,723,217 | 21,723,217 |
| | (-) | (143,319,936) | (-) | (143,319,936) | (143,319,936) |

# Directors and Shareholders are interested

(Figures in brackets denote Previous Year's balances)

(Amount in ₹)

| Particulars | Opening Balance as on 1st April, 2013 | Given during the year | Returned during the year | Closing Balance as on 31st March, 2014 | Maximum Balance Outstanding during the year |
|---|---|---|---|---|---|
| **Loans to Others** (Interest bearing and no repayment schedule as repayable on demand) | | | | | |
| Y. J. Realty & Aviation Pvt Ltd. | 415,610,362 | 207,655,778 | 14,000,000 | 609,266,140 | 609,266,140 |
| | (479,815,541) | (67,610,362) | (131,815,541) | (415,610,362) | (479,815,541) |
| Milan Theatres Private Limited | 358,028,342 | 54,969,424 | - | 412,997,766 | 412,997,766 |
| | (307,831,862) | (56,528,342) | (6,331,862) | (358,028,342) | (346,493,342) |
| Majestic Infracon Pvt Ltd | 40,001,670 | 840,788,493 | 816,442,181 | 64,347,982 | 64,347,982 |
| | (35,951,670) | (4,500,000) | (450,000) | (40,001,670) | (40,001,670) |

(Figures in brackets denote Previous Year's balances)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 48. Disclosure in respect of joint venture

(a) The Group is having investments in following joint ventures and all are in real estate business. The following amounts represent the group's interest as per its holding in respective line item in the consolidated financial statement of the group. In the consolidated financial statement of the group, the investments made in joint ventures are consolidated as per accounting policy no 1 (b) (vi).

(Amount in ₹)

| Particulars | Sneh Developers | National Tiles | Turf Estate Joint Venture | DB (BKC) Realtors Private Limited | Lokhandwala Dynamix Balwas Joint Venture | Dynamix Realty | DBS Realty | DB Realty and Shreepati Infrastructure LLP | Warehousing LLPS* |
|---|---|---|---|---|---|---|---|---|---|
| **% of Holding** | **49%** | **59.40%** | **66.67%** | **40.80%** | **50.00%** | **50.00%** | **33.33%** | **60.00%** | **50.00%** |
| | (-) | (-) | 66.67% | 40.80% | 50.00% | 50.00% | 33.33% | 60.00% | 50.00% |
| **Shareholders' Funds** | | | | | | | | | |
| Share Capital | **9,800** | **5,348,807** | **-** | **5,908,653** | **20,986,040** | **250,000** | **3,300,000** | **38,977,410** | **607,919** |
| | (-) | (-) | (314,951,939) | (5,908,653) | (21,135,932) | (1,163,889,990) | (3,300,000) | (38,713,525) | (566,213) |
| Reserves and Surplus | **-** | **(364,136)** | **-** | **1,733,032,943** | **-** | **-** | **-** | **-402,525** | **-28,818** |
| | (-) | (-) | (15,576,685) | (1,737,911,959) | (-) | (-) | (-) | (65,125) | (26,865) |
| **Non-current Liabilities** | | | - | - | - | - | - | - | - |
| Long-term Borrowings | - | - | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | (-) | (-) | (-) | (-) | (-) | (41,790) | (-) | (-) | (-) |
| Other Long Term Liabilities | - | - | **-** | **257,714** | **-** | **-** | **9,210,676** | **-** | **-** |
| | (-) | (-) | (1,447,231) | (254,411) | (-) | (18,628,996) | (8,002,257) | (208,084) | (-) |
| Long-term Provisions | - | - | **-** | **1,232,073** | **-** | **147,511** | **177,059** | **-** | **-** |
| | (-) | (-) | (3,237,951) | (2,037,553) | (-) | (3,247,127) | (360,002) | (-) | (-) |
| **Current Liabilities** | | | - | - | - | - | - | - | - |
| Short-term Borrowings | **490,000** | - | **-** | **-** | **-** | **1,643,375,000** | **-** | **-** | **-** |
| | (-) | (-) | (-) | (-) | (-) | (1,298,475,000) | (-) | (-) | (-) |
| Trade Payables | **26,427** | **5,006** | **-** | **2,155,224** | **18,118** | **59,670,941** | **79,090,582** | **85,031** | **40,731** |
| | (-) | (-) | (60,597,956) | (5,454,227) | (29,148) | (42,569,355) | (70,517,580) | (-) | (19,663) |
| Other Current Liabilities | - | **359,090** | **-** | **11,407,201** | **-** | **583,134,725** | **1,053,917,838** | **116,711** | **33,650,000** |
| | (-) | (-) | (901,171,159) | (14,547,260) | (-) | (37,894,877) | (960,515,756) | (6,486) | (33,650,232) |
| Short-term Provisions | - | - | **-** | **672,660** | **-** | **5,444,340** | **239,288** | **-** | **-** |
| | (-) | (-) | (261,903) | (304,909) | (-) | (981,218) | (34,375) | (-) | (-) |
| | | | - | - | - | - | - | - | - |
| **TOTAL** | **526,227** | **5,348,767** | **-** | **1,754,666,467** | **21,004,158** | **2,292,022,517** | **1,145,935,443** | **38,776,627** | **34,269,832** |
| | (-) | (-) | (1,266,091,454) | (1,766,418,972) | (21,165,080) | (2,565,728,353) | (1,042,729,970) | (38,862,970) | (34,209,243) |
| | | | | | | | | | |
| **Non Current Assets** | | | | | | | | | |
| Fixed Assets | - | **5,346,000** | **-** | **67,761** | **-** | **1,376,660** | **116,941,684** | **-** | **-** |
| | (-) | (-) | (61,861,084) | (90,725) | (-) | (1,870,250) | (21,613) | (-) | (-) |
| Non-current Investments | - | - | **-** | **-** | **-** | **-** | **-** | **5,035,864** | **-** |
| | (-) | (-) | (5,494,553) | (-) | (-) | (-) | (-) | (5,400,000) | (-) |
| Long-term Loans and Advances | - | - | **-** | **264,532,263** | **-** | **-** | **358,304,861** | **30,287,472** | **-** |
| | (-) | (-) | (276,860,558) | (262,451,295) | (-) | (2,450,170) | (274,134,434) | (30,126,462) | (-) |
| Other Non-current Assets | - | - | **-** | **-** | **-** | **-** | **3,804,688** | **-** | **-** |
| | (-) | (-) | (16,727,867) | (-) | (-) | (-) | (-) | (-) | (-) |
| **Current Assets** | | | | | | | | | |
| Inventories | **516,427** | - | **-** | **1,391,996,125** | **17,026,485** | **-** | **627,392,544** | **3,380,931** | **-** |
| | (-) | (-) | (897,633,091) | (1,380,867,773) | (16,699,668) | (-) | (664,082,762) | (3,124,242) | (-) |
| Trade Receivables | - | - | **-** | **-** | **-** | **912,299,016** | **-** | **-** | **-** |
| | (-) | (-) | (-) | (-) | (-) | (918,852,584) | (-) | (-) | (-) |
| Cash and Cash Equivalents | **9,800** | **2,767** | | **568,747** | **3,974,698** | **235,347** | **2,093,435** | **8,219** | **201,253** |
| | (-) | (-) | (1,671,043) | (575,155) | (4,465,412) | (6,781,186) | (40,881,648) | (15,301) | (208,734) |
| Short-term Loans and Advances | | | | **97,501,571** | **2,975** | **709,872,727** | **1,231,190** | **43,429** | **34,068,579** |
| | (-) | (-) | (1,249,934) | (122,411,640) | (-) | (558,578,877) | (826,798) | (182,029) | (34,000,509) |
| Other Current Assets | | | | **-** | **-** | **668,238,767** | **36,167,042** | **20,712** | **-** |
| | (-) | (-) | (4,593,324) | (22,384) | (-) | (1,077,195,286) | (62,782,715) | (14,936) | (-) |
| | | | - | - | - | - | - | - | - |
| **TOTAL** | **526,227** | **5,348,767** | **-** | **1,754,666,467** | **21,004,158** | **2,292,022,517** | **1,145,935,443** | **38,776,627** | **34,269,832** |
| | (-) | (-) | (1,266,091,454) | (1,766,418,972) | (21,165,080) | (2,565,728,353) | (1,042,729,970) | (38,862,970) | (34,209,243) |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in ₹)

| Particulars | Sneh Developers | National Tiles | Turf Estate Joint Venture | DB (BKC) Realtors Private Limited | Lokhandwala Dynamix Balwas Joint Venture | Dynamix Realty | DBS Realty | DB Realty and Shreepati Infrastructure LLP | Warehousing LLPS* |
|---|---|---|---|---|---|---|---|---|---|
| **I. INCOME** | | | | | | | | | |
| Revenue from Operations | | | - | - | - | 34,263,022 | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (28,928,869) | (-) | (-) | (-) |
| Share of Profit / (Loss) from Partnership Firms, net | | | | - | - | - | - | (364,136) | - |
| | (-) | (-) | (14,732) | (-) | (-) | (-) | (-) | (-) | (-) |
| Other Income | | | | 46,300 | - | 4,002,848 | 2,040,580 | - | - |
| | (-) | (-) | (-) | (44,150) | (-) | (14,825,238) | (35,931) | (-) | (-) |
| | | | - | - | - | - | - | - | - |
| **TOTAL** | | | - | 46,300 | - | 38,265,870 | 2,040,580 | (364,136) | - |
| | (-) | (-) | (14,732) | (44,150) | (-) | (14,103,631) | (35,931) | (-) | (-) |
| | | | - | - | - | - | - | - | - |
| **II. EXPENDITURE** | | | | | | | | | |
| | | | | | | | | | |
| Project Expenses | 9,635 | - | - | 11,128,352 | 326,817 | - | 84,608,046 | 256,689 | - |
| | (-) | (-) | (23,358,523) | (15,946,314) | (-) | (-) | (271,545,677) | (455,874) | (-) |
| (Increase)/Decrease in Inventories | (9,635) | | | (11,128,352 ) | (326,817 ) | - | (84,608,046 ) | (256,689) | - |
| | (-) | (-) | (23,358,523) | (15,946,314) | (-) | (-) | (271,545,674) | (455,874) | (-) |
| Employee Benefit Expenses | - | - | - | 3,260,512 | - | 4,083,135 | 49,492 | - | - |
| | (-) | (-) | (6,727,923) | (3,652,407) | (-) | (11,495,522) | (86,572) | (-) | (-) |
| Finance Costs | - | 40 | | - | - | 30,260 | - | - | - |
| | (-) | (-) | (494,385) | (-) | (-) | (362,606) | (-) | (-) | (-) |
| Depreciation and Amortization Expenses | - | - | - | 22,965 | - | 441,047 | 4,386,214 | - | - |
| | (-) | (-) | (187,055) | (34,585) | (-) | (608,151) | (9,389) | (-) | (-) |
| Other Expenses | | 98,916 | | 1,641,840 | - | 24,022,599 | 59,994 | 38,389 | 28,818 |
| | (-) | (-) | (8,152,591) | (5,005,844) | (-) | (29,871,681) | (119,686) | (65,125) | (26,865) |
| Tax Expenses | | | - | - | - | 973,706 | 736,593 | - | - |
| | (-) | (-) | (-) | (-) | (-) | (1,485,164) | (555) | (-) | (-) |
| | | | | | | | | | |
| **Total Expenses** | - | 98,956 | - | 4,925,316 | - | 29,550,748 | 5,232,294 | 38,389 | 28,818 |
| | (-) | (-) | (15,561,954) | (8,692,836) | (-) | (43,823,124) | (215,095) | (65,125) | (26,865) |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| **Profit (Loss) after Tax** | - | (98,956) | - | (4,879,016) | - | 8,715,123 | (3,191,714) | (402,525) | (28,818) |
| | (-) | (-) | (15,576,686) | (8,648,686) | (-) | (57,926,755) | (179,164) | (65,125) | (26,865) |
| **Contingent Liability** | | | - | - | - | - | - | - | - |

(Figures in brackets denote Previous Year's balances)

*** Warehousing LLP's includes following entities**

- Daund Warehousing Developers & Builders LLP
- Saswad Warehousing Developers & Builders LLP
- Ahmednagar Warehousing Developers & Builders LLP
- Solapur Warehousing Developers & Builders LLP
- Latur Warehousing Developers & Builders LLP
- Aurangabad Warehousing Developers & Builders LLP
- Veer Jijamata Nagar LLP

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

b) There are no capital commitments and other commitments related to Company's interest in the joint ventures and no commitments of venture itself.

49 Figures of the Previous year have been regrouped / reclassified wherever necessary to conform the presentation of the current year.

Signature to Notes 1 to 49

**For and on behalf of the Board**

**Vinod Goenka**
Chairman & Managing Director

**Shahid Balwa**
Vice Chairman & Managing Director

**Mahesh Gandhi**
Director

**S A K Narayanan**
Company Secretary

**N.M.Gattu**
Chief Financial Officer

Mumbai Dated : May 24, 2014

**Additional disclosure**
**FINANCIAL INFORMATION OF THE SUBSIDIARY COMPANIES AS ON 31.3.2014**

(Amount in ₹)

| Sr. No. | Name of the Subsidiary | Capital | Reserves | Total Assets | Total Liabilities | Investments | Turnover/ Total Income | Profit/(loss) before Tax | Provision for Tax | Profit/(loss) after Tax | Proposed Dividend |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Gokuldham Real Estate Development Company Private Limited | 50,000,000 | 1,471,943,189 | 3,423,779,350 | 3,423,779,350 | 1,655,096,000 | 1,385,512,158 | 416,164,887 | 154,003,298 | 262,161,589 | - |
| 2 | Neelkamal Realtors Suburban Private Limited | 111,600,000 | 225,213,378 | 3,314,602,836 | 3,314,602,836 | - | 909,950,123 | (147,888,099) | (47,803,042) | (100,085,057) | - |
| 3 | Esteem Properties Private Limited | 1,000,000 | (43,967,723) | 1,101,869,120 | 1,101,869,120 | - | 8,427 | (203,516) | - | (203,516) | - |
| 4 | Neelkamal Shantinagar Properties Private Limited | 160,000 | (15,778,233) | 1,124,168 | 1,124,168 | - | - | (6,271,644) | - | (6,271,644) | - |
| 5 | Saifee Bucket Factory Private Limited | 248,000 | (2,569,767) | 7,956 | 7,956 | - | - | (85,555) | - | (85,555) | - |
| 6 | Real Gems Build Tech Private Limited | 135,100,000 | (264,570,325) | 7,743,011,129 | 7,743,011,129 | 709,567,000 | 1,748,129 | (87,260,717) | (116,776,744) | 29,516,026 | - |
| 7 | Priya Constructions Private Limited | 100,000 | (19,851,718) | 205,377,821 | 205,377,821 | 162,016,335 | 4,535,442 | (95,718) | - | (95,718) | - |
| 8 | D B Man Realty Ltd. | 140,000,000 | (8,900,961) | 132,002,250 | 132,002,250 | - | - | (87,047) | - | (87,047) | - |
| 9 | Royal Netra Constructions Private Limited | 15,000,000 | (7,248,331) | 676,815,108 | 676,815,108 | - | 8,836 | (146,377) | 3,732 | (150,109) | - |
| 10 | N. A. Estates Private Limited | 100,000 | (475,271) | 104,449,854 | 104,449,854 | - | - | (218,986) | - | (218,986) | - |
| 11 | Nine Paradise Erectors Private Limited | 100,000 | (586,339) | 314,208,658 | 314,208,658 | 700 | (4,025) | (87,142) | - | (87,142) | - |
| 12 | MIG (Bandra) Realtors and Builders Private Limited (Formerly DB MIG Realtors & Builders Private Limited) | 19,034,000 | 1,829,898,591 | 2,338,912,865 | 2,338,912,865 | - | 414,380 | (6,675,403) | - | (6,675,403) | - |
| 13 | Spacecon Realty Private Limited (Formerly DB Spacecon Private Limited) | 135,140 | (101,549,096) | 550,076,539 | 550,076,539 | - | - | (4,586,747) | - | (4,586,747) | - |
| 14 | Vanita Infrastructure Private Limited | 100,000 | 3,290,929 | 52,387,243 | 52,387,243 | - | - | (67,871) | - | (67,871) | - |
| 15 | DB View Infracon Private Limited | 100,000 | 643,822,079 | 1,089,555,691 | 1,089,555,691 | 679,029,876 | 356,057,408 | 336,888,865 | 5,000,000 | 331,888,865 | - |
| 16 | DB Contractors & Builders Private Limited | 100,000 | (299,735) | 45,787 | 45,787 | 45,787 | - | (73,290) | - | (73,290) | - |
| 17 | Goregaon Hotel and Realty Private Limited | 100,000 | (13,547,729) | 300,059,978 | 300,059,978 | - | - | (13,526,423) | - | (13,526,423) | |

# NOTES

## NOTES

# PROXY FORM

## D B REALTY LIMITED

**CIN L70200MH2007PLC166818**

**Registered Office:** DB House, Gen.A.K.Vaidya Marg, Goregaon (East), Mumbai 400063
**Website:**www.dbrealty.co.in **Phone:** 91-22-4077 8600 **Fax:** 91-22-2841 5550/2842 1667

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s) :

Registered address :

E-mail id :

Folio No. / Client Id :

DP ID :

I / We, being the member(s) of _____ Equity Shares of D B REALTY LIMITED, hereby appoint

1. Name : _____
   Address : _____
   E-mail Id : _____
   Signature : _____, or failing him / her

2. Name : _____
   Address : _____
   E-mail Id : _____
   Signature : _____, or failing him / her

3. Name : _____
   Address : _____
   E-mail Id : _____
   Signature : _____, or failing him / her

As my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Eighth Annual General Meeting of the Company to be held on Saturday, the 27th September, 2014 at 3,00 P.M. at Lakshdham High School Auditorium, Lakshdham High School, Gokuldham, Goregaon (East), Mumbai 400063 or at any adjournment thereof, in respect of such resolutions set out in the AGM Notice convening the meeting as are indicated overleaf.

Signed this _____day of September, 2014

Affix Revenue Stamp

Signature of the Shareholder

Signature of Proxy holder(s)

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting

| Resolution No | Subject matter of the Resolution | Optional | |
|---|---|---|---|
| | | For | Against |
| 1 | Adoption of Accounts | | |
| 2 | Re-appointment of Mr. Shahid Balwa who retires by rotation and being eligible offers himself for re-appointment | | |
| 3 | Re-appointment of Mr. Jayvardhan Goenka who retires by rotation and being eligible offers himself for re-appointment | | |
| 4 | Appointment of Statutory Auditors | | |
| 5 | Appointment of Mr. Mahesh Gandhi as an Independent Director | | |
| 6 | Appointment of Mr. N.M. Rafique as an Independent Director | | |
| 7 | Appointment of Mr. Jagat Killawala as an Independent Director | | |
| 8 | Appointment of Mr. Janak Desai as an Independent Director | | |
| 9 | Special Resolution for introduction of and issue of Stock Options/ shares under ESOP Scheme 2014 | | |
| 10 | Extension of Benefit of ESOP Scheme 2014 to the Company's Subsidiaries | | |
| 11 | Appointment of Cost Auditor | | |

DB REALTY®
THE NEXT LEVEL

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