

HARIBHAKTI & CO.

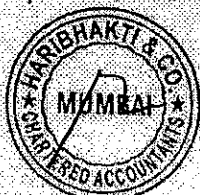
Chartered Accountants

Consolidated Limited Review Report

Review Report to
The Board of Directors
DB Realty Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of DB Realty Limited ('the Company'), its subsidiaries, associates and joint ventures (collectively referred to as 'the Group') for the quarter ended December 31, 2013 except for the disclosures in Part II with respect to 'Particulars of Shareholding' and 'Investor Complaints' which have been traced from the details furnished by the Registrar & Transfer Agent/ Management. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The unaudited consolidated financial results for the quarter ended 31st December, 2013 includes:
 - a.
 - i. The consolidated unaudited financial statements of three subsidiaries and one joint venture, which reflect total revenue of Rs. Nil and net loss after tax of Rs. 7.60 lacs;
 - ii. The unaudited financial statements of sixteen subsidiaries which reflect total revenue of Rs. 2,945.80 lacs and net loss after tax of Rs. 111.42 lacs;
 - iii. The unaudited financial statements of four joint ventures wherein the Groups share of profit is Rs. 177.83 lacs;
 - iv. The unaudited financial statements of three associates wherein the Groups share of profit is Rs. 1.53 lacs;

The above statements have been reviewed by other auditors who have furnished their reports to us. We have not reviewed the financial statements of these subsidiaries, joint ventures, and associates and our opinion is based solely on the reports of other auditors.
 - b. The unaudited financial statements of seven joint ventures wherein the Groups share of profit is Rs. 0.06 Lacs and unaudited consolidated financial statements of a subsidiary



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which reflect total revenue of Rs. 1,268.53 lacs and net profit after tax of Rs. 1,009.30 lacs for the quarter ended 31st December, 2013 were approved by the management of the respective entities.

We have not reviewed the financial statements of these joint ventures and subsidiaries and have relied on such management approved unaudited financial statements.

4. QUALIFICATION

- a. As mentioned in note no. 4 to the quarterly financial results, a Subsidiary Company and six step down Subsidiaries have not been considered for the purposes of consolidation, which is not in compliance with Accounting Standard - 21 "Consolidated Financial Statement".

Our report for the previous quarter was also qualified with respect to the above.

This qualification has not been addressed by the management of the Company in the unaudited financial results for the quarter ended 31st December 2013

- b. Matters specified in para 6 (a) to (f) and its impact on the unaudited financials results have not been disclosed in the unaudited financial results for the quarter.

5. Based on our review conducted as above, subject to the effects of our observations given in para 4, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards [Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, which as per General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs continues to apply under Section 133 of the Companies Act, 2013] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Attention is invited to:

- a. Guarantees issued and securities provided to banks and financial institutions by the Company on behalf of various non-group entities aggregating Rs. 85,341.25 lacs & group entities not considered for consolidation aggregating Rs. 1,15,417.86 lacs are significant as compared to its net worth. In the opinion of the Company, these are not expected to result into any financial liability to the Company.
- b. Note no. 44 of the audited consolidated financial statements for the year ended 31st March, 2013, wherein it has been stated that certain allegations have been made by the Central Bureau of Investigation of India against one of the firms in which company has investment, relating to 2G Spectrum Case. The Deputy Director Enforcement has attached Company's assets amounting to Rs. 5,216.21 lacs on the date of attachment i.e.



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August 30, 2011, under Prevention of Money Laundering act (PML Act). This matter is sub-judice and the impact, if any, of the outcome is unascertainable at this stage.

- c. Loans and advances aggregating Rs. 3,233.10 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 made by the management of projects of the projects under execution.
- d. Loans and advances amounting to Rs. 5,292.67 lacs and the project cost carried in inventory amounting to Rs. 8,468.08 lacs as on 31st December 2013 with respect to one of the subsidiary are under litigation and are sub-judice. Based on Company's assessment, no adjustments are considered necessary in respect of recoverability of the said balances.
- e. Note no. 33 B (v) of the audited consolidated financial statements for the year ended 31st March, 2013, wherein the carrying cost of inventory aggregating Rs. 765.92 lacs in the books of one of the subsidiary is considered as good & realizable.
- f. (i) In Case of ongoing projects expense and income are recognized on the basis of estimated costs which are in accordance with management's judgement and certificate of technical personnel; and
(ii) manner of accounting of brokerages paid on sale of premises in certain upcoming projects have been relied upon by us, these being technical matters.

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

For Haribhakti & Co.

Chartered Accountants

Firm Registration No. 103523W



Chetan Desai

Partner

Membership No.: 17000

Place: Mumbai

Date: February 11, 2014