

HARIBHAKTI & CO.

Chartered Accountants

Limited Review Report

Review Report to
The Board of Directors
DB Realty Limited

1. We have reviewed the accompanying statement of unaudited financial results of DB Realty Limited ('the Company') for the quarter ended 31st December, 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. QUALIFICATION

Observations mentioned in para 5 (a) to (g) and its impact on the financials results have not been disclosed in the financial results for the quarter.

4. Based on our review conducted as above, *subject to para 3 above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited 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.
5. Attention is invited to the following matters:
 - a. Share of profit in three partnership firms and six Limited Liability Partnership Firms ("LLPs") includes total profit (net) of Rs. 148.84 lacs for the quarter ended 31st December 2013 which is based on the review of financial statements of partnership firms by their auditors. The financial statements of LLPs are not reviewed by the auditors and approved by the management.
 - b. The Company has issued Guarantees and has provided securities to banks and financial institutions on behalf of various entities aggregating Rs. 312,341.61 lacs. In the opinion of the Management, this shall not result in any financial liability to the Company.



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- c. The Company has Investments aggregating Rs. 20,430.39 lacs in certain subsidiaries, associates and joint ventures. The Company has provided loans and advances aggregating Rs. 31,491.20 lacs to certain subsidiaries, associates and joint ventures. These entities have incurred losses and have negative net worth. As explained to us, these entities are in early stages of real estate development and the investments/ loans and advances are considered good and recoverable based on assessment made by the management of projects under execution.
- d. Note No. 42 of the audited 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 the Company has investments, 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. 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.
- e. Loans and advances amounting to Rs. 16,530.72 lacs and the project cost carried in inventory amounting to Rs. 3120.19 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.
- f. Note No. 15 of the audited financial statements for the year ended 31st March 2013 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.
- g. Note No. 46 of the audited financial statements for the year ended 31st March, 2013 regarding the manner of recognition of Company's share of loss in Association of Persons.

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

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.103523W



Netan Desai

Partner

Membership No.: 17000

Place: Mumbai

Date: February 11, 2014