

ESTEEM PROPERTIES PRIVATE LIMITED

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31st MARCH, 2013

M. A. PARIKH & CO.

Chartered Accountants
Yusuf Building, 2nd Floor,
Mahatma Gandhi Road,
Fort, Mumbai – 400 001.

Tel No.: 22041018 *22043850 *22029187
Fax: 22874524 *Email : maparikh@eth.net

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Friday, the 27th September, 2013 at 10.30 a.m. at the Registered Office of the Company at DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai – 400063 to transact the following business:-

ORDINARY BUSINESS:

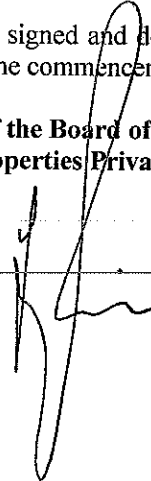
1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2013, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To appoint Director in place of Ms. Sunita Goenka, who retires by rotation and being eligible offers himself for re-appointment
3. To re-appoint Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as an ordinary resolution:

"RESOLVED THAT M/s. M.A. Parikh & Co, Chartered Accountants, Mumbai (Reg No. 107556W), the Statutory Auditors of the Company, who are not disqualified to act as Auditors of the Company u/s.224 (1B) of the Companies Act 1956, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting on such remuneration, as may be determined by the Board of Directors, in consultation with the said Auditors plus reimbursement of out of pocket expenses, if any, to be incurred by them in connection with the said audit exclusive of other fees payable for other services, if any, to be rendered by them."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, must be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

**By order of the Board of Directors,
For Esteem Properties Private Limited**



Director

Place: Mumbai
Date: 06.05.2013

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

DIRECTOR'S REPORT

Dear Member

Your Directors have pleasure in presenting the Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2013:

FINANCIAL RESULTS

Particulars	For the Year Ended 31.03.2013	For the year Ended 31.03.2012
Total Income	35,445	Nil
Total Expenditure including Depreciation	5298689	8110933
Profit/(Loss) before Tax	(5263244)	(8110933)
Less: Provision for Tax	127580	Nil
Profit/(Loss) after Tax	(5,00,58,331)	(9,74,47,433)

DIVIDEND

In the absence of any profits, your Directors do not recommend dividend for the year under review.

FIXED DEPOSITS

Your Company has not accepted any deposits from public and as such no amount of principal or interest was outstanding on the date of the Balance Sheet.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is, hereby, confirmed:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2013, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and the Directors had made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as it exists for the year ended 31st March, 2013 and of the loss of the company for that year;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

DIRECTORS:

During the year under review Mr. Salim Balwa and Ms. Sunita Goenka, are continuing as Directors of the Company.

Ms. Sunita Goenka, Director retires by rotation and being eligible, offers herself for re-appointment subject to approval of Members in the ensuing Annual General Meeting. The Board recommends her re-appointment as Director of the Company.

COMPLIANCE CERTIFICATE:

The Compliance Certificate was received in accordance with the Provision of Section 383A read with the Companies (Compliance Certificate) Rules 2001. The Board as appoint M/s. V. Sundaram & Co., Company Secretaries in Whole time Practice, for issuance of the Compliance Certificate in terms of the provisions of Section 383A(1) of the Companies Act, 1956, being annexed to the Report.

AUDITORS:

The Statutory Auditors of the Company M/s. M.A. Parikh & Co., Chartered Accountants, Mumbai, (Reg. No. 107556W) retire at the ensuing Annual General Meeting and being eligible, offer themselves, for re-appointment. The Board recommends their re-appointment as the Auditors of the Company.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no employees drawing the remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956.

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

Considering the nature of the business, it is not necessary to give statement showing required particulars in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1998 read with the provisions of Section 217(1)(e) of the Companies Act, 1956 and hence it has not been annexed hereto.

During the year under review, Foreign Exchange earning and outgo were Nil.

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the support extended by the Bankers, Office Bearers of the Government Department, its Employees, Creditors and Suppliers.

By order of the Board of Directors,
For Esteem Properties Private Limited


Director
Director

Place : Mumbai
Date : 06.05.2013

ESTEEM PROPERTIES PVT. LTD.

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

Independent Auditor's Report
To the Members of Esteem Properties Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Esteem Properties Private Limited** ("the Company") which comprise the balance sheet as at 31 March 2013, 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.

Auditor's 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 auditor's 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. 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Emphasis of Matter

Attention is drawn to Note No. 21 of the financial statements for the Status of the Project inter-alia explaining the circumstances under which the Project Work-in-Progress (PWIP) has been valued at cost. On reaching finality, if the matter is decided against the Company, the value of PWIP will have to be written down/off. Our opinion is not qualified in this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, 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 subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M.A.Parikh & Co.
Chartered Accountants
(Firm's Registration No. 107556W)



Dhaval Selwadia

Partner
Name: Dhaval Selwadia
Membership No. 100023

Mumbai, Date 06 MAY 2013

**Annexure to the Auditors' Report
(Referred to in our report of even date)**

1. Fixed Assets
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) Fixed Assets have been physically verified by the management as of the year-end. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
 - (c) No fixed assets have been disposed off during the year.
2. Inventories

The Company is in the business of real estate development. As upto the year end, the Company has not commenced any construction activities. Therefore, the requirements of Clause 4(ii) of the Order are not applicable.
3. The Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the requirements of Clause 4(iii) of the Order are not applicable.
4. During the year, there were no transactions for purchase of fixed asset, inventory and for sale of units/services. Therefore, the requirements of Clause 4(iv) of the Order are not applicable.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of a contract or an arrangement referred to in section 301 of the Companies Act, 1956, that needed to be entered into the register required to be maintained under the said section have been so entered.
 - (b) The transaction is in excess of rupees five lakhs and the said transaction has been made at a price which is prima facie reasonable having regard to the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.



7. The Company's paid up capital and reserves at the commencement of the financial year concerned did not exceed Rs. 50 lakhs. Further, the Company's average annual turnover for the three consecutive preceding financial years did not exceed Rs. 5 crores. Therefore, the requirements of Clause 4(vii), with respect to internal audit system, are not applicable.
8. The Company's object is to engage in construction activities. However in view of the quantitative criteria's being not satisfied, the maintenance of cost records prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 are not applicable. Further, as upto the year-end, the Company has yet to commence any construction activities.
9. Statutory Dues
 - (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, the Company is regular in depositing the Income Tax and Property Tax dues with the appropriate authorities. According to the information and explanations given to us and according to the books and records as produced before us, no undisputed amounts payable in respect of the said statutory dues were in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no disputed dues of Income - tax / Value Added tax / Wealth tax / Service tax / Custom duty / Excise duty / Cess and hence, the requirements of disclosure with respect to the amounts involved and the forums where the disputes are pending are not applicable.
10. The accumulated losses of the Company at the end of the financial year concerned are more than 50% of its net worth. The Company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.
11. The Company has neither taken any loans from banks or financial institutions nor issued any debentures. Therefore, the requirements of Clause 4(xi) of the Order are not applicable.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the requirements of Clause 4(xii) of the Order are not applicable.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the requirements of Clause 4(xiii) of the Order are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the requirements of Clause 4(xiv) of the Order are not applicable.



15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the requirements of Clause 4(xv) of the Order are not applicable.
16. The Company has not obtained any term loan. Therefore, the requirements of Clause 4(xvi) of the Order are not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short - term basis have not been utilized for long term investment.
18. 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. Therefore, the requirements of Clause 4(xviii) of the Order are not applicable.
19. The Company has not issued any debentures. Therefore, the requirements of Clause 4(xix) of the Order are not applicable.
20. The Company has not raised any monies by way of Public Issue. Therefore, the requirements of Clause 4(xx) of the Order are not applicable.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For M.A.Parikh & Co.
Chartered Accountants
(Firm's Registration No. 107556W)



Dhaval Selwadia

Partner
Name: Dhaval Selwadia
Membership No. 100023

Mumbai, Date: 06 MAY 2013

ESTEEM PROPERTIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

Particulars		Note No	As at 31.03.13	As at 31.03.12
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	3	1,000,000	1,000,000
	(b) Reserves and Surplus	4	(43,764,207)	(38,373,383)
2	Non-current liabilities			
	(a) Long-term borrowings	5	67,915	141,417
	(b) Long-term provisions	6	34,138	24,799
3	Current liabilities			
	(a) Short-term borrowings	7	1,135,792,557	1,121,292,557
	(b) Trade payables	8	4,046,249	4,486,523
	(c) Other current liabilities	9	595,945	671,299
	(d) Short-term provisions	10	16,996	31,834
	TOTAL		1,097,789,594	1,089,275,046
II.	ASSETS			
1	Non-current assets			
	<u>Fixed Assets</u>			
	Tangible assets	11	482,115	631,151
2	Current assets			
	(a) Inventories	12	1,097,097,089	1,084,499,368
	(b) Cash and bank balances	13	24,600	15,183
	(c) Short-term loans and advances	14	185,790	584,324
	(d) Other current assets	15	-	3,544,520
	TOTAL		1,097,789,594	1,089,275,046

See accompanying notes forming part of the financial statements 1 to 33

In terms of our report of even date attached

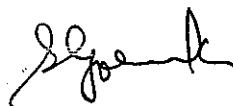
For.M.A PARIKH & CO.
Chartered Accountants


PARTNER

Name : Dhawal Selwadia
Membership No. : 100023



For and Behalf of Board of Directors



Sunita Goenka
Director



Salim Balwa
Director

Place : Mumbai

Date : 6 MAY 2013

Place : Mumbai

Date : 6 MAY 2013

ESTEEM PROPERTIES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

Particulars		Note No.	For the Year Ended 31.03.13	For the Year Ended 31.03.12
1	Other Income	16	35,445	-
2	Total Revenue		35,445	-
3	Expenses:			
	Project Expenses	17	12,597,221	6,451,224
	Changes in inventories of Project Work-in-progress	18	(12,597,221)	(6,451,224)
	Other expenses	19	5,298,689	8,110,933
	Total expenses		5,298,689	8,110,933
4	Loss before tax		(5,263,244)	(8,110,933)
5	Tax expense:			
	Current Tax		-	33,118
	Prior year tax adjustment		127,580	-
6	Loss for the year		(5,390,824)	(8,144,051)
7	Earnings per equity share:			
	- Basic		(539)	(814)

See accompanying notes forming part of the financial 1 to 33 statements

In terms of our report of even date attached

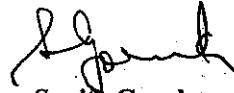
For M.A PARIKH & CO.
Chartered Accountants



PARTNER
Name : Dhawal Selwadia
Membership No. : 100023



For and Behalf of Board of Directors



Sunita Goenka
Director



Sainu Balwa
Director

Place : Mumbai
Date :

6 MAY 2013

Place : Mumbai
Date :

6 MAY 2013

ESTEEM PROPERTIES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the Year Ended 31.03.13		For the Year Ended 31.03.12	
	Rs.	Rs.	Rs.	Rs.
(A) Cash Flow From Operating Activities:				
(Loss) before tax as per Statement of Profit and Loss		(5,390,824)		(8,144,051)
Adjustments for:				
Depreciation		149,036	200,545	
Provision for Leave encashment		(14,838)	11,233	
Provision for Gratuity		9,339	8,819	220,597
Operating Income before working capital changes		(5,247,287)		(7,923,454)
Working Capital Changes:				
Inventories	(12,597,221)		(6,451,224)	
Loans and advances	398,534		249,577,805	
Other Current Assets	3,544,520		3,339,041	
Current Liabilities	(515,628)	(9,169,795)	(209,627,936)	36,837,686
Net Cash Flow From Operating Activities		(14,417,082)		28,914,232
Less: Taxes paid		-		-
Net Cash from Operating Activities		(14,417,082)		28,914,232
(B) Cash Flow From Financing Activities:				
Borrowings	14,426,498		(32,944,281)	
Net Cash used in Financing Activities		14,426,498		(32,944,281)
Net Increase in Cash and Cash Equivalents		9,416		(4,030,049)
Add: Cash and Cash Equivalents (Opening)		15,183		4,045,232
Cash and Cash Equivalents (Closing)		24,600		15,183
(C) Cash and Cash Equivalents includes:				
Cash on hand		24,600		15,183
Bank Balances		-		-
		24,600		15,183

In terms of our report of even date attached

For M.A. PARIKH & CO.
Chartered Accountants



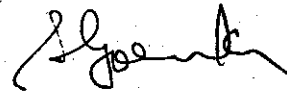
Partner
Name : Dhawal Selwadia
Membership No. : 100023

Place: Mumbai
Date :

6 MAY 2013



For and on Behalf of Board of Directors



Sunita Goenka
Director



Salim Dalwa
Director

Place: Mumbai
Date :

6 MAY 2013

ESTEEM PROPERTIES PRIVATE LIMITED
Notes forming part of the financial statements

1 COMPANY INFORMATION

The Company, a subsidiary of D B Realty Limited, is engaged in the business of development and construction of complexes. In furtherance thereof, it has undertaken development and construction of a Commercial Complex at Sahar, Mumbai. The development and construction rights in respect thereof have been acquired.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention on an accrual basis, to comply in all material aspects with the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria's set out in the Schedule VI to the Companies Act, 1956.

2.2 Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

2.3 Fixed Assets and Depreciation

Tangible Assets:

Fixed Assets are capitalized at cost of acquisition, net of accumulated depreciation. Cost includes cost incurred to bring the assets to their present location and condition. Depreciation on fixed assets has been provided for on written down value method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

2.4 Inventories

Project Work- In- Progress represents cost incurred in relation to development and construction of the Project. Direct expenses and construction overheads are taken as the cost of the Project. It is valued at lower of cost or net realizable value.

2.5 Borrowing Cost

Borrowing costs which have a direct nexus with the Project, being a qualifying asset, are allocated to the cost of the Project. Other borrowing costs are expensed out as period cost.

2.6 Revenue Recognition

Revenue from construction and development of the Project is recognized on the basis of percentage of Completion method. The initial revenue shall be recognized after the work has progressed to the extent of 25% of the total construction cost excluding cost incurred in relation to acquisition of land and its development rights and atleast 25% of the saleable project area is secured by contracts or agreements with buyers. Further, revenue shall be recognised out of the secured contracts/agreements only if 10% of the revenue as per the enforceable document is realised and these is no uncertainty towards realisation of the balance amount.



ESTEEM PROPERTIES PRIVATE LIMITED
Notes forming part of the financial statements

2.7 Employee Benefits

Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits and are recognized in the year in which the employee renders the related service.

Post employment benefits:

Contribution to the provident fund, which is a defined contribution scheme, is recognized as an expense in the Statement of Profit & Loss in the period in which the contribution is due.

Provision for gratuity and leave encashment is made on the basis of actuarial valuation done by an independent valuer as of year-end.

2.8 Taxes on Income

Income tax expense comprises current tax, (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

2.9 Operating Lease

Lease rentals under an operating lease in respect of an Office Premise are charged off to the Statement of Profit & Loss in accordance with the terms of the lease agreement.

2.10 Provision and Contingent Liabilities

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.11 Earnings per Share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weightage average number of shares outstanding for the period is adjusted for the effects of all dilutive potential equity shares.

2.12 Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and present the cash flows by operating, investing and financing activities of the Company.

2.13 Accounting policies not specifically referred to otherwise are consistent with the generally accounting principles followed by the Company.



ESTEEM PROPERTIES PRIVATE LIMITED**Notes forming part of the financial statements****3 Share Capital**

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
	10,000	1,000,000	10,000	1,000,000
Issued & fully paid up				
Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
	10,000	1,000,000	10,000	1,000,000
Subscribed & fully Paid up				
Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
Total	10,000	1,000,000	10,000	1,000,000

3.1 Reconciliation of number of Equity Shares

Particulars	As at 31 March 2013	As at 31 March 2012
	Number	Number
Shares outstanding at the beginning of the year	10,000	10,000
Shares Issued during the year	-	-
Shares outstanding at the end of the year	10,000	10,000

3.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 100 per share

3.3 10,000 Equity Shares (Previous Year -10,000) are held by the holding company DB Realty Limited and its nominee.

4 Reserves & Surplus

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
Surplus as per Statement of Profit and Loss		
Balance as at the beginning of the year	(38,373,383)	(30,229,332)
Add: (Loss) for the year	(5,390,824)	(8,144,051)
Balance as at the end of the year	(43,764,207)	(38,373,383)
Total	(43,764,207)	(38,373,383)

5 Long Term Borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
Secured		
Car Loan from Bank (Secured against hypothecation of Car)	67,915	141,417
Total	67,915	141,417



ESTEEM PROPERTIES PRIVATE LIMITED**Notes forming part of the financial statements****6 Long Term Provisions**

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
Provision for employee benefit Gratuity (Unfunded)	34,138	24,799
Total	34,138	24,799

7 Short Term Borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
(Unsecured)		
- Loan from Holding Company (Refer Note below)	1,120,784,130	1,106,284,130
- Loan from other (Refer Note below)	15,008,427	15,008,427
Total	1,135,792,557	1,121,292,557

Note: Interest free, repayable on demand

8 Trade Payable

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
Sundry Creditors (Refer Note No. 26)	4,046,249	4,486,523
Total	4,046,249	4,486,523

9 Other Current Liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
(a) Employees' Benefits payable	35,895	43,967
(b) Statutory dues payable	82,675	88,978
(c) Liability for expenses	403,873	471,500
(d) Current maturities of long term debt	73,502	66,854
Total	595,945	671,299

10 Short Term Provisions

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
Provision for employee benefit Leave Encashment (Unfunded)	16,996	31,834
Total	16,996	31,834



ESTEEM PROPERTIES PRIVATE LIMITED
Notes forming part of the financial statements

11 Fixed Assets

(Amount in Rupees)

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2012	Addition during the year	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
Tangible Assets								
Furniture and Fixtures	8,438	-	8,438	8,438	-	8,438	-	-
Office equipment	312,961	-	312,961	161,479	21,071	182,550	130,411	151,482
Computer	97,000	-	97,000	70,220	10,712	80,932	16,068	26,780
Vehicles	861,268	-	861,268	408,379	117,253	525,632	335,636	452,889
Total	1,279,667	-	1,279,667	648,516	149,036	797,552	482,115	631,151
Previous Year	1,279,667	-	1,279,667	447,971	200,545	648,516	631,151	

Note: Depreciation is allocated to Project Expenses



ESTEEM PROPERTIES PRIVATE LIMITED**Notes forming part of the financial statements****12 Inventories**

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
Project Work-in-Progress (Refer Note No. 21)	1,097,097,089	1,084,499,868
Total	1,097,097,089	1,084,499,868

13 Cash and Cash Equivalents

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
Cash on hand	24,600	15,183
Total	24,600	15,183

14 Short-Term loans and advances

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
(Unsecured, considered good)		
Loans	50,967	50,967
Prepaid Expenses	134,514	134,521
Income Tax (Net of Provision made thereagainst)	-	398,836
Other Advances	309	-
Total	185,790	584,324

15 Other Current Assets

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
Interest Accrued and due on Loans	-	3,544,520
Total	-	3,544,520



ESTEEM PROPERTIES PRIVATE LIMITED
Notes forming part of the financial statements

16 Other Income

Particulars	As at 31 March 2013	As at 31 March 2012
	Amount in Rs.	Amount in Rs.
Interest on Income tax refund	35,445	-
Total	35,445	-

17 Project Expenses

Particulars	For the Year ended 31.03.13	For the Year ended 31.03.12
	Amount in Rs.	Amount in Rs.
Direct Cost of Construction	560,001	648,136
Construction Overheads		
- Salaries, Wages and Bonus	297,806	291,505
- Staff Welfare and Other Amenities	(17,132)	41,944
- Gratuity	9,339	8,819
- Other Overheads	11,581,325	5,237,388
Interest on car loan	16,846	22,887
Depreciation	149,036	200,545
Total	12,597,221	6,451,224

18 Changes in Inventories of Project Work-in-progress

Particulars	For the Year ended 31.03.13	For the Year ended 31.03.12
	Amount in Rs.	Amount in Rs.
Balance as of commencement of the year		
- Project work in progress	1,084,499,868	1,078,048,644
Less:		
Balance as of end of the year		
- Project work in progress	1,097,097,089	1,084,499,868
Total	(12,597,221)	(6,451,224)

19 Other Expenses

Particulars	For the Year ended 31.03.13	For the Year ended 31.03.12
	Amount in Rs.	Amount in Rs.
Rent	4,657,182	4,631,893
Communication Expenses	-	3,291
Electricity Expenses	-	390,176
Water Charges	19,750	18,420
Remuneration to Auditors'		
- Audit Fees	56,180	56,180
- Other Services	20,225	19,854
- Out of Pocket Expenses	1,570	3,921
Interest receivable written off	-	2,945,205
Miscellaneous Expenses	543,782	41,993
Total	5,298,689	8,110,933



ESTEEM PROPERTIES PRIVATE LIMITED
Notes forming part of the financial statements

20 The Company is a subsidiary of D B Realty Limited, a "public company" and consequently, it is also a public company. However, it continues to use the word "Private Limited" as permitted by law.

21 Status of the Project

21.1 The Company had acquired under Agreement, a plot of land situated at Sahar, Andheri (East), Mumbai from Gonsalves Family and Ors, the ownership whereof was vested with them consequent to the Order passed by the Revenue Minister of the Government of Maharashtra (Revenue Minister) in the year 1995. The said Order was subsequently reversed by the Revenue Minister in the year 1998, holding that the said plot of land belongs to the Government and not Gonsalves Family and Ors (Reversed Order). The Company has challenged the said Reversed Order before the Hon. High Court of Bombay, which is pending as of now. However, in the year 2007, the Revenue Minister cancelled the Reversed Order and restored the Order passed in the year 1995, consequent to which the Company obtained ownership thereof.

21.2 In this background, a Public Interest Litigation (PIL) was filed before the Bombay High Court and their Lordships in Order dated 1st May, 2010 have restored the Revenue Minister's Order passed in 1998 whereby the ownership of the said plot of land is held to be that of the State Government but subject to the outcome of the petition before the Hon. High Court of Bombay. In the PIL, the Order of 1995 was not challenged. Further, the Company has challenged the judgment of the Bombay High Court in PIL by way of 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.

21.3 The Company 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, 2013 is Rs. 1,09,70,97,089/- (Previous year Rs1,08,44,99,868/-)

22 The accumulated losses have exceeded the Company's net worth. However, these accounts have been prepared by adopting the principle of going concern in view of management's expectation of developing the land.

23 The Company has mortgaged its land at Sahar, Andheri for securing the term loan from LIC Housing Finance Limited to its holding company. The outstanding balance as of the year end is Rs. 30,62,29,178/- (Previous Year Rs. 30,62,29,178/-)

24 Contingent Liabilities not provided for

(Amount in Rupees)

Particulars	Year ended 31.03.13 Rs.	Year ended 31.03.12 Rs.
The Company, as per terms of Consent Terms entered into with Air Inn Private Limited, is liable to re-imburse 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
The Company has given Corporate Guarantee in respect of loan taken by Holding Company of Rs. 200,00,00,000/-. Closing balance as of year-end is	306,229,178	306,229,178



ESTEEM PROPERTIES PRIVATE LIMITED**Notes forming part of the financial statements**

25 In the year ended 31.03.2010, the Company had made a claim of Rs. 17,99,52,658/- as Project Expenses, which represented recovery of the loss incurred on sale of equity shares of Air Inn Private Limited by the holding company. The said claim is not accepted by the Income tax Department against which the Company has preferred an appeal. The Department has initiated penalty proceedings against such claim, which is subjudice as of now and the minimum amount involved is Rs. 5,40,00,000/-.

26 **Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**

Particulars	Current Year Rs.	Previous Year Rs.
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	-	-
Interest accrued on the due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (Other than interest) beyond the appointed date, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to Suppliers under MSMED Act for payments already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

Note: The above information is compiled by the Company on the basis of the information made available by vendors and the same has been *relied upon by the Statutory Auditors.*

27 **Segment Reporting**

Keeping in view the object of the Company as that of developing and constructing the Project, it has only one reportable segment and hence separate disclosure requirements of AS-17 Segment Reporting are not applicable.

28 **Related Party Disclosures**

List of Related Parties where control exists and related parties with whom transactions have taken place and relationships

Name of the Related Party
Holding Company: D B Realty Limited
Jointly Controlled Enterprise of Holding Company (Jointly Controlled Enterprise): M/s. Dynamix Realty
Enterprises over which Director(s) exercises Significant Influence: (Associated Enterprises): K. G. Enterprise Conwood Construction & Developers Private Limited

Transactions during the year

Description of Transactions	Holding Company	Associated Enterprises	Jointly Controlled Enterprise
Loans Taken			
Opening Balance	1,106,284,130	-	-
	(1,338,441,745)	(-)	(-)
Taken / Transfer during the year	14,500,000	-	-
	(21,022,385)	(-)	(-)
Repaid during the year	-	-	-
	(253,200,000)	(-)	(-)
Closing Balance	1,120,784,130	-	-
	(1,106,284,130)	(-)	(-)



ESTEEM PROPERTIES PRIVATE LIMITED
Notes forming part of the financial statements

Reimbursement of Expenditure incurred on behalf of the Company:			
Opening Balance	(4,886,200)	(-)	(-)
Transaction during the year	(208,957)	(-)	(-)
Repayment/Transfer during the year	(5,095,157)		
Closing Balance as of year end	(-)	(-)	(-)
Aircraft Hire Charges			
Opening Balance	(8,650,000)	(-)	(-)
Transaction during the year	(-)	(-)	(-)
Repayment/Transfer during the year	(8,650,000)	(-)	(-)
Closing Balance as of year end	(-)	(-)	(-)
Statutory obligation paid on behalf of company			
Opening Balance	(-)	(-)	(3,000)
Paid during the year	(-)	(-)	2,746,975
Repaid during the year	(-)	(-)	(583,785)
Closing Balance	(-)	(-)	2,743,666
	(-)	(-)	(586,785)
	(-)	(-)	309
	(-)	(-)	(3,000)
Charges for use of premises by the Company			
Opening Balance	(-)	(204,828)	(-)
Transaction during the year	(-)	3,868,932	(-)
Repayment during the year	(-)	(4,936,682)	(-)
Closing Balance as of year end	(-)	2,377,917	(-)
	(-)	(5,141,510)	(-)
	(-)	1,491,015	(-)
	(-)	(-)	(-)

Notes:

- Previous year figures are denoted in brackets.
 - The aforesaid related parties are as identified by the Company and relied upon by the Statutory Auditors.
29. As per Accounting Standard-15 "Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard is given below:

Defined Benefit Plan

The present value of obligation is determined based on an actuarial valuation done by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I Reconciliation of opening and closing balances of Defined Benefit obligation.

Particulars	Gratuity Unfunded (Amount in Rupees)	
	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Defined Benefit obligation at the beginning of the year	24,799	15,980
Current Service Cost	9,339	9,339
Interest Cost	2,108	1,278
Actuarial (gain)/loss	(2,108)	(1,798)
Defined Benefit obligation at the end of the year	34,138	24,799



ESTEEM PROPERTIES PRIVATE LIMITED
Notes forming part of the financial statements

II Expense recognized in the Profit & Loss Account

Gratuity Unfunded
(Amount in Rupees)

Particulars	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Current Service Cost	9,339	9,339
Interest Cost	2,108	1,278
Actuarial (gain)/loss	(2,108)	(1,798)
Net Cost	9,339	8,819

III Actuarial Assumptions

Gratuity Unfunded
(Amount in Rupees)

Particulars	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Discount Rate	7.70%	8.50%
Rate of Escalation in Salary	15.00%	15.00%

Notes:

- 1 The obligation for Gratuity is unfunded and therefore, the following disclosures are not given:
 - a Reconciliation of Opening and Closing Balances of fair value of plan assets.
 - b Details of Investments.
- 2 The obligation of Leave Encashment is provided for on an actuarial valuation done by an independent valuer and the same is unfunded. The amount credited in the Statement of Profit and Loss for the year is Rs.14,838 /- (Previous Year Rs. Debit: 11,233).

30 Operating Lease:

(Amount in Rupees)

Particulars	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Lease payments recognized in the profit and loss account	4,657,182	4,631,893
Future Lease Payments		
a. Not later than one year.	4,606,320	85,620
b. Later than one year but not later than five years.	15,247,504	46,245
c. Later than five years.	-	-
Total of Future Lease Payments	19,853,824	131,865

Note:

There are no exceptional/restrictive covenants in the lease agreement

31 Earnings Per Share:

The Loss considered in ascertaining the Company's Earnings Per Share comprises net loss after tax.

The number of shares used in computing basic and diluted Earnings Per Share is the weighted average number of shares outstanding during the year.

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Net Profit/(Loss) after tax as per Profit & Loss Account	(5,390,824)	(8,144,051)
Weighted Average number of Shares outstanding during the year	10,000	10,000
Basic Earnings Per Share	(539.08)	(814.41)
Face Value Per Equity Share	100	100

- 32 As regards deferred tax, the Company will account for deferred tax when there is a reasonable/ virtual certainty for recognition thereof, in accordance with Accounting Standard 22 dealing with "Accounting for taxes on income".



ESTEEM PROPERTIES PRIVATE LIMITED
Notes forming part of the financial statements

33 Previous Year figures:

Previous year's figures have been rearranged and reclassified, wherever necessary, to conform with current year's presentation.

Signature to Schedule 1 to 33

In terms of our report of even date attached.

For M.A. PARIKH & CO.
Chartered Accountants



Partner
Name : Dhawal Selwadia
Membership No. : 100023

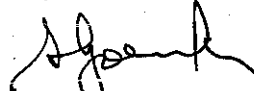
Place: Mumbai

Date :

6 MAY 2013



For and on Behalf of Board of Directors



Sunita Goenka
Director



Shrim Salwa
Director

Place: Mumbai

Date :

6 MAY 2013