

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the members of the Company will be held on Saturday, the 27th September, 2014 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:

- 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 and the Reports of the Board of Directors and Auditors thereon;
- 2. To appoint Director in place of Mr. Salim Balwa, 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 139 of the Companies Act 2013, 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."

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED THAT Mr. Rajiv Agarwal, who was appointed as an Additional Director of the Company on 2nd December, 2013, pursuant to the provisions of Section 260 of the Companies Act, 1956 (Corresponding to Section 161(1) of the Companies Act, 2013) and in accordance with the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company whose period office shall be liable to determination by retirement of directors by rotation"

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

Sd/-Director

Place: Mumbai Date: 20.05.2014

Registered Office:

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



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.
- 3. The relative Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013, in respect of the Special Resolution set out above is annexed hereto.

Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013:

Item No. 4

Mr. Rajiv Agarwal was appointed as an Additional Director of the Company on 2nd December, 2013 pursuant to the provisions of Section 260 of the Companies Act, 1956 (Corresponding to Section 161(1) of the Companies Act, 2013) and in accordance with the Articles of Association of the Company. Pursuant to the provisions of the said section, his term expires at the ensuing Annual General Meeting of the Company. Mr. Rajiv Agarwal, being eligible, has offered himself for re-appointment as a Director at the ensuing Annual General Meeting. Your Board recommends his appointment as Director of the Company.

The resolution vide item no. 4 is therefore proposed for approval of the members.

None of the directors and/or key managerial persons except Mr. Rajiv Agarwal and/or their relatives are, in any way, interested or concerned, financial or otherwise in the proposed resolution.

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

Sd/-Director

Place: Mumbai Date: 20.05.2014

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, 2014:

FINANCIAL RESULTS AND BUSINESS INITIATIVES:

Particulars	For the Year Ended 31.03.2014	For the year Ended 31.03.2013
Total Income	8,427	35,445
Total Expenses	2,11,943	52,98,689
Loss before Tax	(2,03,516)	(52,63,244)
Tax Expenses (Prior year tax adjustment)	-	1,27,580
Loss for the Tax	(2,03,516)	(53,90,824)

The Company had acquired under Agreement, a plot of land situated at Sahar, Andheri (E), Mumbai. With regard to the said property, the Company has challenged the judgment of the Bombay High Court in PIL by way of Special Leave Petition before the Hon. Supreme Court of India, which is pending and a status quo order has been passed by the Supreme Court of India. The Company has been legally advised that the outcome of ongoing litigations could be in its favour and accordingly, your Directors are confident that the said land may be available to the Company for development. Further, the Company is in physical possession of the land.

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, 2014, 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, 2014 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 is continuing as Directors of the Company.

Mr. Salim Balwa, Director retires by rotation and being eligible, offers himself for re-appointment subject to approval of Members in the ensuing Annual General Meeting. The Board recommends his re-appointment as Director of the Company.

During the Year under review, Mr. Rajiv Agarwal was appointed as Additional Director by the Board w.e.f. 02.12.2013 in place of Ms. Sunita Goenka. Since his terms as an Additional Director expires at the ensuing Annual General Meeting and he being eligible and has offered himself for re-appointment as a Director at the ensuing Annual General Meeting. Your Board recommends his 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.

AUDIT REPORT AND OUR COMMENTS:

The observations in Statutory Auditors Report are self explanatory and do not require any further clarifications. However, as a matter of better disclosure, with regard to auditors' observation as stated in para no. 4 in the Annexure to the Auditors' Report about about accumulated losses at the end of the financial year which exceed fifty percent of its net worth and company incurred cash losses in the current and immediately preceding financial year, your directors have to state that in future the Company will be able to recover the accumulated losses once the project of the Company will be made available for development and the Company starts recognizing revenue thereafter.

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

Sd/-

Sd/-

Director

Director

Place: Mumbai Date: 20.05.2013

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 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 the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th Companies Act, 2013 of the ministry of Corporate Affairs in respect of Section 133 of the 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

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
- (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. 20 of the financial statements for the Status of the Project which inter-alia explains the circumstances under which the Project Work-in-Progress has been valued at cost as well as the basis on which going concern principle has been applied. Our opinion is not qualified in this matter.

Report on Other Legal and Regulatory Requirements

- 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:
 - 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;
 - 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;
 - 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 Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013 of the ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2014, 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)

C.8102-

Partner Name: Chintan Ghelani Membership No. 132791 PARIKH & CONTROL OF THE PARIKH

Mumbai, Date: 2 0 MAY 2014

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

1. Having regard to the nature of business, transactions, results and facts of the Company, clause (ii),(iii), (iv), (v), (vi), (vii), (viii), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of the Order are not applicable. Our observations on remaining clauses of the Order are as under.

2. 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 yearend. 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.

Statutory Dues

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, 2014 for a period of more than six months from the date they became payable.

- 4. 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.
- 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.
- 6. 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)

C.9/102

Partner_

Name: Chintan Ghelani Membership No. 132791

Mumbai, Date: 20 MAY 2014



ESTEEM PROPERTIES PRIVATE LIMITED **BALANCE SHEET AS AT 31ST MARCH, 2014**

(Amount in Rs.)

Salim Balwa

Director

		Particulars		Note No.	As at 31st March,	As at 31st March,
			******		2014	2013
I	EQUITY A	ND LIABILITITES		:		
1	Sharehold	lers Fund				
	(a)	Share Capital		3	1,000,000	1,000,000
	(b)	Reserve & Surplus		4	(43,967,723)	(43,764,207)
2	Non-curr	ent liabilities				
	(a)	Long-term borrowings		5	-	67,915
	(b)	Long-term provisions		6	43,477	34,138
3	Current li	abilities				
	(a)	Short-term borrowings		7	1,139,970,130	1,135,792,557
	(b)	Trade payables		8	3,384,580	4,046,249
	(c)	Other current liabilities		9	1,432,451	595,945
	(d)	Short-term provisions		10	6,205	16,996
			TOTAL		1,101,869,120	1,097,789,594
II	ASSETS					
1	Non-curre					
	Tangible a			11	370,651	482,115
2	Current a	ssets				
	(a)	Inventories		12	1 ,1 01,279,840	1,097,097,089
	(b)	Cash and Cash Equivalents		13	87,882	24,600
	(c)	Short-term loans and advances		14	130,747	185,790
			TOTAL		1,101,869,120	1,097,789,594

See accompanying notes forming part of the financial statements

In terms of our report of even date attached

MUMBAI

For.M.A PARIKH & CO. **Chartered Accountants**

PARTNER

Name : Chintan Ghelavi

Membership No.: 132791/10 A

1 to 32

For and Behalf of Board of Directors

Director

Place : Mumbai

Date: 20th May, 2014

Place: Mumbai

Date: 20th May,2014

ESTEEM PROPERTIES PRIVATE LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Particulars	Note No.	For the year Ended 31st March, 2014	(Amount in Rs.) For the year Ended 31st March, 2013
1	Other Income	15	8,427	35,445
2	Total Revenue		8,427	35,445
3	Expenses: Project Expenses Changes in inventories of Project Work-in-progress Other expenses Total expenses	16 17 18	4,182,751 (4,182,751) 211,943 211,943	12,597,221 (12,597,221) 5,298,689 5,298,689
4	Loss before tax		(203,516)	(5,263,244)
5	Tax expense: Prior year tax adjustment		-	127,580
6	Loss for the year		(203,516)	(5,390,824)
7	Earnings per equity share: - Basic		(20)	(539)

See accompanying notes forming part of the financial statements

MUMBAI

1 to 32

In terms of our report of even date attached

For.M.A PARIKH & CO. Chartered Accountants

C. Short

PARTNER

Name: Chintan Ghelani

Membership No.: 132791

Place : Mumbai

Date: 20th May, 2014

For and Behalf of Board of Directors

Rajiv Agarwa

Director

Salim Balwa Director

Place: Mumbai

Date: 20th May,2014

ESTEEM PROPERTIES PRIVATE LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars For the Year Ended 31.03.14 For the Year Ended 3 Rs. Rs. Rs. Rs. (203,516) Adjustments for: Depreciation Provision for Leave encashment Provision for Gratuity Operating Income before working capital changes For the Year Ended 3 Rs. Rs. Rs. (203,516) 111,463 149,036 (10,791) (14,838) - 100,672 9,339	Rs. (5,390,824) 143,537 (5,247,287)
(A) Cash Flow From Operating Activities: (Loss) before tax as per Statement of Profit and Loss Adjustments for: Depreciation Provision for Leave encashment Provision for Gratuity Operating Income before wealth as in the state of the state	(5,390,824) 143,537
(Loss) before tax as per Statement of Profit and Loss Adjustments for: Depreciation Provision for Leave encashment Provision for Gratuity	143,537
Adjustments for:	143,537
Depreciation	
Provision for Leave encashment 111,403 149,036	
Provision for Gratuity (14,838) - 100,672 9,339	
Operating Income before wealth 111	
Operating fricome before working capital changes (102,844)	(5,247,287)
Working Capital Changes:	
[Inventories (4,182,751)] (12,597,221)	
Loans and advances 55.043 308.534	
Other Current Assets	
Current Liabilities 106 922 (4 020 786) (515 629)	(9,169,795)
Net Cash Flow From Operating Activities (4.123.630)	14,417,082)
Less: Taxes paid	- 1,117,002
Net Cash from Operating Activities (4,123,630)	14,417,082)
(B) Cash Flow From Financing Activities:	
Borrowings 4,186,912 14,426,498	
Net Cash used in Financing Activities	(4.426.400
4,100,712	14,426,498
Net Increase in Cash and Cash Equivalents 63,282	0.416
Add: Cash and Cash Equivalents (Opening)	9,416
Cash and Cash Equivalents (Closing)	15,183 24,600
07,002	24,600
(C) Cash and Cash Equivalents includes:	
Cash on hand	24.000
Bank Balances 76,860	24,600
87,882	24,600

In terms of our report of even date attached

MUMBAI

For M.A. PARIKH & CO. Chartered Accountants

Partner

Name: Chintan Ghelani

Membership No.: 132791

Place: Mumbai

Date: 20th May,2014

For and on Behalf of Board of Directors

Salim Balwa

Director

Rajiv Agarwa

Director

Place: Mumbai

Date: 20th May, 2014

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 <u>Use of Estimates</u>

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.



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 incometax 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.

3 Share Capital

Particulars	As at 31st March	As at 31 March, 2013		
	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		İ		
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 There is no movement in number of equity shares during the year 31st March, 2014 as well as during the year ended 31st March, 2013.

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 31st March 2014	As at 31st March, 2013
Surplus as per Statement of Profit and Loss	Amount in Rs.	Amount in Rs.
Balance as at the beginning of the year Add: (Loss) for the year Balance as at the end of the year	(43,764,207) (203,516) (43,967,723)	(38,373,383) (5,390,824) (43,764,207)
Total	(43,967,723)	(43,764,207)

5 Long Term Borrowings

Amount in Rs.	Amount in Rs.
1	
-	67,915
	67,915
_	-

6 Long Term Provisions

Particulars	As at 31st March 2014	As at 31st March, 2013
Provision for employee benefit	Amount in Rs.	Amount in Rs.
Gratuity (Unfunded)	43,477	34,138
Total	43,477	34,138

7 Short Term Borrowings

Particulars	As at 31st March 2014 Amount in Rs.	As at 31st March, 2013 Amount in Rs.
(Unsecured) - Loan from Holding Company (Refer Note below) - Loan from other (Refer Note below)	1,124,970,130 15,000,000	1,120,784,130 15,008,427
Note: Interest free recoverble on demand	1,139,970,130	1,135,792,557



8 Trade Payable

Particulars	As at 31st March 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Sundry Creditors (Refer Note No.25)	3,384,580	4,046,249
Total	3,384,580	4,046,249

9 Other Current Liabilities

Particulars	As at 31st March 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
(a) Employees' Benefits payable	123,400	35,895
(b) Statutory dues payable	1,040,924	82,675
(c) Liability for Expense	200.212	403,873
Liability for Expense Current Maturities of long tem debt.	67,915	73,502
	1,432,451	595.945

10 Short Term Provisions

	Particulars	As at 31st March 2014	As at 31st March, 2013
Provision for employee benefit		 Amount in Rs.	Amount in Rs.
Leave Encashment		6,205	16,996
	Total	 6,205	16,996



Notes forming part of the financial statements ESTEEM PROPERTIES PRIVATE LIMITED

(Amount in Rupees)	As at 3	335.636	16,068	130,411	,	482,115
	As at 31st M 2014 Rs.	248,740	9,641	112,271	,	370,651 482,115
Acat 21 cm.	2014 Rs.	612,528	87,359	200,690	8,438	797,552
Depreciation For the Year	Rs.	86,896	6,427	18,140	111,463	149,036
As at 1st April	2013 Rs.	525,632	182 550	8,438	797,552	048,516
As at 31st Mach 2014	RS.	97,100	312,961	8,438	1,279,667	
Gross Block Additions	RS.	1	,	1		sə
As at 1st April 2013	861,268	92,000	312,961	8,438	1,279,667	ed to project expens
Particulars	Motor Cars	Computers	Furniture & Etc.	Total	Previous Year	Note: Depreciation is allocated to project expenses



11 Fixed Assets:

12 <u>Inventories</u>

Particulars	As at 31st March 2014	As at 31st March, 2013
Project Work-in-Progress (Valued at cost) (Refer Note No.20)	Amount in Rs. 1,101,279,840	Amount in Rs. 1,097,097,089
Total	1,101,279,840	1,097,097,089

13 Cash & Cash Equivalents

Particulars	As at 31st March 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Cash on hand Bank balance in current account	11,022 76,860	24,600
Total	87,882	24,600

14 Short-Term loans and advances

Particulars	As at 31st March 2014	As at 31st March, 2013
(Unsecured, considered good)	Amount in Rs.	Amount in Rs.
Loans Prepaid Expenses Other Advances	50,967 906	50,967 134,514
outer novances	78,874	309
Total	130,747	185,790

15 Other Income

Particulars	As at 31st March	
Interest on Income tax Refund		<u>ns.</u> 35,445
Sundry Credit Written back.	8,427	-
Total	8,427	5,445

16 Project Expenses

Particulars	For the Year Ended31st March 2014	For the Year Ended31st March 2013
Construction Overheads	Amount in Rs.	Amount in Rs.
- Salaries, Wages and Bonus	340.108	297.806
- Contribution to Provident Fund - Staff Welfare and Other Amenities	49,667	-
- Stall Wellare and Other Amenities - Gratuity	56,189	(17,132)
- Other Overheads	9,339	9,339
	3,605,787	12,141,326
Interest on car loan	10,198	16,846
Depreciation	111,463	149,036
Total	4,182,751	12,597,221

17 Changes in Inventories of Project Work-in-progress

Particulars	For the Year Ended31st March 2014 Amount in Rs.	For the Year Ended31st March 2013 Amount in Rs.
Balance as of commencement of the year : - Project work in progress Less:	1,097,097,089	1,084,499,868
Balance as of end of the year: - Project work in progress	1,101,279,840	1,097,097,089
Total	(4,182,751)	(12,597,221)

18 Other Expense

Particulars	For the Year Ended31st March 2014 Amount in Rs.	For the Year Ended31st March 2013 Amount in Rs.
Rent		4,657,182
Water Charges	8,397	19.750
Remuneration to Auditors'	0,397	19,730
- Audit Fees	56.180	56,180
- Other Services	21,350	20,225
- Out of Pocket Expenses	2.000	1,570
Taxation Matters	52.500	1,570
Miscellaneous Expenses	71,516	543,782
Total	211,943	5,298,689



- 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.
- 20 Status of the Project
- The Company had acquired under Agreement, a plot of land situated at Sahar, Andheri (East), Mumbai from 20.1 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
- 20.2 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.
- 20.3 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, 2014 is Rs. 1,100,25,204/- (Previous year Rs. 109,70,97,089/-)
- 20.4 In view of above, though the accumulated losses have exceeded the Company's net worth, these accounts have been prepared on a going concern basis as the Management expects that the land would be available for development.
- The Company has mortgaged its land at Sahar, Adhere for securing the term loan granted by LIC Housing Finance Limited to its holding company. The outstanding balance as of the year end is Rs. 30,63,03,767/- (Previous Year Rs.306,229,178 /-). Further the Company has granted corporate guarantee for the said land. The Management of the Company, having regard o the state of affairs of the holding company and other relevant factors does not expect any
- Contingent Liabilities not provided for

The Court	Particulars The Company, as per terms of Consent Terms entered into with Air I Private Limited, is liable to re-imburse the liability that may devolve upon account of suit pending against it in the Hon'ble High Court of Judicatu of Bombay.	As at 31st March As at 31st March 2014 2013
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- The Company's claim for admissibility of recovery of loss incurred on sale of equity shares of Air Inn Private Limited by the holding company amounting to Rs. 17,99,62,658/- on the principle of commercial expediency under the tax laws has not been accepted. The matter is sub-judice before the first appellate authority. Penalty proceedings are initiated against such claim which are also sub-judiced now, pending outcome of the appeal. The minimum amount
- The new property tax structure has been challenged before the Hon' Bombay High Court. The Court pending disposal of the petition, has directed to pay 50% of the differential amount, which also applies to the Company, though not a party to the petition. The Company is contesting the differential amount of property tax before the appropriate authority. Accordingly, the Company has neither provided for nor paid such differential property tax of



<u>ESTEEM PROPERTIES PRIVATE LIMITED</u>

Notes forming part of the financial statements

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.

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.

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	1,120,784,130		
	(1,106,284,130)	(-)	(-):
Taken during the year	4,386,000	-	
D. M. C. C.	(14,500,000)	(-)	(-)
Repaid during the year	200,000	-	-
	(-)	(-)	(-)
Closing Balance	1,124,970,130	_	_
	(1,120,784,130)	(-)	(-)

Statutory obligation paid on behalf of company			
Opening Balance	-		309
	(-)	(-)	(-)
Paid during the year	-	-	38,857
Repaid during the year	(-)	(-)	(2,746,975)
repaid during the year	-	-	38,187
Closing Balance	(·)	(-)	(2,743,666)
Crosing Balance	-	-	979
Charges for use of premises by the Company	(-)	(-)	(-)
Opening Balance	-	1,491,015	
	(-)	2,112,020	(-)
Transaction during the year	-	366,036	-
_	(-)	(3,868,932)	(-)
lepayment during the year	-	856,180	-
	(-)	(2,377,917)	(-)
Closing Balance as of year end	-	1,000,871	-
	(-)	(-)	(-)



Notes:

- 1 Previous year figures are denoted in brackets.
- 2 The aforesaid related parties are as identified by the Company and relied upon by the Statutory Auditors.
- 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.

Gratuity Unfunded

	·	Amount in Rupees)
Particulars	For the Year	For the Year
	ended 31st	ended 31st
	March, 2014	March, 2013
Defined Benefit obligation at the beginning of the year	34,138	24,799
Current Service Cost	9,339	9,339
Interest Cost	2,629	2,108
Actuarial (gain)/loss	(2,629)	(2,108)
Defined Benefit obligation at the end of the year	43,477	34,138

ll Expense recognized in the Profit & Loss Account.

Gratuity Unfunded

		Amount in Rupees)
Particulars	For the Year	For the Year
	ended 31st	ended 31st
	March, 2014	March, 2013
Current Service Cost	9,339	9,339
Interest Cost	2,629	2,108
Actuarial (gain)/loss	(2,629)	(2,108)
Net Cost	9,339	9,339

III Actuarial Assumptions

Gratuity Unfunded

		(Amount in Rupees)
	For the Yea	r For the Year
Particulars	ended 31st	ended 31st
	March, 2014	4 March, 2013
Discount Rate	8.4	7.70%
Rate of Escalation in Salary	10.0	00% 15.00%

Notes:

- 1 The obligation for Gratuity is unfunded and therefore, the following disclosures are not given:
- Reconciliation of Opening and Closing Balances of fair value of plan assets.
- b Details of Investments.
- 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. 13,623/- (Previous Year Rs. 14,838/-)



29 Operating Lease:

Particulars	For the Year ended 31st March, 2014	Amount in Rupees For the Year ended 31st March, 2013
Loggo norman harris		
Lease payments recognized in Statement of Profit and Loss		4,657,182
Future Lease Payments		1,001,702
a. Not later than one year.		4.606.000
b. Later than one year but not later than five years.		4,606,320
c. Later than five year but not later than live years.		15,247,504
c. Later than five years.	-	
Total of Future Lease Payments		10.053.034
Note:		19,853,824

During the year, the Company has terminated the lease agreement and accordingly no lease rent has been paid.

30 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 31.03.2014	Year Ended 31.03.2013
Net (Loss) after tax as per statement of Profit & Loss	(203,516)	(5,390,824)
Weighted Average number of Shares outstanding during the year	10,000	10,000
Basic Earnings Per Share	(20.35)	(539.08)
Face Value Per Equity Share	100	100

31 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".

32 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 32 In terms of our report of even date attached.

MUMBAI

For M.A. PARIKH & CO. Chartered Accountants

Partner

Name: Chintan Ghelan Membership No. : 13279

Place: Mumbai

Date: 20th May, 2014

For and on Behalf of Board of Directors

Salim Balwa

Rajiv Aga

Director

Place: Mumbai

Date: 20th May, 2014