

REAL GEM BUILDTECH PRIVATE LIMITED

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2014

MEHTA CHOKSHI & SHAH

Chartered Accountants

Maker Bhavan, 214, 2nd Floor,

New Marine Lines, Mumbai 400 020

Tel. No. : 2205 7309 * 2208 8743 * 66334067

Fax : 2205 5432 * Email : chetanshah@camcs.in

Suburb Off.- A-101, "Aadeshwar", S.V.P.Road, (Mandpeshwar Road), Borivali (West), Mumbai-400092

NOTICE

NOTICE is hereby given that the 5th Annual General Meeting of the members of the Company will be held on Saturday, the 27th September, 2014 at 11.15 a.m. at the Registered Office of the Company at DB House, Gen A.K. Vaidya Marg, Goregoan (E), 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, 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. Nabil Patel, who retires by rotation and being eligible offers himself for re-appointment.
3. To 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 pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai (Reg No. 106201W), be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 10th Annual General Meeting to be held in 2020 (subject to ratification of reappointment by the members at every AGM held after this AGM) of the Company, at such remuneration plus service tax, out-of-pocket, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

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. Jayvardhan Goenka, 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 Real Gem Buildtech Private Limited**

Sd/-
Director

Place: Mumbai
Date: 12.06.2014

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.

REAL GEM BUILDTECH PRIVATE LIMITED

Regd. Office : DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063. • Tel.: 91-22-4077 8600 • Fax: 91-22-2841 5550 / 2842 1667

E-mail: info@dbg.co.in • Website: www.dbrealty.co.in

CIN : U45202MH2009PTC193816



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

Item No. 4

Mr. Jayvardhan Goenka 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. Jayvardhan Goenka, 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 (except Mr. Jayvardhan Goenka) and/or key managerial persons and/or its relatives (if any) of the Company are, in any way, interested or concerned, financial or otherwise in the proposed resolution.

**By order of the Board of Directors,
For Real Gem Buildtech Private Limited**

Sd/-
Director

Place: Mumbai
Date: 12.06.2014

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



DIRECTOR'S REPORT

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:

(Amount in Rs)

Particulars	For the Year Ended 31-03-2014	For the Period Ended 31-03-2013
Total Income	17,48,129	6,58,328
Total Expenditure	8,90,08,846	13,04,38,185
(Loss) before Tax	(8,72,60,717)	(12,97,79,857)
Current tax	-	-
Deferred tax	11,67,76,744	-
Profit/(Loss) after Tax	2,95,16,026	(12,97,79,857)
Prior Period Expenses	-	-
Profit/(Loss) after prior period adjustment carried to Balance Sheet	2,95,16,026	(12,97,79,857)

STATUS OF PROJECTS

The Company is engaged in the business of real estate and construction and the Company is presently developing a residential project "DB Crown" at Prabhadevi and the Company is a wholly owned subsidiary of D B Realty Ltd. The Company is in process of obtaining all pending approvals from statutory authority with regard to this Project and the project will commence in full scale thereafter. The Company follows Percentage Completion method for recognizing the revenue. However, since the threshold limit under the Percentage Completion method is not achieved so far, the Company has not recognised revenue from operations for the year ended 31.03.2014.

DIVIDEND:

During the year under review, the Company has earned profits only out of deferred tax adjustment and there is no operational profits and hence your Directors do not recommend any dividend for the year under review.

FIXED DEPOSITS:

Your Company has not accepted any deposits 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:

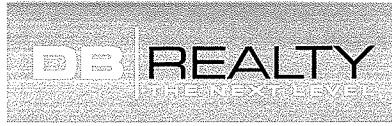
- (i) that in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently 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;

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- (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. Rajiv Agarwal, Mr. Salim Balwa, and Mr. Nabil Patel, are continuing as Directors of the Company.

Mr. Nabil Patel, 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. Jayvardhan Goenka 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.

Further, Mrs. Sakina Balwa was appointed as Additional Directors on the Board of the Company on 01.02.2014. Since her term as an Additional Director expires at the ensuing Annual General Meeting and she being eligible and has offered herself for re- appointment as a Director at the ensuing Annual General Meeting. Your Board recommends her appointment as Director of the Company.

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: 9(a) in the Annexure to the Auditors' Report about delay in payment of interest of Rs. 2,58,70,719/- due to HDFC Ltd. for the month of February, 2014 and March, 2014, your directors have to state that delay was temporary on account of liquidity problem and going forward, the Company will be able to regularly meet due obligations of the said Lender.

AUDITORS:

M/s. Mehta Chokshi & Shah., Chartered Accountants, Mumbai, (Reg. No. 106201W) the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming Annual General Meeting (AGM) and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. Mehta Chokshi & Shah, Chartered Accountants, as the Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 10th AGM of the Company to be held in the year 2019, subject to ratification of their appointment at every AGM.

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.

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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, 1988 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.

**By order of the Board of Directors,
For Real Gem Buildtech Private Limited**

Sd/-
Director

Sd/-
Director

Place : Mumbai
Date : 03.05.2014

Mehta Chokshi & Shah

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of REAL GEM BUILDTECH PRIVATE LIMITED

1. Report on the Financial Statements

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

2. Management's Responsibility for the Financial Statements

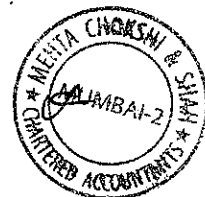
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. 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.

3. Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



4. Opinion

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

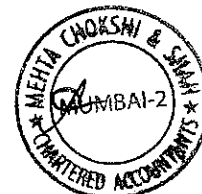
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.


5. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii. 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 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Mehta Chokshi & Shah
Chartered Accountants

Firm Registration Number: 106201W




(Abhay R. Mehta)
Partner
M.No: 46088

Place: Mumbai

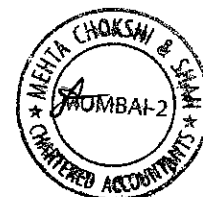
Date: 3rd May, 2014

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 5 (i) of our report of even date)

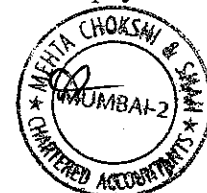
1. Fixed Assets
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed Assets have been physically verified by the management as of the year-end. In our opinion, this periodicity of physical verification is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

2. Inventories
 - (a) The Company is in the business of real estate development and up to the year-end the company has incurred certain expenditure towards the project under development. As explained to us, site visit was carried out during the year by the management at reasonable intervals. In our opinion frequency of verification reasonable.
 - (b) In our opinion and according to information and explanation given to us, keeping in view the nature of inventory, the procedures of physical verification by way of site visits by the management are reasonable and adequate in relation to size of the company and nature of its business.
 - (c) On the basis of information and explanation provided to us and based on our audit procedure, the inventory records have been kept properly. As explained to us, no material discrepancies were noticed on physical verification of inventory/project site by the management.

3. In respect of the loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and hence clause 4(iii)(a) to 4(iii)(d) of the order are not applicable.
 - (e) The Company had taken interest free unsecured loan, repayable on demand, from its Holding Company. The maximum balance outstanding at any time during the year is Rs.5,24,04,133 /- and the said loan has been repaid during the year.
 - (f) In our opinion and according to the information and explanations given to us, the terms on which the loans have been taken are prima facie not prejudicial to the interest of the Company.



- (g) We are informed that the amounts of loans were repaid by the Company as and when demanded and hence, the question of default in repayment thereof does not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and inventory and for the sale of flats. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said areas.
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 contracts or arrangements 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) Where the transactions are in excess of rupees five lakhs, they have been made at prices which are prima facie reasonable having regard to the prevailing market prices 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, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. A firm of Chartered Accountants has been appointed by the management to carry out internal audit. In our opinion, the function is commensurate with the size of the Company and the nature of its business.
8. The company does not qualify the prescribed criteria as specified in Companies (Cost Accountant Records) Rules, 2011, and therefore is not required to maintain the cost records as prescribed by the section 209(1)(d) of the Act.
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 undisputed statutory dues including Provident Fund, Income Tax and Other applicable Statutory Dues with the appropriate authorities except few cases of delay in payment of Provident Fund, Service Tax and ESIC. According to the information and explanations given to us, no undisputed amounts payable in respect of



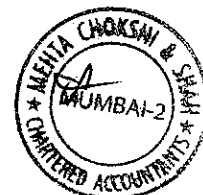
the said applicable statutory dues were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the Company does not have any disputed statutory dues outstanding as at year end.

10. The Company has been incorporated for the period less than five years and hence the clause 4(x) of the order is not applicable.
11. Based on our audit procedures and as per the information and explanations given by the management, the Company has delayed in payment of interest due to bank during the year to the extent as follows:

Name of Bank	Default Interest Amount	Period of delays
HDFC Bank (Term Loan)	2,58,70,719/-	February, 2014 and March 2014

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. According to the information and explanations given to us and records produced before us, the terms loans have been applied towards reimbursement of project expenses as stipulated by the financial institution.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, no funds have been raised on short term basis and hence, the question of utilizing the same does not arise.



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 Mehta Chokshi & Shah
Chartered Accountants**

Firm Registration Number: 106201W



(Abhay R. Mehta)

Partner

M.No: 46088

Place: Mumbai

Date: 3rd May, 2014



Real Gem Buildtech Private Limited

Balance Sheet as at 31st March 2014

Particulars	Note No.	(Amount in Rs.)	
		As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	135,100,000	135,100,000
Reserves and Surplus	4	(264,570,325)	(294,086,351)
Non-current liabilities			
Long-term Borrowings	5	2,200,193,677	1,734,476,998
Long-term Provisions	6	5,241,984	11,376,032
Current liabilities			
Trade Payables	7	53,248,020	77,704,654
Other Current Liabilities	8	5,612,249,408	5,013,963,545
Short-term Provisions	9	1,548,365	844,472
TOTAL		7,743,011,129	6,679,379,350
ASSETS			
Non-current assets			
Fixed Assets			
Tangible Assets			
Tangible Assets	10	117,243,288	133,647,502
Non-current Investments	11	699,600,000	699,600,000
Long-term Loans and Advances	12	702,928,200	702,928,200
Deferred Tax Assets (Net of Liability)		116,776,744	-
Current assets			
Current Investment	13	9,967,000	10,095,169
Inventories	14	2,356,697,259	1,963,730,371
Cash and Bank Balances			
A) Cash and Cash Equivalents	15	2,718,955	35,973,112
B) Other Bank Balances		1,997,765	1,848,553
Short-term Loans and Advances	16	3,735,058,479	3,131,535,111
Other Current Assets	17	23,441	21,332
TOTAL		7,743,011,129	6,679,379,350

Significant Accounting Policies and Notes on Financial Statements

1 to 44

As per our attached report of even date

For Mehta Chokshi & Shah

Chartered Accountants

Firm Registration No. 106201W

A. R. MEHTA
Partner

Membership No. : 46088



For and on Behalf of the Board

Rajiv Agarwal
Director

Salim Balwa
Director

Place : Mumbai

Date : 3rd May, 2014

Place : Mumbai

Date : 3rd May, 2014

Real Gem Buildtech Private Limited

Statement of Profit and Loss for the Year Ended 31st March, 2014

Particulars	Note No.	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Income :			
Revenue from operations		-	-
Other income	18	1,748,129	658,328
Total Income		1,748,129	658,328
Expenditure:			
Project Expenses	19	392,966,888	265,760,142
(Increase)/Decrease in Inventories	20	(392,966,888)	(265,760,142)
Employee Benefit Expenses	21	8,760,274	17,071,955
Depreciation and Amortization Expense	10	33,100,649	66,128,715
Finance costs	22	211,762	-
Administrative and Other Expenses	23	46,936,161	47,237,516
Total Expenditure		89,008,846	130,438,185
(Loss) Before Tax		(87,260,717)	(129,779,857)
Tax expense:			
Current tax		-	-
Deferred tax	37	116,776,744	-
Profit/ (Loss) after tax		29,516,026	(129,779,857)
Prior Period Expenses		-	-
Profit/ (Loss) after prior period adjustment carried to Balance Sheet		29,516,026	(129,779,857)
Earnings per equity share:			
Basic and Diluted		2,951.60	(12,977.99)

Significant Accounting Policies and Notes on Financial Statements

1 to 44

As per our attached report of even date

Chartered Accountants

Firm Registration No. 106201W

A. R. MEHTA

Partner

Membership No. : 46088



Place : Mumbai

Date : 3rd May, 2014

For and on Behalf of the Board

Rajiv Agarwal
Director

Salim Balwa
Director

Place : Mumbai

Date : 3rd May, 2014

Real Gem Buildtech Private Limited

Cash Flow Statement for the Year Ended 31st March, 2014

(Amount in Rs.)

Particulars	For the Year ended 31st March, 2014		For the Year ended 31st March, 2013	
Cash Flow From Operating Activities:				
Net Profit/(Loss) before taxation and extraordinary items		(87,260,717)		(129,779,857)
Adjustments for:				
Provision for Gratuity		(466,864)		560,713
Provision for Leave Encashment		(979,056)		1,504,389
Depreciation		33,458,783		66,618,429
Finance cost		211,762		-
Operating Income before working Capital changes		(55,036,091)		(61,096,326)
Adjustment for Working Capital Changes				
(Increase)/Decrease in Inventories		(392,966,888)		(265,760,142)
(Increase)/Decrease Non Current Loans and Advances		-		(1,790,700)
(Increase)/Decrease Current Loans and Advances		101,276,632		24,191,274
(Increase)/Decrease Other Current Assets		(2,109)		33
(Increase)/Decrease in Deposit under Lien		(149,212)		(143,368)
Increase/(Decrease) Long Term Provision		(5,667,184)		6,806,873
Increase/(Decrease) Other Non Current Liabilities		-		(7,290,274)
Increase/(Decrease) Current Liabilities		575,512,177		1,414,470,422
Cash used in operations		222,967,325		1,109,387,792
Direct Taxes Paid		-		-
Net Cash Flow From/(Used in) Operating Activities	A	222,967,325		1,109,387,792
Cash Flow From Investing Activities:				
Fixed Asset Purchased (Including Capital Work in Progress)		(17,054,569)		(24,321,123)
Loan Given		(704,800,000)		(2,581,950,000)
Investment in Shares		-		-
Investment in Mutual Fund		128,169		(10,095,169)
Net Cash Flow From/(used in) Investing Activities	B	(721,726,400)		(2,616,366,292)
Cash Flow From Financing Activities:				
Proceed from Secured Loan		465,504,917		1,734,476,998
Repayment of Unsecured Loan		-		(210,348,154)
Proceeds Of Issue Of Preference Shares Capital		-		-
Net Cash Generated from Financing Activities	C	465,504,917		1,524,128,844
Net Increase in Cash and Cash Equivalents		(33,254,157)		17,150,345
Add: Cash and cash Equivalents (Opening)		35,973,112		18,822,768
Cash and Cash Equivalents (Closing)		2,718,955		35,973,112
Reconciliation of cash and cash equivalent:				
Cash and bank balance (As per Note no.15)		4,716,720		37,821,665
Less: Fixed deposits under lien		1,997,765		1,848,553
Cash and Cash equivalents (Closing)		2,718,955		35,973,112

As per our attached report of even date

For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

A. R. MEHTA
Partner
Membership No. : 46088



Place : Mumbai
Date : 3rd May, 2014

For and on Behalf of the Board

Rajiv Agarwal
Director

Salim Balwa
Director

Place : Mumbai
Date : 3rd May, 2014

Real Gem Buildtech Private Limited

Notes Forming Part of Financial Statements

1 Company Background

The Company has entered into a Development Agreement with Bhishma Realty Limited (the owner of the land) to develop the property admeasuring 24,809 square meters of land at Prabhadevi, Dadar, Mumbai. In furtherance thereof the company has undertaken development of residential project in the name of "DB Crown".

The Company being a subsidiary of DB Realty Limited has become a "Public Company" with effect from 23rd September, 2009

2. 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 the mandatory Accounting Standards prescribed notified under 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.

2.2 Accounting policies not specifically referred to otherwise, are consistent with the generally accepted accounting principles in India.

2.3 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.

2.4 Fixed Assets:

Fixed Assets are recorded at their cost of acquisition, net of modvat/cenvat, less accumulated depreciation and impairment losses, if any.

2.5 Depreciation/Amortisation

a) Depreciation on fixed assets other than Sample Flat has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

b) During the year the management has re-evaluated the estimated useful life of the sample flat and has considered the same to be of six years which earlier was estimated to be for a period of three years. Accordingly, the company has decided to write off the sample flat over a period of six years and proportionate depreciation has been charged off accordingly.



2.6 Borrowing Cost:

Borrowing costs which have a direct nexus and are directly attributable to the project are charged to the project and other borrowing costs are expensed out as period cost as specified in Accounting Standard (AS 16) on "Borrowing Costs".

2.7 Taxes on Income:

- i. Provision for current tax, if any, is made based on the assessable income determined in accordance with the applicable provisions of the Income Tax Act, 1961.
- ii. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable/ virtual certainty that the asset will be realized in future.

2.8 Provisions:

A provision is recognized when an enterprise has a present obligation as a result of past event; 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. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.9 Operating Lease:

Asset acquired on lease where significant portions of the risks and rewards incidental to ownership are retained by the lessor is classified as operating lease. Lease rentals are charged to profit and loss account on accrual basis.

2.10 Contingent Liabilities:

Contingent liabilities are not provided for in this account, and if any the same is reflected in notes to account.

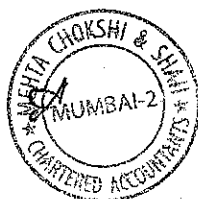
2.11 Employee Benefits:

a. Defined Contribution Plan:

The Company's Contribution paid/payable for the period to Defined Contribution retirement benefit plan is charged to Profit and Loss account or project work in progress, if it is directly related to project.

b. Defined Benefit Plan and other long term benefit:

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



c. Short term employee benefits:

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

2.12 Inventories:

Represents expenditure incurred on project undertaken by the company for development and construction of Residential complex. It is valued at lower of cost or net realizable value.

2.13 Revenue Recognition:

The Institute of Chartered Accountants of India has issued Guidance Note on recognition of revenue by Real Estate Developers on 11th February, 2012. To follow the Guidance Note the company has revised its policies on Revenue Recognition as follows. Revenue from construction and development of the Project shall be 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 at least 25% of the saleable project area is secured by contracts or agreements with buyers. Further, revenue shall be recognized out of the secured contracts / agreements only if 10% of the revenue as per the enforceable documents is realized and there is no uncertainty towards realization of balance amount.

2.14 Investments:

a) Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long-term (Non Current) investments are carried at cost, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

b) As regards investments in partnership firms, the Company's share of Profit / Loss from investment in partnership firms is accounted for in respect of the year ended as on the balance sheet date, on the basis of the audited accounts of such partnership firms in accordance with Para 9.3 of Guidance Note to Revised Schedule VI issued by ICAI.

c) As regards investments in LLPs, the Company's share of Profit / Loss from investment in LLPs is accounted for in respect of the year ended as on the balance sheet date, on the basis of the audited accounts of such LLPs in accordance with Para 9.4 of Guidance Note to Revised Schedule VI issued by ICAI.

2.15 Foreign Currency Transactions:

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction date. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the period is recognized as income or expense, as the case may be.

2.16 Cash Flow Statement:

Cash Flow are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



2.17 Cash and Cash Equivalents

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

2.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split. (Consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The period during which, number of dilutive potential equity shares change frequently, weighted average number of shares are computed based on a mean date in the quarter, as impact is immaterial on earning per share.

2.19 Impairment of Assets:

Pursuant to Accounting Standard (AS-28) Impairment of Assets, the Company assessed its fixed assets for impairment as at March 31, 2014 and concluded that there has been no significant impaired fixed asset that needs to be recognised in the books of account.



Notes Forming Part of Financial Statements

3 Share Capital

3.1 Details of Authorized, Issued, Subscribed and Paid up Share Capital

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorized				
Equity Shares of Rs.10/- each	500,000	5,000,000	500,000	5,000,000
0.1% Redeemable Cumulative Preference Shares (RCPS) of Rs.10/- each	13,500,000	135,000,000	13,500,000	135,000,000
Total	14,000,000	140,000,000	14,000,000	140,000,000
Issued				
Equity Shares of Rs.10/- each	10,000	100,000	10,000	100,000
0.1% Redeemable Cumulative Preference Shares (RCPS) of Rs.10/- each	13,500,000	135,000,000	13,500,000	135,000,000
Total	13,510,000	135,100,000	13,510,000	135,100,000
Subscribed and Paid up				
Equity Shares of Rs.10/- each fully paid	10,000	100,000	10,000	100,000
0.1% Redeemable Cumulative Preference Shares (RCPS) of Rs.10/- each fully paid	13,500,000	135,000,000	13,500,000	135,000,000
Total	13,510,000	135,100,000	13,510,000	135,100,000

All of the above equity shares carry equal voting rights and there are no restrictions/preferences attached to any of the above share.

Note:- Terms of issue of RCPS:

The company may redeem the RCPS any time on or after expiry of 3 years from the date of allotment i.e. 1,500,000 shares on August 1, 2011 and 12,000,000 shares on September 6, 2011 to a maximum up to 20 years in not more than five lots. The RCPS shall carry cumulative preferential dividend @ 0.1% p.a.

3.2 Reconciliation of the outstanding number of shares

Particulars	Equity Shares		Equity Shares	
	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year/period	10,000	100,000	10,000	100,000
Addition: Shares Issued during the year /period	-	-	-	-
Less: Shares bought back during the year/period	-	-	-	-
Shares outstanding at the end of the year/period	10,000	100,000	10,000	100,000

Particulars	Preference Shares		Preference Shares	
	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year/period	13,500,000	135,000,000	13,500,000	135,000,000
Addition: Shares Issued during the year /period	-	-	-	-
Less: Shares bought back during the year/period	-	-	-	-
Shares outstanding at the end of the year/period	13,500,000	135,000,000	13,500,000	135,000,000

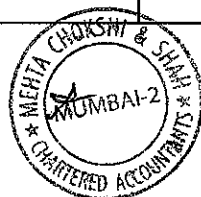
3.3 Details of number of shares held by the Holding Company

10,000 Equity Shares (Previous year 10,000) are held by D B Realty Limited (and its nominees), the holding company.

1,35,00,000 0.1% Redeemable Cumulative Preference Shares (Previous year 1,35,00,000) are held by D B Realty Limited, the holding company.

3.4 The details of share holders being holding company and of share holders holding more than 5% Shares

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
D B Realty Limited and its nominees	10,000 Equity Shares	100%	10,000 Equity Shares	100%
D B Realty Limited	1,35,00,000 Preference shares	100%	1,35,00,000 Preference shares	100%



Notes Forming Part of Financial Statements

4 Reserves and Surplus

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Surplus/(Deficit) in statement of Profit and Loss		
Opening balance	(294,086,351)	(164,306,493)
Add: Loss for the year/period	29,516,026	(129,779,857)
Total	(264,570,325)	(294,086,351)

5 Long-Term Borrowing

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Secured Loan		
Term Loan		
-From Financial Institution	2,189,706,298	1,734,476,998
Loans Secured by:		
1. Exclusive mortgage overall the right, title, interest, claims, benefits and' entitlements whatsoever in the unsold flats / units / Saleable Area being constructed (including car parking area, future FSI and other entitlements in connection therewith) and coming to the share of the Borrower / Mortgagor-1 under the said Agreements (including without limitation, any other deed, document, agreement or instrument in relation thereto) and in the project called "D B Crown"(construction both present and future) on freehold and leasehold land admeasuring 24,809.76 sq. mtrs situate at Gokhale Road (South), Dadar, Mumbai - 400 025 and bearing Final Plot No. 1043 of TPS IV, Mahim Division bearing C.S. no. 1123,with construction thereon present and future.		
2. Exclusive charge I security interest over the receivables / book debts / cash flows / revenues / rentals (including booking amounts), Escrow Account / Designated Account (or other accounts), insurance proceeds. Obligor Contracts etc. pertaining to the aforesaid property/ies in favour of HDFC in such form and manner as may be required by the Lender.		
3. Personal guarantee of Mr. Vinod Goneka		
4. Corporate guarantee of D B Realty Limited		
Repayment Schedule		
The company will repay 10% of all sales receipts towards principal repayment from the 1st month from the date of the first disbursement at HDFC's option, this percentage receivable is subject formula for such percentage calculation. However, the company will ensure that the maximum principal outstanding from the date of the first disbursement of the loan does not exceed as per the schedule below.		
At the end of 56th Month : Rs.240.00 Crore		
At the end of 57th Month : Rs.180.00 Crore		
At the end of 58th Month : Rs.120.00 Crore		
At the end of 59th Month : Rs.60.00 Crore		
At the end of 60th Month : Rs.Nil		
or earlier at HDFC's option		
Details of Continuing Default as at 31st March 2014:		
Period of Default-February 2014 and March 2014		
Amount of Default (Interest amount) as at 31st March 2014 Rs.25,870,719/-		
Vehicle Loan		
Daimler Financial Services India Private Limited	10,487,379	-
1. Secured against respective vehicle and guarantee of fellow subsidiary		
Repayment Schedule		
Repayable in 60 equal monthly installments of Rs.282,100/-		
Total	2,200,193,677	1,734,476,998



Notes Forming Part of Financial Statements

6 Long-Term Provisions

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Provision for employee benefits (unfunded)		
Gratuity	3,393,685	5,367,094
Leave Encashment	1,848,299	6,008,938
Total	5,241,984	11,376,032

7 Trade Payables

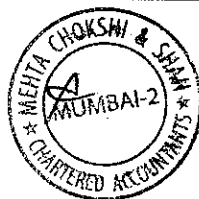
Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Micro, Small and Medium Enterprises (refer note no 40)	-	-
Others	53,248,019	77,704,654
Total	53,248,019	77,704,654

8 Other Current Liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Advance Received Towards Flat Bookings	4,700,986,198	4,135,317,734
Amount refundable against cancellation of Flat Bookings	23,430,270	16,000,000
Contractor Retention Money	7,301,840	7,343,530
Current Maturities of Long Term Debts	2,068,445	-
Interest accrued and due on Borrowing	55,719,723	19,456,613
Interest accrued and But not due on Borrowing	91,738	-
Payable to erstwhile share holder	50,000,000	50,000,000
Bank Balance Due to Reconciliation	4,616,159	-
Statutory Liabilities	11,868,781	24,380,597
Salary Payable	9,069,161	7,143,031
Outstanding Expenses	26,910,903	25,435,926
Payable to Project Partner (Refer note no.37)	720,186,191	728,886,114
Total	5,612,249,408	5,013,963,545

9 Short-Term Provisions

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Provision for employee benefits (unfunded)		
Gratuity	477,923	140,712
Leave Encashment	1,070,442	703,760
Total	1,548,365	844,472



Real Gem Buildtech Private Limited

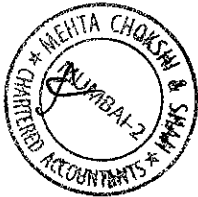
Notes Forming Part of Financial Statements

10 Fixed Assets

(Amount in Rs.)

Particulars	Gross Block		Accumulated Depreciation			Net Block	
	Balance as at 1st April, 2013	Additions	Balance as at 31st March, 2014	Balance as at 1st April, 2013	Depreciation charge for the period	Balance as at 31st March, 2014	Balance as at 31st March, 2013
a Tangible Assets							
Sample Flat (Refer note below)	198,545,427	-	198,545,427	66,287,996	33,064,358	99,352,354	132,257,432
Office equipment	1,163,953	-	1,163,953	405,449	105,508	510,957	758,504
Computers and Related Equipments	1,505,534	-	1,505,534	873,968	252,626	1,126,594	378,940
Vehicle*	-	17,054,569	17,054,569	-	36,291	36,291	-
Total	201,214,914	17,054,569	218,269,483	67,567,413	33,458,783	101,026,196	117,243,288
Previous Year	176,893,792	24,321,122	201,214,914	948,984	66,618,429	67,567,413	133,647,502

* Vehicle is hypothecated against Vehicle loan



Notes Forming Part of Financial Statements

11 Non-Current Investments

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
(Non-Trade) (Unquoted)		
Investment in Equity Shares 3,10,000 (P.Y.: 3,10,000) Equity Shares of Rs.10 each fully paid up in Saraf Chemicals Limited	49,600,000	49,600,000
(Trade) (Unquoted)		
Investment in Preference Shares Investment in Fellow Subsidiary 6,50,000 (P.Y.: 6,50,000) 0.01% Redeemable Optionally Convertible Cumulative Preference Shares in DB Mig Realtors & Builders Private Limited fully paid up.	650,000,000	650,000,000
Total	699,600,000	699,600,000

12 Long-Term Loans and Advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Security Deposits (Unsecured, considered good)		
-to Project Partner	700,000,000	700,000,000
-to Others	2,928,200	2,928,200
Total	702,928,200	702,928,200

13 Current Investment

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
(Non Trade) (Unquoted)		
Investment in Mutual Fund Reliance Portfolio Management Ltd. (Market Value Rs. 9,865,803/-)	9,967,000	10,095,169
Total	9,967,000	10,095,169

14 Inventories

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
(As valued and certified by Management)		
Opening Inventories	1,963,730,371	1,697,970,229
Add:-Project related expenses during the year*	392,966,888	265,760,142
Total	2,356,697,259	1,963,730,371

* The project is under initial stage of development and expected to have net realization value of



Real Gem Buildtech Private Limited

Notes Forming Part of Financial Statements

15 Cash and Bank Balances

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
A Cash and Cash Equivalents		
Cash in Hand	25,650	200,000
Balance with Banks in current account	2,693,305	35,773,112
B Other Bank Balances	2,718,955	35,973,112
Balance with Bank held as Margin Money/Security/Guarantee	1,997,765	1,848,553
Total	4,716,720	37,821,665

16 Short-Term Loans and Advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
(Unsecured, considered good)		
Related parties		
Loan Given (Refer note no.41)	3,286,750,000	2,581,950,000
Amount Receivable for transfer of Flat (refer note no. 29)	-	154,391,352
Interest accrued and due	-	6,431,946
Advance Recoverable in cash or in kind or for values to be received (refer note no. 30)	12,683,851	18,409,368
Others		
Mobilization and Material Advance	278,400,711	278,833,845
Trade Advance	133,703,042	71,829,583
Advance Recoverable in cash or in kind or for values to be received	33,365	10,563
Staff Loan	476,442	652,442
Prepaid Expenses	98,324	221,199
Service Tax and Interest Receivable	21,987,557	18,040,723
Tax Deducted at source	925,187	764,090
Total	3,735,058,479	3,131,535,111

17 Other Current Assets

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Interest Accrued but not due on Fixed Deposit	23,441	21,332
Total	23,441	21,332



Real Gem Buildtech Private Limited

Notes Forming Part of Financial Statements

18 Other Income

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
	Amount in Rs.	Amount in Rs.
Dividend	467,161	250,171
Scrap Sale	399,700	408,157
Interest Received	881,268	-
Total	1,748,129	658,328

19 Project related expenses

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
	Amount in Rs.	Amount in Rs.
Payment to and Provision for employees:		
a) Salaries, Wages and Bonus	21,754,001	40,058,391
b) Contribution to Provident Fund and Other	500,757	695,797
c) Staff Welfare and Other Amenities	(2,659,908)	7,850,351
Rates and Taxes	8,255,454	1,162,301
Site Expenses	39,611,846	196,617,072
Legal and Professional Fees	17,831,754	43,866,262
Telephone Expenses	354,605	516,213
Interest/Finance Charges Paid (Net)	322,119,329	73,552,961
Travelling and Conveyance Expenses	1,586,215	958,151
Security Charges	1,204,581	1,368,441
Printing and Stationery	294,266	776,134
General Expenses	205,814	125,737
Depreciation	358,134	489,714
	411,416,847	368,037,524
Less: Project Expenses Recovered	(18,449,959)	(102,277,382)
Total	392,966,888	265,760,142



Notes Forming Part of Financial Statements

20 (Increase)/Decrease in Inventories

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
	Amount in Rs.	Amount in Rs.
Opening Inventories	1,963,730,371	1,697,970,229
Less: Closing Inventory- Project Work in Progress	2,356,697,259	1,963,730,371
Total	(392,966,888)	(265,760,142)

21 Employee benefit expenses

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
	Amount in Rs.	Amount in Rs.
Salaries, Wages and Bonus	9,773,536	14,074,570
Contribution to Provident Fund and Other	224,978	244,469
Staff Welfare and other amenities	207,679	2,752,916
Gratuity & Leave encashment written back	(1,445,919)	-
Total	8,760,274	17,071,955

22 Finance Charges

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
	Amount in Rs.	Amount in Rs.
Interest on Vehicle Loan	211,762	-
Total	211,762	-

23 Administrative and Selling expenses

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
	Amount in Rs.	Amount in Rs.
Payment to Auditors (Refer note no. 38)	783,500	1,116,499
Bank Charge	31,295	30,705
Company Profession Tax	2,500	2,500
Travelling and Conveyance Expenses	232,982	1,293,058
Miscellaneous Office Expenses	4,620,143	2,533,529
Interest on TDS and Service Tax	57,898	471,767
Telephone Expenses	118,202	172,071
Printing and Stationery	98,089	258,711
Legal and Professional Fees	2,753,001	2,954,804
Rent	26,374,364	6,427,297
Sales Promotions and Publicity	11,864,188	31,864,628
Sundry Debit balance Written off	-	31,626
Loss by theft	-	80,321
Total	46,936,161	47,237,516



24. The Company is a subsidiary of D B Realty Limited, which has become a "Public Company" w.e.f. 23rd September 2009. Therefore, w.e.f. the said date, the Company has become a private company which is a subsidiary of a public company and accordingly, by virtue of provision of section 2(71) of the Companies Act, 2013, the Company is a public company. The Company continues to use the word "Private Limited" as permitted by law.

25. **Contingent Liability:**

Particulars	(Amount in Rs.)	
	As At 31 st March, 2014	As at 31 st March, 2013
A. Arrears of Dividend on 0.1% Redeemable Cumulative Preference Shares (RCPS)	348,197	213,197
B. The company is a co borrower of loan taken from Reliance Capital Limited by its Holding Company. In case of default by the holding company, the company is jointly and severally liable for repayment of the principal and interest amount. Contingent liability in respect of above.	610,000,000	610,000,000

26. The Board of Directors have agreed to create first charge by way of registered mortgage over 10 flats within its "DB Crown" project admeasuring an area of 35,450 sq.ft. in favour of ICICI Bank as security for providing Non Fund limits of USD 65.00 million to its group concern M/s. Y J Realty & Aviation Pvt. Ltd. The company is yet to create the mortgage in favour of the bank.

27. The Company during the year ended March 31, 2014 has incurred the net loss of Rs.120,325,075/- and as of date the company has accumulated losses aggregating to Rs.414,411,426/- thus resulting into negative net worth of Rs.279,311,426/- as at 31.03.2014. However, in the opinion of the management, the company would be able to recoup all the losses and regain positive net worth once the revenue is recognised, thus resulting into adequate profits to provide financial stability to the company.

28. Keeping in view the parameters as per Guidance Note on Recognition of Revenue by the Real Estate Developers and AS 2 "Valuation of Inventories for valuing Project-Work-In- Progress (WIP) of Real Estate Developers", the expenses incurred in the nature of administrative overheads which did not contribute in bringing Project WIP to its present location an condition have been charged off to the profit and loss account for the period as period cost.

29. **Re: Amount Receivable on Transfer of Flats**

Due to slow progress of the projects of certain group entities, some customers of the group entities had requested to cancel their allotment and allot the flat in "DB Crown". Also the amount paid by the customer till date be transferred and shown as paid for flat in "DB Crown". Consequently, amount paid by the said customers to the group entities was shown as receivable by the company from respective group entities and accordingly interest was charged to the group entities on outstanding amount. During the current year, the company has received the same.



30. Re: Amount Receivable in cash or in kind for values to be received

Bennett Coleman and Company Limited has entered into an agreement with the company and its group entities for providing advertising services in various medias. As per terms of the agreement, part consideration is to be paid in cash and part consideration is to be paid by allotting two flats in "DB Crown" (Non-cash component).

Non cash component of advertising of project of group companies is shown as receivable from the respective group entities and consequently total non cash component of the company as well as group company is included in 'advance received towards lat booking' under 'Other Current Liabilities'.

31. As per AS-15, "Employee Benefits", the disclosure of employee benefits as defined in AS is given below.

Defined Benefit Plan

Consequent to the adoption of Accounting Standard on Employee Benefits (AS-15), the Company has accounted the present value of gratuity obligation (Non-Funded) based on actuarial valuation done by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences (Non-funded) is recognized in the same manner as gratuity.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2014:

31.1 Reconciliation of opening and closing balances of Defined Benefit Obligation:

(Amount in Rs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Liability at the beginning of the period	5,507,806	1,147,208
Acquisition Adjustment	2,302,187	-
Interest cost	948,613	97,513
Past Service Cost	947,997	-
Current Service cost	935,405	2,228,779
Settlement Cost	(2,648,506)	-
Benefits paid	(50,440)	-
Actuarial (gain)/loss on obligations	(4,071,454)	2,034,306
Liability at the end of the period	3,871,608	5,507,806

31.2 Reconciliation of fair value of plan assets and obligations:

(Amount in Rs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Liability at the end of the period	3,871,608	5,507,806
Fair value of Plan Assets at the end of the period	-	-
Difference	(3,871,608)	(5,507,806)
Amount Recognised in the Balance Sheet	(3,871,608)	(5,507,806)



31.3 Expense recognized during the period:

(Amount in Rs)

Particulars	For the Year ended 31 st March, 2014	For the Year ended 31 st March, 2013
Current service cost	935,405	2,228,779
Past service cost	947,997	-
Interest cost	948,613	97,513
Expected Return on Plan Assets	-	-
Acquisition (gains)/losses	(401,303)	-
Settlement cost / (credit)	185,171	-
Actuarial (Gain) or Loss	(4,071,454)	2,034,306
Expenses Recognised in Profit & Loss	(1,455,571)	4,360,598

31.4 Actuarial Assumptions:

Mortality Table	LIC (1994-96)
Discount rate (per annum)	8.80%
Rate of escalation in salary (per annum)	10%

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

32. 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.

33. Related Parties Disclosure:

As per Accounting Standard 18 (AS-18) 'Related Party Disclosure', the disclosure of transactions with the related parties as defined in AS-18 is given below.

<u>Name of the related party</u>	<u>Relationship</u>
D B Realty Limited	Holding Company
MIG (Bandra) Realtors & Builders Private Limited (Formerly known as DB MIG Realtors & Builders Private Limited)	Fellow Subsidiaries
Neelkamal Realtors Tower Pvt. Ltd	
Gokuldharm Real Estate Development company Private Limited	
Mira Real Estate Developers	
Suraksha DB Realty	Entities Jointly Controlled by Holding Company
Dynamix Realty	
Turf Estate JV	
Shree Shantinagar Venture	



KG Enterprises	Enterprise where individuals i.e. KMP and their relatives have significant influence other than those mentioned above.
Conwood Construction & Developers Pvt. Ltd.	
Eon Aviation Pvt. Ltd.	
Pony Infrastructure & Contractors Limited	
Neelkamal Realtors & Builders Private Limited	
BD & P Hotels India Private Limited	
Mr. Rajiv Agarwal	Key Management Personnel (Directors)
Mr. Salim Balwa	
Ms. Sunita Goenka	
Mr. Nabil Patel	Whole Time Director

Note: The above related parties are identified by the management and relied upon by the auditors. However there were no transactions with the key Management Personnel during the year.

The details of transactions with the related parties are as under:

(Amount in Rs)						
Description	With Holding Company	With Fellow Subsidiary	Associates of Holding Company	Entities Jointly Controlled by Holding Company	Enterprise/LP's where individuals i.e. KMP and their relatives have significant influence other than those mentioned above	With relative of Key Management Personnel
Loans Accepted						
Opening balance as on 1st April, 2013	- (210,348,154)	- (-)		- (-)	- (-)	- (-)
Taken during the year	79,904,133 (5,175,000)	- (-)		- (-)	- (-)	- (-)
Repaid during the year	79,904,133 (215,523,154)	- (-)		- (-)	- (-)	- (-)
Closing Balance as on 31st March, 2013	- (-)	- (-)		- (-)	- (-)	- (-)
Advance Received						
Opening balance as on 1st April, 2013	- (-)	- (-)		- (-)	- (-)	- (-)
Taken during	-	-		-	-	-



Description	With Holding Company	With Fellow Subsidiary	Associates of Holding Company	Entities Jointly Controlled by Holding Company	Enterprise/LP's where individuals i.e. KMP and their relatives have significant influence other than those mentioned above	With relative of Key Management Personnel
the year					-	
	(-)	(-)		(-)	(584,558)	(-)
Repaid during the year	-	-		-	-	-
	(-)	(-)		(-)	(584,558)	(-)
Closing Balance as on 31 st March, 2014	-	-		-	-	-
	(-)	(-)		(-)	(-)	(-)
Advance Given						
Opening balance as on 1 st April, 2013	-	59,034,975		2,683,738,323	-	-
	(-)	(-)		(-)	(-)	(-)
Given during the year	-	4,050,000		954,867,375	-	-
	(-)	(75,975,007)		(2,805,036,497)	(-)	(-)
Returned during the year	-	63,084,975		515,855,698	-	-
	(-)	(16,940,032)		(121,298,174)	(-)	(-)
Closing Balance as on 31 st March, 2014	-	-		3,286,750,000	-	-
	(-)	(59,034,975)		(2,683,738,323)	(-)	(-)
Trade Payables						
Opening balance as on 1 st April, 2013	-	-		-	1,069,417	-
	(-)	(-)		(-)	(-)	(-)
Expenses incurred during the period	-	-		-	33,349,312	-
	(-)	(-)		(-)	(7,783,938)	(-)
Expenses repaid during the period	-	-		-	23,830,904	-
	(-)	(-)		(-)	(6,714,521)	(-)
Closing Balance as on 31 st March, 2014	-	-		-	10,587,825	-
	(-)	(-)		(-)	(1,069,417)	(-)



Description	With Holding Company	With Fellow Subsidiary	Associates of Holding Company	Entities Jointly Controlled by Holding Company	Enterprise/LP's where individuals i.e. KMP and their relatives have significant influence other than those mentioned above	With relative of Key Management Personnel
Reimbursement of Expenses						
Opening balance as on 1st April, 2013	2,585,600	14,453,352	-	166,542	946,340	-
	(-)	(-)	(-)	(31,626)	(-)	(-)
Expenses incurred during the year	2,789,450	6,629,452	20,212,232	5,985,261	190,138	-
	(3,286,798)	(15,010,644)	(-)	(35,410)	(901,144)	(-)
Expenses repaid during the year	5,406,544	21,441,617	7,555,262	5,818,746	1,136,478	-
	(701,198)	(557,292)	(-)	(233,578)	(-)	(-)
Closing Balance as on 31st March, 2014	(31,494)	(358,813)	12,656,970	(27)	-	-
	(2,585,600)	(14,453,352)	(-)	(166,542)	(946,340)	(-)
Hire Charges paid for Use of aircrafts	-	-	-	-	-	-
	(-)	(-)	-	(-)	(926,783)	(-)
Rent, Electricity and Water Expenses	-	-	-	-	33,283,820	-
	(-)	(-)	-	(-)	(6,857,155)	(-)
Interest Received	-	-	-	-	-	-
	-	(4,664,867)	-	(2,481,740)	-	-
Guarantee provided by Fellow Subsidiary on Vehicle Loan	-	-	-	-	-	-
Sanctioned Amount of Loan	-	13,000,000	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Closing Balance of Loan	-	10,487,379	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

Note: The Board of Directors have agreed to create first charge by way of registered mortgage over 10 flats within its "DB Crown" project admeasuring an area of 35,450 sq.ft. in favour of ICICI Bank as security for providing Non Fund limits of USD 65.00 million to its group concern M/s. Y J Realty & Aviation Pvt. Ltd. The company is yet to create the mortgage in favour of the bank and hence the same has not been treated as related party transaction during the year.



34. Operating Lease:

As per Accounting Standard 19 (AS-19) 'Leases', the disclosure of transactions with the respect to lease of premises is disclosed as follows:

(Amount in Rs)

	Particulars	For the Year ended 31 st March, 2014	For the Period ended 31 st March, 2013
	Lease payments recognized in the profit and loss account	2,63,74,364	6,427,297
	Future Lease Payments		
A	Not later than one year	2,33,17,518	6,232,391
B	Later than one year but not later than five years.	5,27,43,520	20,355,337
C	Later than five years	--	--
	Total of Future Lease Payments	7,60,61,038	26,587,728

35. Earnings per Share:

As per Accounting Standard-20 (AS -20) 'Earning per Share', the Company's EPS is as follows.

(Amount in Rs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Net Profit/(Loss) after tax as per Profit & Loss Account	295,16,026	(129,779,857)
Weighted average number of equity shares outstanding	10,000	10,000
Basic and Diluted Earnings per share	2951.60	(12,977.99)
Face Value per Equity Share	10	10

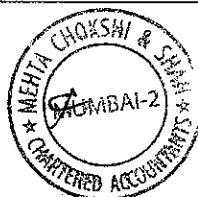
36. Deferred Tax Liabilities/ (Assets):

The management has represented that all the pending approvals from statutory authority are likely to be obtained soon and the project will commence full scale. Based on the profitability projections of the company and the flat bookings which have already taken place, there is a virtual certainty that the company will be able to recoup the losses and will generate substantial taxable profit in future. Hence, it has been considered appropriate to account for deferred tax assets.

The Components of recognized Deferred Tax Assets/Liabilities are as follows:

(Amount in Rs)

Particulars	As at 31st March 2014
Deferred Tax Assets	
Amount Disallowed u/s 43B of Income Tax Act, 1961	968,848
Carried forward business loss	148,329,562
Related to Gratuity	155,062
Total A	149,453,472
Deferred Tax Liability	
Related to Fixed Assets	32,676,728
Total B	32,676,728
Net Deferred Tax Assets (A-B)	116,776,744
Less: Net DTA Opening	-
DTA generated during the year	116,776,744



37. As per the terms of the Development Agreement and Supplementary Agreement entered into by the company with Bhishma Realty Limited (Bhishma), a proportionate expenditure incurred towards the project by the company has to be recovered from Bhishma. Accordingly, during the year, the company has raised a total debit notes of Rs.1,84,49,959/- towards Bhishma's share of project costs, mobilisation advance, etc., However Bhishma has raised certain objections to the extent of Rs 54,699,830/-. The company is in negotiations with Bhishma Realty Limited for recovery / reaching a settlement of the same.

38. **Breakup of Auditor's Remuneration:**

(Amount in Rs)

Particulars	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
- Audit Fees	500,000	550,000
- Taxation Matter	-	40,000
- Certification Fees	276,000	476,000
- Reimbursement of Expenses	7,500	-
Total	783,500	1,066,000

Auditors remuneration disclosed above is excluding service tax.

39. **Expenditure in Foreign Currency:**

(Amount in Rs)

Description	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
Architect Fees	-	970,000
Foreign Travelling Expenses	887,268	72,530

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

(Amount in Rs)

Particulars	For the Year ended 31 st March, 2014	For the Year ended 31 st March, 2013
• Principal Amount outstanding to suppliers under MSMED Act,2006 beyond the appointed date	-	-
• Interest accrued on the amount 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.



41. During the year, the company has temporarily deployed its funds with its related party. The said funds will be recalled as and when the company requires the same for its project.
42. Trade Payables, Contractors' Retention Money and Mobilisation Advance in the Financial Statements are subject to confirmation. As per the contention of the management the same are good for payment/recovery.
43. Previous year figures have been regrouped and reclassified wherever necessary to make them comparable with current year figures.
44. The amount in the Balance Sheet and Profit and Loss Account are rounded off to nearest rupee.

Signatures to Notes 1 to 44

As per our attached report of even date

For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W



A.R. MEHTA
Partner

Membership No. : 46088


Place : Mumbai
Date : 3rd May, 2014



For and on Behalf of the Board


(Rajiv Agarwal)
Director

Place : Mumbai
Date : 3rd May, 2014


(Salim Balwa)
Director