

NINE PARADISE ERECTORS PRIVATE LIMITED

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2014

MEHTA CHOKSHI & SHAH

Chartered Accountants

Maker Bhavan 3, 214, 2nd floor,

New Marine Lines, Mumbai 400 020

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

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



NOTICE

NOTICE is hereby given that the 6th Annual General Meeting of the members of the Company will be held on Friday, the 26th September, 2014 at 11.00 a.m. at the Registered Office of the Company at DB House, Gen. A K Vaidya Marg, Goregaon East, Mumbai-400063 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 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. Suresh Atkur, 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 M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai, (Reg. No. 106201W) the Auditors of the Company, who are not disqualified to act as Auditors of the Company under section 139 of the Companies Act, 2013 be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration plus re-imbursment 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 as shall be fixed and agreed between the Statutory Auditors and the Board of Directors of the Company.”

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.**

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. A blank proxy form is annexed to the notice.

**By order of the Board of Directors,
For Nine Paradise Erectors Private Limited**

Sd/-
Director

Place: Mumbai
Date: 19.05.2014

Registered Office:

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

NINE PARADISE ERECTORS PVT. LTD.

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 : U70102MH2008PTC187276



DIRECTOR'S REPORT

Dear Members

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:

(Amount in Rs)

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
Total Income	-	10,853
Total Expenses	87,142	1,14,659
Profit/(Loss) before Extra Ordinary items	(87,142)	(1,03,806)
Prior Period Expenses	-	10,000
Profit/(Loss) before tax	(87,142)	(1,13,806)
Current Tax	-	-
Deferred tax	-	-
Profit/(Loss) for the year	(87,142)	(1,13,806)

The Company is engaged in the business of real estate and construction of residential and commercial property and it is a wholly owned subsidiary of D B Realty Ltd. The Company has initiated a project of cluster development in Kamathipura area, Nagpada, Mumbai. The Company is currently under process of acquiring the consent from tenants.

DIVIDEND:

As the Company has not earned any profits and has incurred losses only, your Directors do not recommend dividend.

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 period;
- (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. Suresh Atkur and Mr. Zahid Bangi, are continuing as Directors of the Company.

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CIN : U70102MH2008PTC187276



Mr. Suresh Atkur, 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.

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. 10 in the Annexure to the Auditors' Report 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 development of project of the Company is commenced and the Company starts recognising revenues therefrom.

AUDITORS:

The Statutory Auditors of the Company M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai (Reg. No. 106201W) retire at the ensuing Annual General Meeting of the Company 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, 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 earnings 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 Nine Paradise Erectors Private Limited**

Sd/-
Director

Sd/-
Director

Place : Mumbai
Date : 19.05.2014

Mehta Chokshi & Shah

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of NINE PARADISE ERECTORS PRIVATE LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of NINE PARADISE ERECTORS 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 auditors'



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 Loss 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

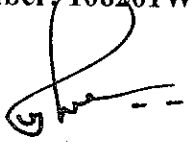
- i. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii. As required by section 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

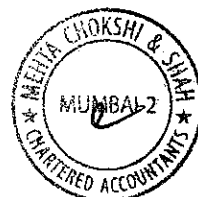



(C.M. Shah)
Partner
M.No: 47178

Place: Mumbai
Date: 19th May, 2014

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

1. Fixed Assets
The Company does not have any Fixed Assets and therefore a clause 4(i) of the order is not applicable.
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 is 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, during the earlier year, had granted unsecured loan to a Company covered in the Register maintained under Section 301 of the Companies Act, 1956 which was duly repaid in earlier years, however, only the interest amount of Rs.85,000,000/- (Maximum balance outstanding during the year Rs. 85,000,000/-) on the said loan is outstanding as at year end and is overdue.
 - (b) Based on our audit procedures and the information and explanation made available to us, in case of the overdue interest, reasonable steps have been taken by the company for recovery of the same.
 - (c) The Company has taken interest free unsecured loans, repayable on demand, from its Holding Company and a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding at any time during the year is Rs. 30,53,40,668/- and the year-end balance of the said loans is Rs. 30,53,40,668/-.
 - (d) In our opinion, the terms on which the loans have been taken are prima facie not prejudicial to the interest of the Company.



CHARTERED ACCOUNTANTS

- (e) 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 the company does not have any fixed assets nor it has made any sales during the year, however, in respect to inventory, there is an adequate internal control system commensurate with the size of the Company and the nature of its business in respect of inventory. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 have so been entered.
(b) According to the information and the explanations given to us, where such transactions, are in excess of Rs.5 lacs in respect of each party, the transactions 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. The Company is not required to have an internal audit system.
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 Income tax and other applicable statutory dues have been regularly deposited with the appropriate authorities.
Further, 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, there are no disputed statutory dues of Income – tax and other applicable statutory dues and hence, the



CHARTERED ACCOUNTANTS

requirements of disclosure with respect to the amounts involved and the forums where the disputes are pending are not applicable.

10. *The Company's accumulated loss exceeds fifty percent of the Net worth of the Company as at the year end. Further, the company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.*
11. According to the information and explanations given to us there are no borrowings from financial institutions/banks/debenture holders, hence the question of any defaults in repayment of the dues to them does not arise.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the requirements of Clause 4(xii) of the Order are not applicable.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the requirements of Clause 4(xiii) of the Order are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the requirements of Clause 4(xiv) of the Order are not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the requirements of Clause 4(xv) of the Order are not applicable.
16. The Company has not availed of any term loan and therefore clause 4(xvi) of the said order is not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been utilized for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the requirements of Clause 4(xviii) of the Order are not applicable.
19. The Company has not issued any debentures. Therefore, the requirements of Clause 4(xix) of the Order are not applicable.



20. The Company has not raised any monies by way of Public Issue. Therefore, the requirements of Clause 4(xx) of the Order are not applicable.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration Number: 106201W

Place: Mumbai
Date: 19th May, 2014



A handwritten signature in black ink, appearing to be "C.M. Shah".

(C.M. Shah)
Partner
M.No: 47178

Nine Paradise Erectors Private Limited

Balance Sheet as at 31st March, 2014

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	100,000	100,000
Reserve and Surplus	4	(586,339)	(499,197)
Current liabilities			
Short-term borrowings	5	305,340,688	304,315,688
Trade payables	6	572,112	329,445
Other Current Liabilities	7	8,782,197	8,782,160
Total		314,208,658	313,028,096
Assets			
Non -current assets			
Non -current investment	8	700	700
Current assets			
Inventories	9	220,435,844	219,301,873
Cash and cash equivalents	10	62,430	15,908
Short-term loans and advances	11	93,709,684	93,709,615
Total		314,208,658	313,028,096

Significant accounting policies and notes on
Financial statements

1 to 30

As per our attached report of even date

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

Name : C M Shah
Partner

Membership No. : 47178



For and on Behalf of the Board

(Suresh Atkur)
Director

(Zahid Bangi)
Director

Place : Mumbai

Date : 19 MAY 2014

Place : Mumbai

Date: 19 MAY 2014

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	12	-	10,853
Other Income			
Total Income		-	10853
Expenditure :			
Project Expenses	13	1,133,971	597,392
(Increase)/Decrease In Inventories	14	(1,133,971)	(597,392)
Other expenses	15	83,117	114,008
Share of Loss from Limited Liability Partnership		4,025	651
Total expenses		87,142	114,659
Profit/(Loss) before Extra Ordinary items		(87,142)	(103,806)
Prior Period Expenses		-	10,000
Profit/(Loss) before tax		(87,142)	(113,806)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/ (Loss) for the year		(87,142)	(113,806)
Earnings per share: (refer note no. 20)			
Basic and Diluted		(8.71)	(11.38)

Significant accounting polices and notes on
Financial statements
As per our attached report of even date

1 to 30

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

Name : C M Shah
Partner
Membership No. : 47178



For and on Behalf of the Board

(Suresh Atkur) (Zahid Bangi)
Director Director

Place : Mumbai

Date : 19 MAY 2014

Place : Mumbai

Date : 19 MAY 2014

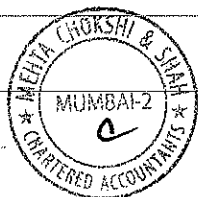
Cash Flow Statement for the year ended 31st March, 2014

Particulars		For the year ended 31st March, 2014	For the year ended 31st March, 2013
Cash Flow From Operating Activities:			
Profit / (Loss) Before Tax		(87,142)	(113,806)
Adjustment			
Bad debts written off		-	(5,596)
Working Capital Adjustments			
Increase/(Decrease) in current liabilities		242,704	(10,547,272)
Increase/(Decrease) in Inventories		(1,133,971)	(597,392)
Cash from Operating Activities		(978,409)	(11,264,066)
Less: Taxes paid		-	-
Net Cash generated/(used) from Operating Activities	A	(978,409)	(11,264,066)
Cash Flow From Investing Activities:			
Loan Granted		(69)	11,828,297
Net Cash generated/(used) from Investing Activities	B	(69)	11,828,297
Cash Flow From Financing Activities:			
Loan Accepted /Repaid		1,025,000	(665,000)
Net Cash generated/(used) from Financing Activities	C	1,025,000	(665,000)
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)		46,522	(100,769)
Add: Cash & Cash Equivalents (Opening)		15,908	116,677
Cash & Cash Equivalents (Closing)		62,430	15,908
Cash and cash Equivalents includes:			
Cash on hand		8,061	13,483
Bank Balances		54,369	2,425
		62,430	15,908

As per our attached report of even date

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

Name : C M Shah
Partner
Membership No. : 47178



Place : Mumbai

Date : 19 MAY 2014

For and on Behalf of the Board

(Suresh Atkur) (Zaid Bangi)
Director Director

Place : Mumbai

Date : 19 MAY 2014

Nine Paradise Erectors Private Limited

Notes Forming Part of Financial Statements

1 Company Background

The Company is mainly engaged in business of construction and development of residential and commercial property. In furtherance thereof the company has initiated a project of cluster development in Kamathipura area, Nagpada, Mumbai. The company is currently under process of acquiring the consent from tenants. In this regard, security charges and legal & professional fees incurred for the project have been included in Project Work in Progress.

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 the mandatory Accounting Standards 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 accounting principles followed 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 year 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 Inventories

Project Work in Progress represents expenditure incurred on project undertaken by the Company for development and construction of Residential complex, net of recoveries, if any.

2.5 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.

2.6 Taxes on Income :

The deferred tax charge or credit and the corresponding tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization 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 realized.

2.7 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.

2.8 Contingent Liabilities:

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



Nine Paradise Erectors Pvt.Ltd.

Notes Forming Part of Financial Statements

2.9 Investments :

- i** 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.
- ii** 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.
- iii** 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.

2.10 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.

2.11 Earning Per Share

Basic earning per share is 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.

2.12 Cash and Cash Equivalent

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.



Notes Forming Part of Financial Statements

3 Share Capital

3.1 Details of Authorized ; Issued, Subscribed & Paid up Share Capital

Particulars	As at March, 2014		As at 31st March, 2013	
	Number	Amount in Rs.	Number	Amount in Rs.
<u>Authorized</u>				
<u>Equity Share</u>				
Equity Shares of Rs.10/- each	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000
<u>Issued</u>				
<u>Equity Share</u>				
Equity Shares of Rs.10/- each	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000
<u>Subscribed & Paid up</u>				
<u>Equity Share</u>				
Equity Shares of Rs.10/- each	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000

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

3.2 Reconciliation of the outstanding number of shares

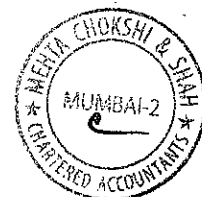
Particulars	Equity Shares		Equity Shares	
	As at March, 2014		As at 31st March, 2013	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Add : Shares Issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-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

3.3 Detail of number of share held by holding company

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

3.4 The details of shareholders 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
<u>Equity Share</u>				
D B Realty Limited and its nominees	10,000	100%	10,000	100%
Total	10,000	100%	10,000	100%



Nine Paradise Erectors Private Limited

Notes Forming Part of Financial Statements

4 Reserves & Surplus

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Surplus / (Deficit) in the Statement of Profit and Loss		
Opening balance	(499,197)	(385,391)
Add : (Loss) for the year	(87,142)	(113,806)
Total	(586,339)	(499,197)

5 Short Term Borrowings

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Unsecured Loan (Repayable on demand)		
From Holding Company	218,210,000	217,185,000
From a Fellow Subsidiary	87,130,688	87,130,688
Total	305,340,688	304,315,688

6 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. 24)	-	-
Others	572,112	329,445
Total	572,112	329,445

7 Other Current Liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Statutory Liability	7,781	11,769
Advance received against purchases of occupants rights (Tata Colony) (Refer note no.28)	8,700,000	8,700,000
Current Account with Limited Liability Partnership	74,416	70,391
Total	8,782,197	8,782,160



8 Non-current investment

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
(a) In Limited Liability Partnership DB Realty and Shreepati Infrastructure LLP (Towards 0.06% share in Profit/Loss)(Previous Year 0.06%)	600	600
(b) In Partnership Firm M/s. Sneh Developers. (Towards 1% share in Profit/Loss)(Previous Year 1%) [Refer note no. 23]	100	100
Total	700	700

9 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	219,301,873	218,704,481
Add: Project expenses incurred during the year*	1,133,971	597,392
Total	220,435,844	219,301,873

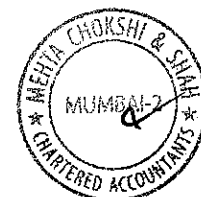
* The project is under initial stage of development and expected to have net realization value of greater than cost

10 Cash And Cash Equivalents

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Cash in hand	8,061	13,483
Balances with banks	54,369	2,425
Total	62,430	15,908

11 Short-Term Loans And Advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Amount in Rs.	Amount in Rs.
Loans and advances to related parties	85,000,069	85,000,000
Advances recoverable in cash or in kind or for value to be received (Refer note no. 28)	8,700,000	8,700,000
Advance Tax and Tax deducted at sources	9,615	9,615
Total	93,709,684	93,709,615



Nine Paradise Erectors Private Limited

Notes Forming Part of Financial Statements

12 Other Income

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	Amount in Rs.	Amount in Rs.
Sundry Creditors Written Back	-	5,596
Interest on Income tax refund	-	5,257
Total	-	10,853

13 Project Related Expenses

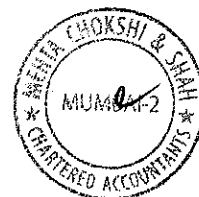
Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	Amount in Rs.	Amount in Rs.
Legal & Professional fees	297,754	(315,000)
Security Charges	836,217	912,392
Total	1,133,971	597,392

14 (Increase)/Decrease In Inventories

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	Amount in Rs.	Amount in Rs.
Opening Inventories	219,301,873	218,704,481
Less: Closing Inventories	220,435,844	219,301,873
Total	(1,133,971)	(597,392)

15 Other Expenses

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	Amount in Rs.	Amount in Rs.
Tour Travel and Conveyance	-	11,556
Payment to Auditors	67,416	90,336
Professional Fees	5,966	6,318
Miscellaneous Expenses	9,735	5,798
Total	83,117	114,008



Nine Paradise Erectors Private Limited

Notes Forming Part of Financial Statements

- 16 The Company is a subsidiary of D B Realty Limited, which has become a "Public company" w.e.f. 23rd September 2009. Therefore, 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 deemed public company. The Company continues to use the word "Private Limited" as permitted by law.
- 17 In absence of any timing difference, no provision for deferred tax needs to be made. In view of loss no provision for current tax has been provided
- 18 The Company has entered into a Agreement of Assignment dated 09.04.2010 towards acquiring 55% share in a property situated at Rippon Road, Cross Land, Madanpura, Mumbai Central, Mumbai admeasuring approximately 7015.94 sq. meters with a intention to develop and construct Residential buildings. However the final rights of the property will get transferred only after the disposal of the suit pending before Bombay High Court. Considering the precedents in similar cases, the company is hopeful of favourable ruling in its favour.
- 19 Keeping in view the parameters as per Guidance Note on "Recognition of Revenue by the Real Estate Developers" and AS2 "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 & condition have been charged of to the profit & loss account for the year as period cost.
- 20 **Earnings Per Share**
As per AS-20 "Earning Per Share", the Company's EPS is as under

Particulars	(Amount in Rupees)	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Net Loss after tax as per Profit & Loss Account	(87,142)	(113,806)
Weighted average number of shares outstanding during the year	10,000	10,000
Basis and Diluted Earning Per Share	(8.71)	(11.38)
Face Value Per Equity Share	10	10

21 **Breakup of Auditor's Remuneration**

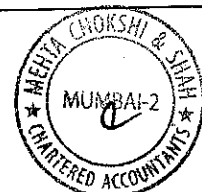
Particulars	(Amount in Rupees)	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Audit Fees	30,000	30,000
Certification matters / Taxation	30,000	50,000
Out of Pocket Expenses	-	448
Service Tax	7,416	9,888
Total	67,416	90,336

22 **Related Party Disclosures:**

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:

A. **List of Related Parties**

Name and Relationship of the Related Party
<u>Holding Company</u> DB Realty Limited
<u>Entities Jointly Controlled by Holding Company</u> Dynamix Realty D B Realty and Shreepati Infrastructure LLP (Current Account) D B Realty and Shreepati Infrastructure LLP (Fixed Capital Account) Gokuldham Real estate Development Company Pvt.Ltd.
<u>Enterprises where individuals i.e. KMP and their relative have Significant Influence.</u> DB (BKC) Reaktors Pvt.Ltd Nihar Construction Private Limited
<u>Key Management Personnel</u> Mr. Suresh Atkur Mr.Zahid Bangi



Nine Paradise Erectors Private Limited

Notes Forming Part of Financial Statements

- B.** The above related parties are identified by the management and relied upon by the auditors. However there were no transactions with the Key Management. The details of transactions with the related parties are as under:

(Amount in Rs.)

Sr. No.	Description	Holding Company	Fellow Subsidiary Companies	Enterprises owned or significantly influenced by Holding Company or Key Management Personnel or their relatives
(i)	Loan Accepted			
	Opening Balance	217,185,000 (217,850,000)	87,130,688 (87,130,688)	- (-)
	Loan Accepted during the period (including interest)	1,025,000 (11,035,000)	- (-)	- (-)
	Repayment of Loan accepted (including interest)	- (11,700,000)	- (-)	- (-)
	Closing Balance	218,210,000 (217,185,000)	87,130,688 (87,130,688)	- (-)
(ii)	Advance Received towards purchase of Tenancy Rights			
	Opening Balance	- (-)	- (-)	8,700,000 (8,700,000)
	Advance received during the period (including interest)	- (-)	- (-)	5,000 -
	Repayment of Advance Received during the period (including interest)	- (-)	- (-)	5,000 -
	Closing Balance	- (-)	- (-)	8,700,000 (8,700,000)
(ii)	Loans Granted			
	Opening Balance	-	85,000,000 (96,736,507)	
	Loans granted during the period (including interest)	-	- (96,736,507)	
	Loans repaid during the period (including interest)	-	- (108,473,014)	
	Closing Balance	-	85,000,000 (85,000,000)	
(iii)	Share of Loss in LLP/Partnership Firms			
		- (-)	4,025 (651)	- (-)
(iv)	Reimbursement of Expenses			
	Opening Balance		- (-)	
	Expenses incurred during the year		163,313 (9,666,000)	
	Expenses repaid during the year		163,244 (9,666,000)	
	Closing Balance		69 -	

Figures in bracket represent previous year's figures

- 23** Due to non availability of audited financial statements of M/s Sneh Developers, the Share of Loss in LLP/Firm is not provided in the financial statements.



Nine Paradise Erectors Private Limited

Notes Forming Part of Financial Statements

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

(Amount in Rupees)

Particulars	Year Ended 31st March, 2014	Year Ended 31st 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.	-	-
Total		

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 Auditors.

25 Trade Payables & Sundry balances in the financial statements are subject to confirmations.

26 As at year end, the entire net worth of the company has been eroded. However, the management is of the opinion that as & when the project revenue is recognized in future the company will be able to recover the accumulated losses and hence the accounts of the company has been prepared on going concern basis.

27 Segment Reporting

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

28 The Company on behalf of DB (BKC) Realtors Pvt. Ltd. has advanced Rs.87,00,000/- towards acquisition of occupancy rights of the occupants situated at Tata Colony, Bandra Kurla Complex, Mumbai. As per the Memorandum of Understanding entered into by the company with DB (BKC) Realtors Pvt. Ltd., the company has been appointed under a fiduciary capacity to acquire the said rights and to retransfer the same to DB (BKC) Realtors Pvt. Ltd. as and when so directed. In these accounts the amounts received from DB (BKC) Realtors Pvt. Ltd. has been shown as current liability and the amount so advanced has been classified as Advances. The necessary adjustment entries shall be passed in the year in which the occupancy rights are retransferred to DB (BKC) Realtors Pvt. Ltd. Further, as per the MOU liability for stamp duty on acquiring occupancy rights which is yet to be ascertained as also any other costs including capital gains tax liability, if any, is to be borne by DB (BKC) Realtors Pvt. Ltd.

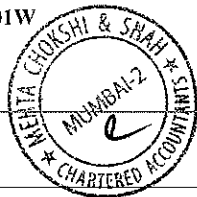
29 The amount in the Balance Sheet and Statement of Profit and Loss Account are rounded off to nearest rupee.

30 Previous period figures have been regrouped and reclassified wherever necessary to make them comparable with current year figures.

Signatures to notes to financial statements 1 to 30

As per our attached report of even date

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



Name : C M Shah
Partner
Membership No. : 47178
Place : Mumbai
Date : 19th May. 2014

For and on Behalf of the Board

(Suresh Atkur)
Director

(Zalim Bangi)
Director

Place : Mumbai
Date : 19th May. 2014