

**DB SPACECON PRIVATE LIMITED**

**ANNUAL AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2011**

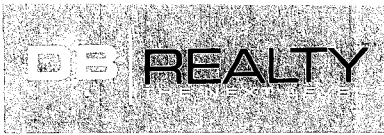
**CHATURVEDI & SHAH**

Chartered Accountants

714-715, Tulsiani Chambers,

212, Nariman Point, Mumbai – 400 021.

Tel No.: 3021 8500 Fax: 3021 8595.



## NOTICE

**Dear Members,**

**NOTICE** is hereby given that the 4<sup>th</sup> Annual General Meeting of the members of DB Spacecon Private Limited will be held on Tuesday, the 30<sup>th</sup> Day of August, 2011 at 10.30 a.m. at the Registered Office of the Company at DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai – 400 063 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company for the year ended 31<sup>st</sup> March, 2011, Profit and Loss Account 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. Asif Balwa, who retires by rotation, does not 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. Chaturvedi & Shah, Chartered Accountants, Mumbai, the Auditors of the Company, who are not disqualified to act as Auditors of the Company under section 224(1B) of the Companies Act, 1956 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 reimbursement of out of pocket expenses, if any, to be incurred by them in connection with the said audit exclusive of other fees payable for other services, if any, to be rendered by them as shall be fixed and agreed between the Statutory Auditors and the Board of Directors of the Company.”

### 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. Narayan Prasad Bajaj, who was appointed as an Additional Director of the Company on 04<sup>th</sup> May, 2011, pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company, and whose term expires at the ensuing Annual General Meeting of the Company and being eligible, for re-appointment



as a Director, offered himself be and is hereby appointed as Director of the Company.”

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

“RESOLVED THAT Mr. Nabil Patel, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

By order of the Board of Directors,  
For DB Spacecon Private Limited

Director

Place: Mumbai  
Date: 30.05.2011

**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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no.3 & 4 of the notice is annexed hereto.

**DB SPACECON PRIVATE LIMITED**



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**Item No. 4**

Mr. Narayan Parasad Bajaj was appointed as an Additional Director of the Company on 04<sup>th</sup> May, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 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. Narayan Prasad Bajaj, 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. Narayan Prasad Bajaj shall be deemed to be concerned or interested in the said resolution.

**Item No. 5**

Mr. Asif Balwa, Director, who retires by rotation, does not offer himself for re-appointment.

However, your directors propose to appoint Mr. Nabil Patel as Director of the Company in his place.

Your Board recommends his appointment as Director of the Company.

The resolution vide item no. 5 is therefore proposed for approval of the members.

None of the directors except Mr. Nabil Patel shall be deemed to be concerned or interested in the said resolution.

**By order of the Board of Directors,  
For DB Spacecon Private Limited**

**Director**

Place: Mumbai  
Date: 30.05.2011

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



## **DIRECTOR'S REPORT**

**Dear Members**

Your Directors have pleasure in presenting the 4<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended on 31<sup>st</sup> March, 2011.

### **FINANCIAL RESULTS:**

During the year the Company has not earned any business income as the Company has not commenced project till date. However, the Company incurred a loss after tax of Rs. 4,17,15,615/-.

### **PROJECT :**

During the year under review, your Company is under the process of financial tie up for the Companies project viz. Government Colony in Bandra (East), Mumbai.

### **CHANGE IN NAME OF THE COMPANY:**

During the year under review, the name of your Company was changed from "DB Airport Infra Private Limited" to "DB Spacecon Private Limited" and the fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies on 20.08.2010.

### **DIVIDEND:**

In the absence of profits, your directors do not recommend any dividend.

### **FIXED DEPOSITS:**

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

### **DIRECTORS RESPONSIBILITY STATEMENT:**

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

- (i) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2011, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and the Directors had made judgments and estimates that

### **DB SPACECON PRIVATE LIMITED**



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 31<sup>st</sup> March, 2011, and of the loss of the company for that year;

- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

#### **DIRECTORS:**

Mr. Rajiv Agarwal, is continuing as Director of the Company.

Mr. Asif Balwa, Director, retires by rotation, does not offers himself for re-appointment subject to approval of Members in the ensuing Annual General Meeting. However, your directors propose to appoint Mr. Nabil Patel as Director of the Company in his place.

Mr. Narayan Prasad Bajaj was appointed as an Additional Director of the Company w.e.f. 4<sup>th</sup> May, 2011.

Mr. Vinod Goenka resigned from the Directorship of the Company w.e.f 4<sup>th</sup> May, 2010.

Mr. Salim Balwa Appointed as an Alternate Director to Mr. Rajiv Agarwal.w.e.f. 26<sup>th</sup> March, 2011.

Mr. Nabil Patel Appointed as an Alternate Director to Mr. Asif Balwa w.e.f. 26<sup>th</sup> March, 2011.

#### **AUDITORS:**

The Statutory Auditors of the Company M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (Reg. No. 101720W) retire at the ensuing Annual General Meeting and being eligible, offer themselves, for re-appointment. The Board recommends their re-appointment as the Auditors of the Company.

#### **PARTICULARS OF EMPLOYEES:**

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

#### **DB SPACECON PRIVATE LIMITED**



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

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

During the year under review, Foreign Exchange 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.

On behalf of the Board of Directors  
For **DB Spacecon Private Limited**

Director

Director

Place : Mumbai  
Date : 30.05.2011

**AUDITORS' REPORT**

**To the Members of  
DB Spacecon Private Limited**  
*(Formerly Known as DB Airport Infra Private Limited)*

We have audited the attached Balance Sheet of **DB Spacecon Private Limited** as at March 31, 2011, Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in Paragraph 2 above, 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;
  - e) In absence of the written representation from two directors, we are unable to comment on whether those two directors of the company are disqualified from being appointed as a director in terms of clause (g) of sub-section (i) of Section 274 of the Companies Act, 1956. In respect of other one director, on the basis of written representations received from him as on 31st March, 2011 and taken

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**Head Office:** 714-715, Tulsiani Chambers, 212, Nariman Point, Mumbai-400 021.  
Tel.: (022) 3021 8500 Fax: (022) 3021 8595

**Office:** 912-913, Tulsiani Chambers, 212, Nariman Point, Mumbai-400 021.

Branches: Ahmedabad • Banalore • Delhi • Jamnaar • Kolkata



on record by the Board of Directors, we report that he is not disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011; and
  - (ii) in the case of the Profit and Loss Account, of the "Loss" for the year ended on that date and
  - (iii) in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For CHATURVEDI & SHAH**  
Firm Reg. No. : 101720W  
Chartered Accountants



*Jignesh Mehta*

**Jignesh Mehta**  
Partner  
Membership No. 102749

Place: Mumbai  
Date: 30/5/2011

**ANNEXURE TO AUDITOR'S REPORT**  
**Referred to in Paragraph 2 of our Report of even date**

i) The Company does not have any Fixed Assets. Thus Clause (i) of paragraph 4 of the Order is not applicable.

ii) In respect of its Inventories:

The Company is engaged in the business of real estate development and as at year end its project is in initial stage of development. As at year end, company's inventory comprises of the work in progress representing the direct cost incurred for project and cost of TDR acquired. The company does not have any construction related inventories and therefore, clause (ii) of paragraph 4 of the Order is not applicable.

iii) In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

a) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firm or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, sub-clause (b), (c) and (d) of Clause 4(iii) of the order are not applicable.

b) According to the information and explanations given to us, the company has taken unsecured loan from three parties listed in the register maintained under section 301 of the Companies Act, 1956 of which loan from one party is squared off during the year, in respect of the said loans, the maximum amount outstanding at any time during the year is Rs. 3,12,79,36,495/- and the year-end balance is Rs. 2,73,27,13,835/-.

c) In our opinion and according to the information and explanation given to us, terms of interest, where applicable and other terms and conditions are not prejudicial to the interest of the company.

d) In respect of loan taken by the Company, the payments of interest, where applicable, are payable on demand, the principal amounts are repayable on demand and therefore the question of overdue amount doesn't arise.

iv) 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 and sale of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems in respect of same.



- v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanation given to us, the transactions in pursuance of such contracts or arrangement and aggregating during the year to Rs. 5,00,000/- (Rupees Five Lakhs only) or more in respect of each party have been made at prices which are reasonable.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the directives issued by the Reserve Bank of India and the provision of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Amendment of Deposit) Rules, 1975 are not applicable to the company.
- vii) The Company's paid up capital and reserves at the commencement of the financial year concerned did not exceed Rs. 50 lacs. Further the Company's average annual turnover for the three consecutive preceding financial years did not exceed Rs. 5 Crores. Therefore the requirements of Clause (vii) of paragraph 4 of the Order, with respect to Internal Audit System, are not applicable.
- viii) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the companies Act, 1956.
- ix) In respect of statutory dues:
- a) According to the records of the Company, undisputed statutory dues including Income tax and other applicable statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute.



- x) The Company's accumulated losses at the end of the financial year are more than fifty percent of the Networth of the Company. The Company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company had no dues payable to Financial Institutions, Banks or Debenture holders.
- xii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv) In our opinion and according to the explanations given to us and based on the information available, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv) According to information and explanation given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.
- xvi) The Company has not raised any term loan during the year and hence the clause (xvi) of paragraph 4 of the Order is not applicable to the Company.
- xvii) 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 there are no funds raised on short-term basis that have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares, during the year to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any secured debentures during the year covered by our audit.
- xx) As the Company is a Private Limited Company, therefore provision of Clause 4(xx) of the order is not applicable to the Company.



xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit that causes the financial statements to be materially misstated.

**For CHATURVEDI & SHAH**  
**Chartered Accountants**  
Firm Reg. No.: 101720W



A handwritten signature in cursive script, appearing to read "Jignesh Mehta".

**Jignesh Mehta**  
**Partner**  
Membership No. 102749

**Place: Mumbai**  
**Date: 30/5/2011**

**DB SPACE CON PRIVATE LIMITED**  
 Formerly Known as DB AIRPORT INFRA PRIVATE LIMITED  
**BALANCE SHEET AS AT 31ST MARCH, 2011**

	SCHEDULE NO		YEAR ENDED	YEAR ENDED
			AS AT 31ST MAR.2011	AS AT 31ST MARCH, 2010
			RUPEES	RUPEES
<b>SOURCES OF FUNDS :</b>				
<b>SHARE CAPITAL</b>				
SHARE CAPITAL	1		135,140	100,000
<b>RESERVES &amp; SURPLUS</b>				
PROFIT & LOSS ACCOUNT				
<b>LOAN FUNDS</b>				
UNSECURED LOAN	2		2,732,713,835	1,500,000
<b>TOTAL</b>			<b>2,732,848,975</b>	<b>1,600,000</b>
<b>APPLICATION OF FUNDS :</b>				
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
INVENTORIES	3	2,339,424,865		
CASH AND BANK BALANCES	4	9,671,702		215,434
OTHER RECEIVABLES	5	357,108,149		
LOANS AND ADVANCES	6	77,210		
		A	2,706,281,926	215,434
<b>LESS : CURRENT LIABILITIES AND PROVISIONS :</b>				
CURRENT LIABILITIES	7	15,331,715		16,545
PROVISIONS	8	1,217,962		-
		B	16,549,677	16,545
<b>NET CURRENT ASSETS</b>	<b>A-B</b>		<b>2,689,732,249</b>	<b>198,889</b>
<b>PROFIT AND LOSS ACCOUNT</b>			<b>43,116,726</b>	<b>1,401,111</b>
<b>TOTAL</b>			<b>2,732,848,975</b>	<b>1,600,000</b>

SIGNIFICANT ACCOUNTING POLICIES  
AND NOTES TO ACCOUNTS

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AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR CHATURVEDI & SHAH  
CHARTERED ACCOUNTANTS  
FIRM REG. NO.: 101720W

JIGNESH MEHTA  
PARTNER  
M.NO. 102749



PLACE : MUMBAI  
DATED : 30/5/2011

FOR AND ON BEHALF OF THE BOARD OF  
DIRECTORS

SALIM BALWA  
DIRECTOR

NABIL PATEL  
DIRECTOR

PLACE : MUMBAI  
DATED : 30 MAY 2011

30 MAY 2011



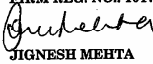
**DB SPACECON PRIVATE LIMITED**  
 Formerly Known as DB AIRPORT INFRA PRIVATE LIMITED  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31st MARCH, 2011.**

PARTICULARS			FOR THE YEAR ENDED 31ST MARCH, 2011
<b>A Cash Flow From Operating Activities:</b>			
Profit / (Loss) Before Tax			(41,715,615)
<b>Working Capital Adjustments</b>			
Increase (Decrease) in trade & other payable			16,533,132
Increase in Inventories			(2,339,424,865)
loan & Advance			(77,210)
Increase in Other Receivables			(357,108,149)
<b>Cash From Operating Activities</b>			<b>(2,721,792,707)</b>
Less: Taxes paid			
<b>Net Cash generated/(used) from Operating Activities</b>	A		<b>(2,721,792,707)</b>
<b>B Cash Flow From Investing Activities:</b>			
Proceeds from issue of shares			35,140
<b>Net Cash generated/(used) from Investing Activities</b>	B		<b>35,140</b>
<b>C Cash Flow From Financing Activities:</b>			
Proceeds from long term borrowings (net)			2,731,213,835
<b>Net Cash generated/(used) from Financing Activities</b>	C		<b>2,731,213,835</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>			<b>9,456,268</b>
<b>Cash and Cash Equivalents (Opening)</b>			<b>215,434</b>
<b>Cash and Cash Equivalents (Closing)</b>			<b>9,671,702</b>
<b>D Cash and cash Equivalents includes:</b>			
Cash on hand			23,360
Bank Balances			9,648,342
			<b>9,671,702</b>

Note:

- 1) This being first year of applicability comparative figure of previous year not being disclosed.
- 2) Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) 3: "Cash Flow Statement" as specified in the Companies (Accounting Standards) Rules 2006.

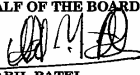
AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR CHATURVEDI & SHAH  
 CHARTERED ACCOUNTANTS  
 FIRM REG. NO.: 101720  
  
**JIGNESH MEHTA**  
 PARTNER  
 M.NO. 102749



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

  
**SALIM BALWA**  
 DIRECTOR

  
**NABIL PATEL**  
 DIRECTOR

  
**N. S. GARG**  
 DIRECTOR

PLACE : MUMBAI  
 DATED : 30/5/2011

PLACE : MUMBAI  
 DATED : 30 MAY 2011



**DB SPACE CON PRIVATE LIMITED**  
 Formerly Known as DB AIRPORT INFRA PRIVATE LIMITED  
**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2011.**

**SCHEDULE 1:**

**SHARE CAPITAL**

**AUTHORISED CAPITAL**

10,00,000 Equity Shares of Rs. 10/- each  
 (P.Y. 10,00,000 Equity Shares of Rs. 10/- each)  
 20,00,000 Convertible Cumulative Preference Shares of Rs. 10/- each  
 (P.Y. 20,00,000 Convertible Cumulative Preference Shares of Rs. 10/- each)

	YEAR ENDED	YEAR ENDED
	AS AT 31ST MAR. 2011	AS AT 31ST MARCH, 2010
	RUPEES	RUPEES
	10,000,000	10,000,000
	20,000,000	20,000,000
<b>TOTAL</b>	<b>30,000,000</b>	<b>30,000,000</b>

**ISSUED, SUBSCRIBED & PAID UP CAPITAL**

13,514 Equity Shares of Rs. 10/- each, fully paid up  
 (P.Y. 10,000 Equity Shares of Rs. 10/- each, fully paid up)

	135,140	100,000
<b>TOTAL</b>	<b>135,140</b>	<b>100,000</b>

**LOAN FUND**

Unsecured Loan  
 From holding Co.  
 From Others

	2,732,113,835	1,500,000
	600,000	-
<b>TOTAL</b>	<b>2,732,713,835</b>	<b>1,500,000</b>

**SCHEDULE 3:**

**INVENTORIES**

Project Working Progress  
 Transferable Development Rights - TDR

	24,416,763	-
	2,315,008,102	-
<b>TOTAL</b>	<b>2,339,424,865</b>	<b>-</b>

**SCHEDULE 4:**

**CASH AND BANK BALANCES:**

Cash on Hand  
 Balance with Scheduled Bank in Current Account

	23,360	4,718
	9,648,342	210,716
<b>TOTAL</b>	<b>9,671,702</b>	<b>215,434</b>

**SCHEDULE 5:**

Other Recivables for sale of TDR

	357,108,149	-
<b>TOTAL</b>	<b>357,108,149</b>	<b>-</b>

**SCHEDULE 6:**

**LOANS AND ADVANCES**

Advances Recoverable in cash or kind

	77,210	-
<b>TOTAL</b>	<b>77,210</b>	<b>-</b>

**SCHEDULE 7:**

**CURRENT LIABILITIES**

Sundry Creditors  
 Other Liabilities

	1,652,077	14,891
	13,679,638	1,654
<b>TOTAL</b>	<b>15,331,715</b>	<b>16,545</b>

**SCHEDULE 8:**

**PROVISION**

Provision for Expenses

	1,217,962	-
<b>TOTAL</b>	<b>1,217,962</b>	<b>-</b>



**DB SPACE CON PRIVATE LIMITED**

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011**

**SCHEDULE 9:**

**OTHER INCOME**

Profit / (Loss) on sale of TDR

**TOTAL**

**SCHEDULE 10:**

**ADMINISTRATIVE AND OTHER EXPENSES**

Interest Expense  
 Legal & Professional Fees  
 Auditor Remuneration - Audit fees including service tax  
 Rent Rates & Taxes  
 Bank Charges -written Back  
 Hiring Charges  
 Printing and Stationery  
 Conveyance Tour ,& Travels  
 Business pramotion & publicity  
 Compounding Proceeding Charges  
 Commission & Brokerage  
 Membership & Subscription Fees  
 General Exp.

**TOTAL**

YEAR ENDED	YEAR ENDED
AS AT 31ST	AS AT 31ST
MARCH, 2011	MARCH, 2010
RUPEES	RUPEES
20,732,004	-
<b>20,732,004</b>	<b>-</b>
54,275,131	-
45,985	7,808
20,851	16,545
20,741	-
-	13,399
5,244,765	-
10,811	-
451	-
54,501	-
-	900,000
2,718,620	-
50,000	-
5,763	2,298
<b>62,447,619</b>	<b>940,050</b>



**DB SPACECON PRIVATE LIMITED**  
Formerly Known as DB AIRPORT INFRA PRIVATE LIMITED

**SCHEDULE 11:**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**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, as notified by the companies Acts.(Accounting Standard Rules), 2006 referred to in Sub-Section (3C) of Section 211 of the Companies Act,1956 and the relevant provisions of the Companies Act, 1956.

**2 Use of Estimates**

The preparation of Financial Statement requires management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, the disclosure of Contingent Liabilities on the date of financial statements and the reported amount of expenses during the year reported. Actual results could differ from those estimates. Any revision to estimates is recognized in accordance with the requirements of respective Accounting Standard.

**3 Foreign currency Transaction**

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction .
- (b) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- (c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss accounts.

**4 INVENTORIES**

Project work in progress represent cost incurred in relation to development and construction of project. Direct Expenses are taken as the cost of projects. The inventories of TDR are valued at lower of cost or net realisable value using specific identification method.

**5 REVENUE RECOGNITION**

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method, subject to transfer of significant risk and rewards to the buyer. The percentage of completion is determined on the basis of physical proportion of the work completed, as certified by the Company's technical personnel, in relation to a contract or a group of contracts within a project, only after the work has progressed to the extent of 30% of the total work involved and atleast 20% of construction cost (excluding cost incurred in acquisition of land and its development rights) is incurred. Accordingly, cost of construction / development is charged to the profit and loss account in proportion to the revenue recognized during the period and balance costs are carried as part of 'Project Work in Progress' under inventories. Amounts receivable / payable are reflected as Debtors/Advances from Customers, respectively, after considering income recognized in the aforesaid manner. The estimates of saleable area and costs as revised periodically by the management are considered as change in estimate and accordingly, the effect of such changes to estimates is recognized in the period such changes are determined.

**6 TAXES ON INCOME**

Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable effective tax rates. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using relevant enacted or substantively enacted effective tax rates as on the balance sheet date.



At each balance sheet date the company reassesses recognised deferred tax assets and liabilities and recognises unrecognised deferred tax assets, to the extent they become reasonably certain or virtually certain of realisation, as the case may be.

**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 reasonable 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 and adjusted to reflect the current best estimates.

**8 Contingent Liabilities**

Contingent Liabilities are not provided for in the account, and if any, the same is disclosed in notes to accounts.

9 Accounting Policies not specifically referred to above are consistent with the Generally Accepted Accounting Principles followed by the Company.

**B. NOTES TO ACCOUNTS**

1 The amounts in the Balance sheet and Profit and Loss Account are rounded off to nearest rupee.

2 The name of the company has changed from DB Airport Infra Pvt. Ltd to DB Space con Pvt Ltd. w.e.f 20th August 2010

3 For the period ended 31st March 2011 the Company has incurred losses and as at Balance Sheet date Net Worth of the Company is negative. The Company is under preliminary stage of redevelopment of the Government Colony in Bandra (East), Mumbai. Further, the holding company has also committed to provide the financial support to the Company. Therefore, in view of the management, accounts have been prepared on going concern basis.

4 Contingent Liability -Rs. Nil (P.Y- Nil)

**5 Related Party Disclosure as per Accounting Standard-18**

As per Accounting Standard 18 'Related Party Disclosures' the disclosure of transactions with the related parties as defined in in AS-18 are given below.

(i) List of related parties where control exist and related parties with whom transaction have taken palce and relationship

<u>Name of Related Party</u>	<u>Relationship</u>
1. D B Realty Ltd.	Holding Company
2. Eversmile Construction Co. Pvt. Ltd. (w.e.f. 01-1-2011)	Associates
8.DB View Infracon Private Limited (Uptil January 30, 2011)	Fellow Subsidiaries
8.DB View Infracon Private Limited (w.e.f. January 31, 2011)	
6.Man Chandak Developers Pvt. Ltd. (Formerly known as DB Chandak realtors Pvt Ltd.)	Enterprise owned or significantly influenced by key management Personnel
3. Eversmile Construction Co. Pvt. Ltd.(up to 3rd May 2010.)	
4.Pony infrastructure & Contractors Ltd. (Formerly known as Dynamix Balwas Infrastrure	
5. Nihar Construction Private Limited	
7.Majestic Infracon Private Limited (earlier known as DBI Infracon Private Limited)	
8.DB View Infracon Private Limited	
9.Conwood Construction & developers Pvt Ltd.	

The above related parties were identified by the management and relied upon by the auditors.



(ii) The following transactions were carried out with related parties during the period.

(Amount in Rs.)

Nature of Transaction	DB Realty Ltd	Pony infrastructure & Contractors Ltd. (Formerly known as Dynamix Infrastruture Private Limited)	Majestic Infracon Private Limited (earlier known as DBI Infracon Private Limited)	Nihar Construction Pvt Ltd
<b>1. Loans accepted</b>				
Opening Balance	-	1,000,000	-	500,000
	(-)	(-)	(-)	(-)
Loans taken during the year	2,909,113,835	-	300,000,000	100,000
	(-)	(1,000,000)	(-)	(500,000)
Loans repaid during the year	177,000,000	1,000,000	300,000,000	-
	(-)	(-)	(-)	(-)
Closing Balance	2,732,113,835	-	-	600,000
	(-)	1,000,000	(-)	(500,000)

<b>2. Loans Granted</b>	DB Realty Ltd.
Opening Balance	-
	(83,500,000)
Loans given during the year	-
	(-)
Loans recovered during the year	-
	(83,500,000)
Closing Balance	-
	(-)

<b>3. Short term advances-Recoverable in cash or kind. (E-Payments - Re imbursements)</b>	DB View Infracon Private Limited	Majestic Infracon Private Limited (earlier known as DBI Infracon Private Limited)
Opening Balance	-	-
Paid(On Behalf)	254,963	2,414
Recovered	250,012	2,414
Closing Balance	4,951	-

<b>4. Allotment of Shares</b>	Eversmile Construction Co. Pvt. Ltd.
Allotment during the year	35,140
Previous year	(-)

<b>5. Rent Paid</b>	Conwood Construction & developers Pvt Ltd.
Current Year	20,741
Previous year	(-)

<b>6 year end balance</b>	Conwood Construction & developers Pvt Ltd.
Current Year	18,667
Previous year	(-)

<b>7 Common cost - Project Expenses - Project WIP</b>	DB Realty Ltd.
Current Year	7,929,722
Previous year	(-)

<b>8 Interest Aexpenses</b>	DB Realty Ltd.
Current Year	54,275,131
Previous year	(-)

Figures in the brackets denote figures belonging to previous period.

There were no transaction with the Key Management Personnel during the year.



6 Project Work In Progress stands in current assets-inventories includes

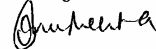
Particulars	31ST MARCH 2011	31ST MARCH 2010
Insurance premium	12,410	-
Survey Charges-Prof-WIP	1,111,800	-
Foreign travel- staff & other	1,315,874	-
Other Expensese	102,286	-
Printing & stationary	355,377	-
Professional Fees (Incl. Service Tax)	12,950,764	-
Model exps.	638,530	-
Common cost - Project Expenses	7,929,722	-
<b>Total</b>	<b>24,416,763</b>	<b>-</b>

- 7 It is the contention of the company that it does not carry on any manufacturing and trading activity there for the particulars required to be given as per of Para No. 3(i)(a), 3(ii)(a), 4-C and 4-D(a) & (b) of Part II of Schedule VI to the Companies Act, 1956 are not applicable.
- 8 As per the information provided by the company there are no Micro , Small, and Medium Enterprises as define in the Micro Small and Medium enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made.  
The above information regarding Micro Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditor.
- 9 The company operates only in one segmaent viz. Real estate Development as per AS-17 Segment reporting.
- 10 Previous period figures have been regrouped and reclassified wherever necessary to make them comparable with current year figure.

SIGNATURES TO SCHEDULE 1 TO 11

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR CHATURVEDI & SHAH  
CHARTERED ACCOUNTANTS  
Firm Reg. No. : 101720 W

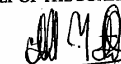
  
Jignesh Mehta  
PARTNER  
Memb. No. 102749



PLACE: MUMBAI  
DATED: 30/5/2011

FOR AND ON BEHALF OF THE BOARD

  
SALIM BALWA  
DIRECTOR

  
NABIL PATEL  
DIRECTOR

PLACE: MUMBAI  
DATED: 30 MAY 2011