

DIRECTORS' REPORT

Dear Member

Your Directors have pleasure in presenting the 8th Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2015:

FINANCIAL RESULTS AND BUSINESS INITIATIVES:

Particulars	Year Ended 31-03-2015	Year Ended 31-03-2014
Total Income	1,00,000	Nil
Total Expenses	2,57,848	45,86,747
Profit/(Loss) after Tax	(1,57,848)	(45,86,747)

The Company was formed as a special purpose vehicle for the holding company's bid for development of the Government Colony Plot "Part - 1" in Bandra (East), Mumbai and the said bid was accepted by the Govt. of Maharashtra, P. W. Department. However, for execution of work order for said project, the P.W. department has asked the Company to pay minimum upfront amount (including maintenance corpus) of Rs. 802.95 crores against the said demand, the Company has offered to pay an amount of Rs. 362.95 crores simultaneous with execution of concession agreement with P. W. Department for issuance of work order, as per the Company's understanding of the provisions contained in the tender. The P. W. Department cancelled the tender on 26.02.2015. The holding company had given a bank guarantee of Rs. 24.82 Crores for the performance of tender which was expired on 05.02.2015. The holding Company was filed writ petition No. 1298/2015 in the Bombay High Court for release of original Bank Guarantee. The Company is taking legal opinion for its proposal to approach the Bombay High court in respect of arbitrary cancellation of the tender for development of Government Colony "Part - 1".

TRANSFER TO RESERVES:

The Company has not transferred any amount to reserves

DIVIDEND

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

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

DISCLOSURES UNDER SEC. 134(3)(I) OF THE COMPANIES ACT, 2013

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

DISCLOSURE OF ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

SPACECON REALTY PRIVATE LIMITED

RISK MANAGEMENT:

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence is very minimal.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given substantially in the notes to the Financial Statements

CONTRACTS / ARRANGEMENTS / TRANSACTIONS WITH RELATED PARTIES:

All the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Companies Act, 2013 entered by the Company during the year under review with related party (/ies) are in the ordinary course of business and on arms' length basis. Hence, Section 188(1) is not applicable and consequently no particulars in form AOC-2 have been furnished.

AUDIT REPORT AND OUR COMMENTS:

The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

The Audit Report does not contain any qualification. However, without qualifying but as a matter of emphasis, the auditors have drawn attention of the members with regard to Note no. 18 of the financial statements regarding the company is taking legal opinion for its proposal to approach the Bombay High Court in respect of arbitrary cancellation of the tender for development of Government Colony "Part - 1", pending which no provision has been considered necessary towards the carrying amount of inventory of Rs. 47,15,15,530/-, which is a factual one and self explanatory. Further, although the observations in the Annexure to Auditors' Report are self explanatory, as a matter of better disclosure, your Directors offer the following clarifications and further explanations on the same:

With regard observations of Auditors as stated in para no. (viii) about accumulated losses at the end of the financial year which exceed fifty percent of its net worth and company incurred cash losses in the current and immediately preceding financial year, your directors have to state that in future the Company will be able to recover the accumulated losses once the project of the Company will be made available for development and the Company starts recognizing revenue thereafter.

ANNUAL RETURN:

The extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure and is attached to this Report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the financial year 2014-15, the Board of Directors met 4 times, viz. 25.05.2014, 28.07.2014, 01.11.2014, and 24.01.2015. The gap between any two meetings has been less than one hundred and twenty days.

SPACECON REALTY PRIVATE LIMITED

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES:

During the year under review, the Company was not having any employee drawing remuneration in excess of the limits prescribed under Section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture or Associate Company .

DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review

DIRECTORS:

During the year under review, Mr. Rajiv Agarwal and Mr. Nabil Patel are continuing as Directors of the Company.

Mr. Rajiv Agarwal, 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.

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.

AUDIT COMMITTEE AND VIGIL MECHANISM:

In compliance with the provisions of new Companies Act, 2013, the Board has initiated the process of inducting independent directors on the Board. The Board shall constitute Audit Committee and formulate vigil mechanism immediately upon induction of new independent directors in near future

SPACECON REALTY PRIVATE LIMITED

SHARES**a. BUY BACK OF SECURITIES:**

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

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

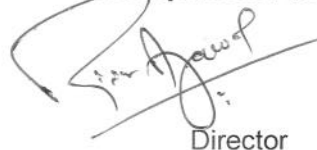
The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

There was no foreign exchange inflow or Outflow during the year under review.

ACKNOWLEDGEMENT:

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

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



Director



Director

Place : Mumbai
Date : 09.05.2015

SPACECON REALTY PRIVATE LIMITED

ANNEXURE- TO THE DIRECTORS' REPORT

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U45203MH2007PTC176104
2.	Registration Date	23-11-2007
3.	Name of the Company	Spacecon Realty Private Limited
4.	Category/Sub-category of the Company	Private Company / Limited by Share / Company having share capital
5.	Address of the Registered office & contact details	DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai – 400 063
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction and Real Estate Development	4100	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S N No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	D B Realty Limited DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400063	L70200MH2007PLC166818	Holding Company	74	2(46)

SPACECON REALTY PRIVATE LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.		10000	10000	74	-	10000	10000	74	-
e) Banks / FI									
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	10000	10000	74	-	10000	10000	74	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

SPACECON REALTY PRIVATE LIMITED

2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	3514	3514	26	-	3514	3514	26	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	3514	3514	26	-	3514	3514	26	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	3514	3514	26	-	3514	3514	26	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	13514	13514	100	-	13514	13514	100	-

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	D B Realty Limited	10000	74	--	10000	74	--	--

SPACECON REALTY PRIVATE LIMITED

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10000	74	10000	74
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	10000	74	10000	74

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	Eversmile Construction Company Private Limited	3514	26	3514	26
	At the end of the year	3514	26	3514	26

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

SPACECON REALTY PRIVATE LIMITED

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	649823288	-	649823288
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	649823288	-	649823288
Change in Indebtedness during the financial year				
* Addition	-	1,720,000	-	1,720,000
* Reduction	-	74,500,000	-	74,500,000
Net Change	-	72780000	-	72780000
Indebtedness at the end of the financial year				
i) Principal Amount	-	577,043,288	-	577,043,288
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	577,043,288	-	577,043,288

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PRSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

SPACECON REALTY PRIVATE LIMITED

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

CIN: U45203MH2007PTC176104

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

SPACECON REALTY PRIVATE LIMITED

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CIN: U45203MH2007PTC176104

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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


Director


Director

Place : Mumbai
Date : 09.05.2015

SPACECON REALTY PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s. Spacecon Realty Private Limited
(Formerly Known as DB Spacecon Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **Spacecon Realty Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 judgement, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Matter of Emphasis in Auditors' report

As stated in Note 18 of the accompanying financial statements, the company is taking legal opinion for its proposal to approach the Bombay High Court in respect of arbitrary cancellation of the tender for development of Government Colony "Part-I", pending which no provision has been considered necessary towards the carrying amount of inventory of Rs.47,15,15,530/-. However, our opinion is not qualified with respect to this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act , we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and 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, 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 aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact on its financial position.
 - The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
 - There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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



Jignesh Mehta
Partner
Membership No. : 102749

Place: Mumbai
Date: 09.05.2015



ANNEXURE TO AUDITOR'S REPORT
Referred to in Paragraph 1 of our Report of even date

- i) As the Company had no Fixed Assets during the year, clause (i) of paragraph 3 of the order is not applicable to the Company.
- 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 which represents the direct cost of construction cost. The company does not have any construction related inventories and therefore, clause (ii) of paragraph 3 of the order is not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of Clause (iii)(a) and Clause (iii)(b) of paragraph 3 of the Order not applicable to the Company.
- 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. 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) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi) To the best of our knowledge and as explained, the Companies (Cost Records and Audit) Rules, 2014 prescribed under sub section (1) of Section 148 of the Act are not applicable to the Company
- vii) 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 are payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 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 or Cess which have not been deposited on account of any dispute.



- viii) The Company's accumulated losses at the end of the financial year are more than fifty percent of the net worth 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.
- ix) The company has not raised loans from Financial Institutions or Banks or by issue of debentures and hence Clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x) In our opinion and 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 during the year. Therefore, the provisions of clause (x) of paragraph 3 of the Order are not applicable to the Company.
- xi) In our opinion and according to the information and explanations given to us, the Company had not taken any term loans during the financial year. Therefore, the provisions of clause (xi) of paragraph 3 of the Order are not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year

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



Jignesh Mehta
Partner
Membership No. : 102749

Place: Mumbai
Date: 09.05.2015



Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Limited)

BALANCE SHEET AS AT 31st MARCH, 2015

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	135,140	135,140
(b) Reserves and Surplus	3	(101,706,944)	(101,549,096)
2 Non Current Liabilities			
(a) Long-Term Borrowings	4	577,043,288	649,823,288
3 Current Liabilities			
(a) Trade Payables	5	52,430	1,661,097
(b) Other Current Liabilities	6	5,000	6,110
Total of Equity & Liabilities		475,528,914	550,076,539
II. ASSETS			
1 Current Assets			
(a) Inventories	7	471,515,530	471,515,530
(b) Trade Receivables	8	3,933,774	78,492,152
(c) Cash and Cash Equivalents	9	29,768	19,015
(d) Short-Term Loans and Advances	10	-	-
(e) Other Current Assets	11	49,842	49,842
Total of Assets		475,528,914	550,076,539

See accompanying significant accounting policies and notes to the financial statements - 1 to 26

AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR CHATURVEDI & SHAH
Chartered Accountants
Firm Registration no - 101720W

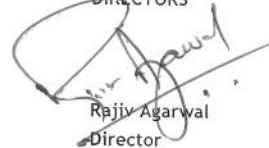


Jignesh Mehta
Partner
Membership no - 102749

Place : Mumbai
Date : 09.05.2015



FOR AND ON BEHALF OF THE BOARD OF
DIRECTORS



Rajiv Agarwal
Director
DIN : 00030453

Place : Mumbai
Date : 09.05.2015



Nabil Patel
Director
DIN : 00298093

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Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Limited)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rupees)

Sr. No.	Particulars	Note No.	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
I.	<u>Income from Operations</u>			-
II.	<u>Other Income</u>	11	100,000	-
	<i>Total Income</i>	(A)	100,000	-
III.	<u>Expenses</u>			
	Project Related Expenses	12	-	548,966
	Changes in Inventories of Work-in-progress	13	-	(548,966)
	Other expenses	14	236,544	108,899
	Legal and Professional Fees	15	21,304	4,477,848
	<i>Total Expenses</i>	(B)	257,848	4,586,747
	Profit / (Loss) After Tax	(A-B)	(157,848)	(4,586,747)
	<u>Earnings Per Share</u>			
	Basic and Diluted (before exceptional items) per share		(12)	(339)
	Weighted no. of Equity shares used in Computing EPS (of Rs 10/- each)		13,514	13,514

See accompanying significant accounting policies and notes to the financial statements - 1 to 26

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR CHATURVEDI & SHAH

Chartered Accountants

Firm Registration no - 101720W



Jignesh Mehta

Partner

Membership no - 102749

Place : Mumbai

Date : 09.05.2015



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Rajiv Agarwal

Director

DIN : 00030453



Nabil Patel

Director

DIN : 00298093

Place : Mumbai

Date : 09.05.2015

Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Limited)

Cash Flow Statement for the year ended 31st March, 2015

Sr. No.	Particulars	Year Ended 2014-15	Year Ended 2013-14
A.	Cash Flow from operating activities		
	Net Profit/(Loss) before tax & extraordinary items	(157,848)	(4,586,747)
	Add:		
	Interest & Finance Cost	-	-
	Operating Profit before Working Capital changes	(157,848)	(4,586,747)
	Adjustments For :		
	(Increase) / Decrease in inventories	-	25,263,108
	(Increase) / Decrease in loans and Advances	-	247,918
	(Increase) / Decrease in trade receivables	74,558,378	(2,508)
	Increase / (Decrease) in other current assets	-	(49,842)
	Increase / (Decrease) in trade payables	(1,608,667)	(2,646,407)
	Increase / (Decrease) in short term provisions	-	(39,178)
	Increase / (Decrease) in other current liabilities	(1,110)	(6,797,834)
	Cash generated from operations	72,790,753	11,388,510
	Direct taxes paid	-	-
	Net Cash from operating activities (A)	72,790,753	11,388,510
B.	Cash Flow from Investing activities :		
	Net Cash generated/ (used in) from investing activities (B)	-	-
C.	Cash Flow from Financing activities :		
	Long term borrowings taken	-	6,775,000
	Long term borrowings repaid	(72,780,000)	(18,200,000)
	Interest & Finance Cost	-	-
	Net cash/ (used in) from financing activities (C)	(72,780,000)	(11,425,000)
	Net increase in cash and cash equivalents (A+B+C)	10,753	(36,490)
	Cash and Cash equivalents as at the beginning	19,015	55,505
	Cash and Cash equivalents as at the end	29,768	19,015
	Cash and cash Equivalents includes:		
	Cash on hand	24,066	10,518
	Bank Balances	5,702	8,497
		29,768	19,015

Notes:

- (a) Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard Standard (AS) 3: "Cash Flow Statement" under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014
- (b) Cash and cash equivalents represent bank balance & cash in hand.
- (c) Figures of the previous year have been regrouped and reclassified wherever necessary to make them comparable with current year figures.

AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR CHATURVEDI & SHAH

Chartered Accountants
Firm Registration no - 101720W



Jignesh Mehta
Partner
Membership no - 102749

Place : Mumbai
Date : 09.05.2015




FOR AND ON BEHALF OF THE BOARD OF
DIRECTORS



Rajiv Agarwal
Director
DIN : 00030453

Place : Mumbai
Date : 09.05.2015



Nabil Patel
Director
DIN : 00298093

Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Limited)

Notes Forming Part of Financial Statements for the year ended 31st March, 2015

Note No. 1 - Significant Accounting Policies

i) 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 Act. (Accounting Standard Rules), 2006 referred to in Section 133 of the Companies Act, 2013 and the relevant provisions as applicable.

ii) 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.

iii) Foreign Currency Transactions

(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 Statement of Profit and Loss.

iv) Inventories

Project work in progress represents cost incurred in relation to development and construction of project. Direct Expenses are taken as the cost of projects. It is valued at lower of cost or net realisable value.

v) 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 and outcome of the real estate project can be estimated reliably. Percentage of completion is determined with reference to the entire project cost incurred versus total estimated project cost, determined based upon the judgment of management and certified by Company's technical personnel. The revenue is recognized, only if, all critical approvals necessary for commencement of the project have been obtained, at least 25% of construction cost (excluding cost incurred in acquisition of land and its development rights) is incurred, at least 25% of the saleable project area is secured by contracts or agreements with buyers, and at least 10 % of the total revenue as per agreement are realized at the reporting date in respect of each of the contracts and there is no uncertainty towards realisation of the balance amount. Accordingly, the cost of construction/development is charged to the profit and loss account in proportion to the revenue recognised during the period and balance cost are carried as a part of "Project work in progress" under Inventories. Amounts receivable/payable are reflected as Trade receivables/Advances from customers, respectively, after considering income recognised in 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.



Spacecon Realty Private Limited

Notes Forming Part of Financial Statements for the year ended 31st March, 2015

vi) 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.

vii) 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.

viii) Contingent Liabilities

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

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



Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Limited)

Notes Forming Part of Financial Statements for the year ended 31st March, 2015

Note : 2 Share Capital

Particulars	As at 31st March, 2015	As at 31st March, 2014
Authorised Capital		
10,00,000 Equity Shares of Rs. 10/- each (Previous Year 10,00,000)	10,000,000	10,000,000
20,00,000 Compulsorily convertible cumulative Preference Shares of Rs.10/- each (Previous Year 20,00,000)	20,000,000	20,000,000
Total	30,000,000	30,000,000
Issued, subscribed & paid up		
13514 (13514) Equity Shares of Rs. 10/- each	135,140	135,140
Total	135,140	135,140

All of the above Shares contain equal voting rights and there are no restrictions/preferences attached to any of the above shares.

Note :2.1 Reconciliation of shares outstanding at beginning and at the end of reporting period

Particulars	As at 31st March, 2015	As at 31st March, 2014
Shares outstanding at the beginning of the year	13,514	13,514
Add: Shares Issued during the year / Bonus issue	NIL	NIL
Less: Shares bought back during the year/ ESOP	NIL	NIL
Shares outstanding at the end of the year	13,514	13,514

Note :2.2 Shares held by Holding Company / Subsidiary Company / Associates

Particulars	As at 31st March, 2015	As at 31st March, 2014
Holding Company:		
D B Realty Limited		
Equity Shares of Rs 10/- each	10,000	10,000
Enterprise where individuals i.e. KMP and their relatives have significant influence		
Eversmile Construction Company Private Limited		
Equity Shares of Rs 10/- each	3,514	3,514

Note :2.3 Details of Shareholders holding more than 5% in companies

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
D B Realty Ltd	10,000	74%	10,000	74%
Eversmile Construction Company Private Limited	3,514	26%	3,514	26%

Note 3 Reserves & Surplus

Particulars	As at 31st March, 2015	As at 31st March, 2014
A. Surplus/(deficit) in statement of P/L as per last FY statement	(101,549,096)	(96,962,349)
(+) Net Profit/(Net Loss) For the current year	(157,848)	(4,586,747)
Closing Balance	(101,706,944)	(101,549,096)
Total	(101,706,944)	(101,549,096)



Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Limited)

Notes Forming Part of Financial Statements for the year ended 31st March, 2015

Note 4 Long Term Borrowings

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured		
Loan from Holding Company DB Realty Ltd (Repayable over a period of 3 to 5 years)	577,043,288	649,823,288
Total	577,043,288	649,823,288

Note 5 Trade Payables

Particulars	As at 31st March, 2015	As at 31st March, 2014
Others	52,430	1,661,097
Total	52,430	1,661,097

Note 6 Other Current Liabilities

Particulars	As at 31st March, 2015	As at 31st March, 2014
Statutory Dues	5,000	6,110
Total	5,000	6,110



Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Limited)

Notes Forming Part of Financial Statements for the year ended 31st March, 2015

Note 7 Inventories (Valued at lower of cost or NRV)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Project Work in Progress		
Work-in-progress (Valued at Cost)	471,515,530	471,515,530
Total	471,515,530	471,515,530

Note 8 Trade Receivables

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured and considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	3,933,774	78,492,152
Others	-	-
Total	3,933,774	78,492,152

Note 9 Cash and Cash Equivalents

Particulars	As at 31st March, 2015	As at 31st March, 2014
Balances with Banks	5,702	8,497
Cash on hand	24,066	10,518
Total	29,768	19,015

Note 10 Other Current Assets

Particulars	As at 31st March, 2015	As at 31st March, 2014
Others	49,842	49,842
Total	49,842	49,842



Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Limited)

Notes Forming Part of Financial Statements for the year ended 31st March, 2015

Note 11 Other Operating Income

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sundry Balances Written Back	100,000	-
Total	100,000	-

Note 12 Project Related Expenses

Particulars	As at 31st March, 2015	As at 31st March, 2014
Loss on sale of TDR	-	548,966
Total	-	548,966

Note 13 Changes in Inventories of Work-in-progress and Stock-in-Trade

Particulars	As at 31st March, 2015	As at 31st March, 2014
Opening Inventories	471,515,530	470,966,564
Closing Inventories	471,515,530	471,515,530
Total	-	(548,966)

Note 14 Other Expenses

Particulars	As at 31st March, 2015	As at 31st March, 2014
Payment to Auditors	58,483	57,866
Printing, Postage & Telephone Expenses	6,703	3,182
Miscellaneous Expenses	3,453	21,711
Interest on delayed payment of TDS	162,831	7,216
Sundry Balances Written Off	2,508	-
Bank Charges	67	403
Conveyance & Travelling Expenses	-	16,021
Profession Tax	2,500	2,500
Total	236,544	108,899

Note 15 Legal and Professional Fees

Particulars	As at 31st March, 2015	As at 31st March, 2014
Legal and Professional Fees	21,304	4,477,848
Total	21,304	4,477,848

Note 16 Payment to Auditors (Including Service Tax)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Audit Fees	56,180	56,180
Out of Pocket Expenses	2,303	1,686
Total	58,483	57,866



Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Limited)

Notes Forming Part of Financial Statements for the year ended 31st March, 2015

Note : 17 As per the Accounting Standard 18, the disclosure of transactions with the related parties as defined in the accounting standards, are given below.

A Names of related parties with whom transactions have taken place during the year (identified by management and relied upon by the auditor)

I Holding Company -
1 D B Realty Limited

II Enterprise owned or significantly influenced by Key Managerial Personnel
1 Mira Real Estate Developer

B Transaction during the year with related parties :

I. Transactions with Holding Company

Sr. No.	Particulars	Opening Balance	Taken/ Adjusted During the Year	Repaid / Adjusted During the Year	Closing Balance
1	Loan Taken from Holding Company				
a	D B Realty Limited	(649,823,288)	74,500,000	1,720,000	(577,043,288)
		661,248,288	9,857,468	21,282,468	649,823,288



Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Ltd)
Notes Forming Part of Financial Statements for the year ended 31st March, 2015

II. Transactions with Enterprises owned or significantly influenced by KMP

Sr. No.	Particulars	Opening Balance	Taken/ Adjusted During the Year	Repaid / Adjusted During the Year	Closing Balance
1	Reimbursement of expense				
a	Mira Real Estate Developer	-	25,000	25,000	-
		-	-	-	-

Note :- Figures in Italics relate to previous year



Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Limited)

Notes Forming Part of Financial Statements for the year ended 31st March, 2015

- Note 18 The company was formed as a special purpose vehicle for the holding company's bid for development of the Government Colony Plot " Part -I " in Bandra (East), Mumbai which had been accepted by Govt. of Maharashtra's P.W.Department in year 2010. For execution of work order for the said project, the P.W.Department has asked the company to pay minimum upfront amount (including maintenance corpus) of Rs. 802.95 crores. Against the said demand, the company has offered to pay an amount of Rs. 362.95 Crore simultaneously with the execution of concession agreement with P.W.Department for issuance of work order as per the company's understanding of the provisions contained in the Tender. The P.W.Department cancelled the tender on 26th February, 2015. The holding company had given a bank guarantee of Rs.24.82 crores for the performance of tender which had expired on 5th February, 2015. The holding company has filed writ petition No. 1298/2015 in the Bombay High Court for release of Original Bank Guarantee. Further, the company is taking legal opinion for its proposal to approach the Bombay High Court in respect of arbitrary cancellation of the tender for development of Government Colony "Part-I", pending which no provision has been considered necessary towards the carrying amount of inventory of Rs.47,15,15,530/-
- Note 19 As per the information provided by the company there are no Micro , Small, and Medium Enterprises as defined 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.
- Note 20 Company's activities (primarily Real Estate Development Project) has an operating cycle that exceeds one year. For classification of current assets and liabilities related to such activities, the Company elected to use such duration (estimated time to complete the project) as its operating cycle.
- Note 21 In financial year 2013-14, to augment further resources, the balance TDRs costing Rs.258,12,074/- were sold by the company on which loss of Rs. 548,966/- has been incurred. The company is continuing the Government colony redevelopment project and estimates the need for purchase of TDR at an appropriate time in the future as and when required. The sale of TDR being consequential to the overall property development business, the gains/losses were considered as part of inventory and were included in cost of project WIP.
- Note 22 Previous period figures have been regrouped and reclassified wherever necessary to make them comparable with current year figure.
- Note 23 In the absence of virtual certainty about future profitability deferred tax assets on unabsorbed business losses has not been recognised in the books of accounts.
- Note 24 The Company Operates only in one segment viz. Real Estate Development as per AS - 17 Segment Reporting.
- Note 25 Loans and Advances are subject to confirmation.
- Note 26 Contingent Liability - Rs. Nil (Previous Year - Rs. Nil)

AS PER OUT ATTACHED REPORT OF EVEN DATE
FOR CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No - 101720W



Jignesh Mehta
Partner
Membership No : 102749

Place : Mumbai
Date : 09.05.2015




For and on Behalf of the Board of Directors



Rajiv Agarwal
Director
DIN : 00030453

Place : Mumbai
Date : 09.05.2015



Nabil Patel
Director
DIN : 00298093