

**DIRECTORS' REPORT**

**Dear Member**

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2015:

**FINANCIAL RESULTS AND BUSINESS INITIATIVES:**

Particulars	For the Year Ended 31.03.2015	For the year Ended 31.03.2014
Total Income	--	8,427
Total Expenses	1,08,743	2,11,943
Loss before Tax	(1,08,743)	(2,03,516)
Tax Expenses	-	-
Loss for the Year	(1,08,743)	(2,03,516)

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

**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.

**ESTEEM PROPERTIES PVT. LTD.**

**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. 19 of the financial statements regarding the Status of the Project which inter-alia explain the circumstances under which the Project Work-in-progress has been valued at cost as well as the basis on which going concern principle has been applied, 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:

1. With regard to observation of Auditors as stated in para no. (ii)(a) about non deposit of Property Tax, you Directors have to state that the Company shall initiate the process of payment and your Directors are hopeful of clearing the said liability in due course of time.
2. With regard observations of Auditors as stated in para no. (iii) 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. 20 May 2014, 28 July 2014, 1 November 2014, and 24 January 2015. The gap between any two meetings has been less than one hundred and twenty days.

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**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. Salim Balwa 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. M.A. Parikh & Co., Chartered Accountants, Mumbai, (Reg. No. 107556W) retire at the ensuing Annual General Meeting and being eligible, offer themselves, for re-appointment. The Board recommends their re-appointment as the Auditors of the Company.

**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

**ESTEEM PROPERTIES PVT. LTD.**

**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:**

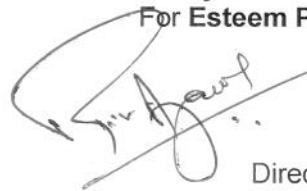
The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company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



Director



Director

Place : Mumbai  
Date : 19.05.2015

**ESTEEM PROPERTIES PVT. LTD.**

**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	U99999MH1995PTC086668
2.	Registration Date	21-03-1995
3.	Name of the Company	Esteem Properties 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.	No

**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 Development	4100	NIL

**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	100	2(46)

**ESTEEM PROPERTIES PVT. LTD.**

**IV. VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**A) 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	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	10,000	10,000	100	-	10,000	10,000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100</b>	-
<b>B. Public Shareholding</b>									
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)	-	-	-	-	-	-	-	-	-

**ESTEEM PROPERTIES 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: U99999MH1995PTC086668

<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100</b>	-

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

CIN: U99999MH1995PTC086668

**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 Ltd	10000	100	--	10000	100	-	
	<b>Total</b>	<b>10000</b>	<b>100.00</b>	<b>--</b>	<b>10000</b>	<b>100.00</b>	<b>-</b>	

**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	100	10000	100
	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	100	10000	100

**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	--	--	--	--
	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	--	--	--	--

**ESTEEM PROPERTIES PVT. LTD.**



**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	--	--	--	--

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	113,99,69,460	-	113,99,69,460
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	113,99,69,460	-	113,99,69,460
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	25,43,556	-	25,43,556
* Reduction	-	1,32,886	-	1,32,886
<b>Net Change</b>	-	24,10,670	-	24,10,670
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	114,23,80,130	-	114,23,80,130
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	114,23,80,130	-	114,23,80,130

**ESTEEM PROPERTIES PVT. LTD.**

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### 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	--	--	--	--	--

### 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	--	--	--	--	--

### ESTEEM PROPERTIES PVT. LTD.

**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	--	--	--	--

**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)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

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

  
Director

  
Director

Place : Mumbai  
Date : 19.05.2015

**ESTEEM PROPERTIES PVT. LTD.**

**M. A. PARIKH & CO.**  
**CHARTERED ACCOUNTANTS**

**Independent Auditor's Report  
To the Members of Esteem Properties Private Limited  
Report on the Financial Statements**

We have audited the accompanying financial statements of **Esteem Properties Private Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 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 provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of 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 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 thereunder.

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 the 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. An audit also includes evaluating the appropriateness of the 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 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 cash flows for the year ended on that date.

### **Emphasis of Matter**

Attention is drawn to Note No. 19 of the financial statements for the Status of the Project which inter-alia explains the circumstances under which the Project Work-in-Progress has been valued at cost as well as the basis on which going concern principle has been applied. Our opinion is not qualified in this matter.

### **Report on Other Legal and Regulatory Requirements**

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, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - (i) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (iv) 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.
  - (v) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (vi) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 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:
    - (a) The Company has disclosed the impact of pending litigation on its financial position in its financial statements. Refer Note No.19, 22 and 23 to the financial statements.



- (b) The Company has not entered into any long-term contracts and hence, the question of making any provision for material foreseeable losses, there from, as required under the applicable law on accounting standard does not arise.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For M.A.Parikh & Co.  
Chartered Accountants  
(Firm's Registration No. 107556W)



*C. Ghelani*

Partner  
Name: Chintan Ghelani  
Membership No. 132791

Mumbai, Date:

19 MAY 2015

**Annexure referred to in paragraph 1 of our report on Other Legal and Regulatory Requirement of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management as of the year-end. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (ii) (a) According to the records of the Company, the Company was generally regular in depositing the undisputed statutory dues including provident fund, income-tax, value added tax, service tax and other applicable statutory dues with the appropriate authorities. Further, except for non-payment of property tax of Rs. 19,70,770/-, which includes Rs. 12,38,324/- due for a period of more than six months from the date it became payable, no undisputed statutory dues were outstanding 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 dues of income tax/sales tax/wealth tax/service tax/duty of customs or duty of excise or value added tax or cess.
- (iii) The accumulated losses of the Company at the end of the financial year concerned are more than 50% of its net worth. The Company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.
- (iv) 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 course of our audit.

**For M.A.Parikh & Co.  
Chartered Accountants  
(Firm's Registration No. 107556W)**



*C. Ghelani*

**Partner  
Name: Chintan Ghelani  
Membership No. 132791**

**Mumbai, Date:** 19 MAY 2015

**ESTEEM PROPERTIES PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2015**

(Amount in Rs.)

Particulars		Note No.	As at 31st March , 2015	As at 31st March, 2014
<b>I</b>	<b>EQUITY AND LIABILITES</b>			
1	<b>Shareholders Fund</b>			
	(a) Share Capital	3	1,000,000	1,000,000
	(b) Reserve & Surplus	4	(44,076,466)	(43,967,723)
2	<b>Non-current liabilities</b>			
	Long-term provisions	5	-	43,477
3	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	1,142,380,130	1,139,970,130
	(b) Trade payables	7	3,248,387	3,384,580
	(c) Other current liabilities	8	2,070,411	1,432,451
	(d) Short-term provisions	9	3,597,687	6,205
	<b>TOTAL</b>		<b>1,108,220,149</b>	<b>1,101,869,120</b>
<b>II</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	<u>Fixed Assets</u>			
	Tangible assets	10	428,692	370,651
2	<b>Current assets</b>			
	(a) Inventories	11	1,107,506,376	1,101,279,840
	(b) Cash and Cash Equivalents	12	38,312	87,882
	(c) Short-term loans and advances	13	246,769	130,747
	<b>TOTAL</b>		<b>1,108,220,149</b>	<b>1,101,869,120</b>

See accompanying notes forming part of the financial statements

1 to 31

In terms of our report of even date attached

For.M.A PARIKH & CO.  
Chartered Accountants

*C. Ghelani*

PARTNER  
Name : Chintan Ghelani  
Membership No. : 132791



For and Behalf of Board of Directors

*Rajiv Agarwal*

Rajiv Agarwal  
Director

*Salim Balwa*  
Director

Place : Mumbai  
Date : 19/05/2015

Place : Mumbai  
Date : 19/05/2015



**ESTEEM PROPERTIES PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

		(Amount in Rs.)		
Particulars		Note No.	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
1	Other Income	14	-	8,427
2	<b>Total Revenue</b>		-	<b>8,427</b>
3	<b>Expenses:</b>			
	Project Expenses	15	6,226,536	4,182,751
	Changes in inventories of Project Work-in-progress	16	(6,226,536)	(4,182,751)
	Other expenses	17	108,743	211,943
	<b>Total expenses</b>		<b>108,743</b>	<b>211,943</b>
4	<b>Loss before tax</b>		<b>(108,743)</b>	<b>(203,516)</b>
5	<b>Tax expense:</b>		-	-
6	<b>Loss for the year</b>		<b>(108,743)</b>	<b>(203,516)</b>
7	<b>Earnings per equity share:</b>			
	- Basic		(11)	(20)

See accompanying notes forming part of the financial statements 1 to 31

In terms of our report of even date attached

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

**PARTNER**  
**Name : Chintan Ghelani**  
**Membership No. : 132791**

**Place : Mumbai**  
**Date : 19/05/2015**



**For and Behalf of Board of Directors**

  
**Rajiv Agarwal**  
**Director**

  
**Salim Balwa**  
**Director**

**Place : Mumbai**  
**Date : 19/05/2015**

**ESTEEM PROPERTIES PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(Amount in Rs.)

Particulars	For the Year Ended 31.03.15		For the Year Ended 31.03.14	
	Rs.	Rs.	Rs.	Rs.
<b>(A) Cash Flow From Operating Activities:</b>				
(Loss) before tax as per Statement of Profit and Loss		(108,743)		(203,516)
<b>Adjustments for:</b>				
Depreciation	(58,040)		111,463	
Provision for Leave encashment	3,548,005		(10,791)	
Provision for Gratuity	-	3,489,965	-	100,672
<b>Operating Income before working capital changes</b>		3,381,222		(102,844)
<b>Working Capital Changes:</b>				
Inventories	(6,226,536)		(4,182,751)	
Loans and advances	(116,023)		55,043	
Other Current Assets	-		-	
Current Liabilities	501,767	(5,840,792)	106,922	(4,020,786)
<b>Net Cash Flow From Operating Activities</b>		<b>(2,459,570)</b>		<b>(4,123,630)</b>
Less: Taxes paid		-		-
<b>Net Cash from Operating Activities</b>		<b>(2,459,570)</b>		<b>(4,123,630)</b>
<b>(B) Cash Flow From Financing Activities:</b>				
Borrowings	2,410,000		4,186,912	
<b>Net Cash used in Financing Activities</b>		<b>2,410,000</b>		<b>4,186,912</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>(49,570)</b>		<b>63,282</b>
Add: Cash and Cash Equivalents (Opening)		87,882		24,600
<b>Cash and Cash Equivalents (Closing)</b>		<b>38,312</b>		<b>87,882</b>
<b>(C) Cash and Cash Equivalents includes:</b>				
Cash on hand		33,333		11,022
Bank Balances		4,979		76,860
		<b>38,312</b>		<b>87,882</b>

In terms of our report of even date attached

For M.A. PARIKH & CO.  
Chartered Accountants



Partner  
Name: Chintan Ghelani  
Membership No. : 132791

Place: Mumbai  
Date : 19/05/2015

For and on Behalf of Board of Directors

Rajiv Agarwal  
Director

Salim Balwa  
Director

Place: Mumbai  
Date : 19/05/2015

**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**1 COMPANY INFORMATION**

The Company, a subsidiary of D B Realty Limited, is engaged in the business of development and construction of complexes. In furtherance thereof, it has undertaken development and construction of a Commercial Complex at Sahar, Mumbai. The development and construction rights in respect thereof have been acquired.

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation of Financial Statements**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention on an accrual basis, to comply in all material aspects with the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria's set out in the Schedule III to the Companies Act, 2013.

**2.2 Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

**2.3 Fixed Assets and Depreciation**

**Tangible Assets:**

Fixed Assets are capitalized at cost of acquisition, net of accumulated depreciation. Cost includes cost incurred to bring the assets to their present location and condition. Depreciation is provided on straight Line Method (SLM) method based on useful life of the assets or remaining useful life of the assets existed as on April 1, 2014 as prescribed in Schedule II of the Companies Act, 2013.

**2.4 Inventories**

Project Work- In- Progress represents cost incurred in relation to development and construction of the Project. Direct expenses and construction overheads are taken as the cost of the Project. It is valued at lower of cost or net realizable value.

**2.5 Borrowing Cost**

Borrowing costs which have a direct nexus with the Project, being a qualifying asset, are allocated to the cost of the Project. Other borrowing costs are expensed out as period cost.

**2.6 Revenue Recognition**

Revenue from construction and development of the Project is recognized on the basis of percentage of Completion method. The initial revenue shall be recognized after the work has progressed to the extent of 25% of the total construction cost excluding cost incurred in relation to acquisition of land and its development rights and atleast 25% of the saleable project area is secured by contracts or agreements with buyers. Further, revenue shall be recognised out of the secured contracts/agreements only if 10% of the revenue as per the enforceable document is realised and these is no uncertainty towards realisation of the balance amount.



**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**2.7 Employee Benefits**

*Short term employee benefits:*

Employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits and are recognized in the year in which the employee renders the related service.

*Post employment benefits:*

Contribution to the provident fund, which is a defined contribution scheme, is recognized as an expense in the Statement of Profit & Loss in the period in which the contribution is due.

Provision for gratuity and leave encashment is made on the basis of actuarial valuation done by an independent valuer as of year-end.

**2.8 Taxes on Income**

Income tax expense comprises current tax, (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

**2.9 Operating Lease**

Lease rentals under an operating lease in respect of an Office Premise are charged off to the Statement of Profit & Loss in accordance with the terms of the lease agreement.

**2.10 Provision and Contingent Liabilities**

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**2.11 Earnings per Share**

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weightage average number of shares outstanding for the period is adjusted for the effects of all dilutive potential equity shares.

**2.12 Cash Flow Statement**

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and present the cash flows by operating, investing and financing activities of the Company.

2.13 Accounting policies not specifically referred to otherwise are consistent with the generally accounting principles followed by the Company.



**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**3 Share Capital**

Particulars	As at 31st March 2015		As at 31 March, 2014	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b>				
Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
	<b>10,000</b>	<b>1,000,000</b>	<b>10,000</b>	<b>1,000,000</b>
<b>Issued &amp; fully paid up</b>				
Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
	<b>10,000</b>	<b>1,000,000</b>	<b>10,000</b>	<b>1,000,000</b>
<b>Subscribed &amp; fully Paid up</b>				
Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
<b>Total</b>	<b>10,000</b>	<b>1,000,000</b>	<b>10,000</b>	<b>1,000,000</b>

- 3.1 There is no movement in number of equity shares during the year 31st March,2015 as well as during the year ended 31st March, 2014.
- 3.2 **Rights, preferences and restrictions attached to equity shares**  
The Company has only one class of equity shares having a par value of Rs. 100 per share
- 3.3 10,000 Equity Shares (Previous Year - 10,000) are held by the holding company DB Realty Limited and its nominee.

**4 Reserves & Surplus**

Particulars	As at 31st March 2015	As at 31st March, 2014
	Amount in Rs.	Amount in Rs.
<b>Surplus as per Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(43,967,723)	(43,764,207)
Add: (Loss) for the year	(108,743)	(203,516)
Balance as at the end of the year	<b>(44,076,466)</b>	<b>(43,967,723)</b>
<b>Total</b>	<b>(44,076,466)</b>	<b>(43,967,723)</b>

**5 Long Term Provisions**

Particulars	As at 31st March 2015	As at 31st March, 2014
	Amount in Rs.	Amount in Rs.
<b>Provision for employee benefit</b>		
Gratuity (Unfunded)	-	43,477
<b>Total</b>	-	<b>43,477</b>



**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**6 Short Term Borrowings**

Particulars	As at 31st March 2015	As at 31st March, 2014
	Amount in Rs.	Amount in Rs.
(Unsecured)		
- Loan from Holding Company (Refer Note below)	1,127,380,130	1,124,970,130
- Loan from a company (Refer Note below)	15,000,000	15,000,000
<b>Total</b>	<b>1,142,380,130</b>	<b>1,139,970,130</b>

Note: Interest free, repayable on demand

**7 Trade Payable**

Particulars	As at 31st March 2015	As at 31st March, 2014
	Amount in Rs.	Amount in Rs.
Sundry Creditors (Refer Note No.24)	3,248,387	3,384,580
<b>Total</b>	<b>3,248,387</b>	<b>3,384,580</b>

**8 Other Current Liabilities**

Particulars	As at 31st March 2015	As at 31st March, 2014
	Amount in Rs.	Amount in Rs.
(a) Employees' Benefits payable	76,282	123,400
(b) Statutory dues payable	1,986,726	1,040,924
(c) Liability for Expenses	6,190	200,212
(d) Current Maturities of long tem debt.	1,213	67,915
	<b>2,070,411</b>	<b>1,432,451</b>

**9 Short Term Provisions**

Particulars	As at 31st March 2015	As at 31st March, 2014
	Amount in Rs.	Amount in Rs.
<b>Provision for employee benefit</b>		
Gratuity (Unfunded)	52,815	-
Leave Encashment (Unfunded)	10,252	6,205
Provision for disputed Property Tax	3,534,620	-
<b>Total</b>	<b>3,597,687</b>	<b>6,205</b>



**ESTEEM PROPERTIES PRIVATE LIMITED**  
Notes forming part of the financial statements

10 Fixed Assets

Fixed Assets	Gross Block		Accumulated Depreciation		Net Block	
	Balance as at 1st April 2014	Balance as at 31st Mar-2015	Balance as at 1st April 2014	Depreciation (*)	Balance as at 31st Mar -2015	Balance as at 31st Mar -2014
<b>Tangible Assets</b>						
Furniture and Fixtures	8,438	8,438	8,438	(5,166)	5,166	-
Office equipment	312,961	312,961	200,690	92,255	20,017	112,271
Computer	97,000	97,000	87,359	4,791	4,849.80	9,641
Vehicles	861,268	861,268	612,528	(149,919)	398,659	248,740
<b>Total</b>	<b>1,279,667</b>	<b>1,279,667</b>	<b>909,016</b>	<b>(58,040)</b>	<b>428,692</b>	<b>370,651</b>
<b>Previous Year</b>	<b>1,279,667</b>	<b>1,279,667</b>	<b>797,553</b>	<b>111,463</b>	<b>370,651</b>	

(\*) Refer Note No. 21



**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**11 Inventories**

Particulars	As at 31st March 2015	As at 31st March, 2014
	Amount in Rs.	Amount in Rs.
Project Work-in-Progress ( Valued at cost) (Refer Note No. 19)	1,107,506,376	1,101,279,840
<b>Total</b>	<b>1,107,506,376</b>	<b>1,101,279,840</b>

**12 Cash & Cash Equivalents**

Particulars	As at 31st March 2015	As at 31st March, 2014
	Amount in Rs.	Amount in Rs.
Cash on hand	33,333	11,022
Bank balance in a current account	4,979	76,860
<b>Total</b>	<b>38,312</b>	<b>87,882</b>

**13 Short-Term loans and advances**

Particulars	As at 31st March 2015	As at 31st March, 2014
	Amount in Rs.	Amount in Rs.
(Unsecured, considered good)		
Loans	50,967	50,967
Prepaid Expenses	6,253	906
Other Advances	189,549	78,874
<b>Total</b>	<b>246,769</b>	<b>130,747</b>





**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**14 Other Income**

Particulars	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
	Amount in Rs.	Amount in Rs.
Sundry Credit balances Written back.	-	8,427
<b>Total</b>	<b>-</b>	<b>8,427</b>

**15 Project Expenses**

Particulars	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
	Amount in Rs.	Amount in Rs.
<b>Construction Overheads</b>		
- Salaries, Wages and Bonus	291,348	340,108
- Contribution to Provident Fund	18,725	49,667
- Staff Welfare and Other Amenities	(1,596)	56,189
- Gratuity	9,338	9,339
<b>Other Overheads</b>		
Rates & Taxes	4,853,059	1,829,129
Legal & Professional fees	94,850	10,775
Electricity Expenses	88,801	158,004
Security Charges	866,511	1,292,056
Printing and Stationery and Telephone Charges	7,809	7,321
Travelling and Conveyance Expenses	22,451	289,530
Miscellaneous Expenses	25,653	18,972
Depreciation	(58,040)	111,463
Material Consumed	4,678	-
Interest on car loan	2,950	10,198
<b>Total</b>	<b>6,226,536</b>	<b>4,182,751</b>

**16 Changes in Inventories of Project Work-in-progress**

Particulars	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
	Amount in Rs.	Amount in Rs.
Balance as of commencement of the year :		
- Project work in progress	1,101,279,840	1,097,097,089
Less:		
Balance as of end of the year :		
- Project work in progress	1,107,506,376	1,101,279,840
<b>Total</b>	<b>(6,226,536)</b>	<b>(4,182,751)</b>



**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**17 Other Expense**

Particulars	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
	Amount in Rs.	Amount in Rs.
Water Charges	-	8,397
<b>Remuneration to Auditors'</b>		
- Audit Fees	50,000	56,180
- Taxation Matters	30,595	52,500
- Other Services	18,000	21,350
- Out of Pocket Expenses	1,500	2,000
Legal & Professional fees	5,258	-
Miscellaneous Expenses	3,390	71,516
<b>Total</b>	<b>108,743</b>	<b>211,943</b>



**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

- 18 The Company is a subsidiary of D B Realty Limited, a "public company" and consequently, it is also a public company. However, it continues to use the word "Private Limited" as permitted by law.
- 19 Status of the Project
- 19.1 The Company had acquired under Agreement, a plot of land situated at Sahar, Andheri (East), Mumbai from Gonsalves Family and Ors, the ownership whereof was vested with them consequent to the Order passed by the Revenue Minister of the Government of Maharashtra (Revenue Minister) in the year 1995. The said Order was subsequently reversed by the Revenue Minister in the year 1998, holding that the said plot of land belongs to the Government and not Gonsalves Family and Ors (Reversed Order). The Company has challenged the said Reversed Order before the Hon. High Court of Bombay, which is pending as of now. However, in the year 2007, the Revenue Minister cancelled the Reversed Order and restored the Order passed in the year 1995, consequent to which the Company obtained ownership thereof.
- 19.2 In this background, a Public Interest Litigation (PIL) was filed before the Bombay High Court and their Lordships in Order dated 1st May, 2010 have restored the Revenue Minister's Order passed in 1998 whereby the ownership of the said plot of land is held to be that of the State Government but subject to the outcome of the petition before the Hon. High Court of Bombay. In the PIL, the Order of 1995 was not challenged. Further, the Company has challenged the judgment of the Bombay High Court in PIL by way of Special Leave Petition before the Supreme Court of India, which is pending and a status quo order has been passed by the Supreme Court of India.
- 19.3 The Company has been legally advised that the outcome of the petition before the High Court of Bombay against the Reversed Order and that of the Supreme Court of India against the Order of the Bombay High Court in PIL could be in its favour and accordingly, in the opinion of the Management of the Company, the said land may be available to it for development. Further, the Company is in physical possession of the land. Accordingly, the costs incurred in acquiring the land as well as other costs and expenses considered by the management incurred in relation to the development and construction of the said land have been allocated to Project Work in Progress and the value thereof as of 31st March, 2015 is Rs. 1,103,750,613/- ( Previous year Rs. 1101,279,840/-)
- 19.4 In view of above, though the accumulated losses have exceeded the Company's net worth, these accounts have been prepared on a going concern basis as the Management expects that the land would be available for development.
- 20 The Company has mortgaged its land at Sahar, Andheri for securing the term loan granted by LIC Housing Finance Limited to its holding company. The outstanding balance as of the year end is Rs. 306,303,767/- (Previous Year Rs. 306,303,767/-). Further the Company has granted corporate guarantee for the said land. The Management of the Company, having regard to the state of affairs of the holding company and other relevant factors does not expect any adverse impact.
- 21 Depreciation
- 21.1 During the current year, effective from April 1, 2014, the Company has changed its accounting policy conforms charging depreciation from Written down method ("WDV") to Straight line method ("SLM") in respect of all tangible fixed assets. The Management believes that such changes conforms well with the provisions of the Companies Act, 2013. On account of this change, there is a reversal of depreciation of Rs. 393,894/- out of the depreciation charged for the period upto 31st March, 2014. The same has been adjusted in Project Cost. As a result of this change, the Project work in progress for the current year is lower by Rs.393,894/-.



**ESTEEM PROPERTIES PRIVATE LIMITED**

**Notes forming part of the financial statements**

21.2 In accordance with requirement of Schedule II of the Companies Act, 2013, the Company has re-assessed the useful lives of the fixed assets. Due to such change in estimations, an amount of Rs. 27,001/- has been charged (net) to the financial statements of the current year representing the depreciation on the carrying value of assets as on April 1, 2014 on the basis of remaining useful lives. Further, an amount of Rs. 203,304/- has been charged to the Project Cost in respect of assets whose remaining life is NIL as at April 1, 2014.

22 **Contingent Liabilities not provided for**

Particulars	(Amount in Rupees)	
	As at 31st March 2015	As at 31st March 2014
a. The Company, as per terms of Consent Terms entered into with Air Inn Private Limited, is liable to re-imburse the liability that may devolve upon it on account of suit pending against it in the Hon'ble High Court of Judicature of Bombay.	15,000,000	15,000,000
b. Claim made for property tax not accepted	-	2,625,386

23 The Company's claim for admissibility of recovery of loss incurred on sale of equity shares of Air Inn Private Limited by the holding company amounting to Rs. 17,99,62,658/- on the principle of commercial expediency under the tax laws has not been accepted. The matter is sub-judice before the first appellate authority. Penalty proceedings are initiated against such claim which are also sub-judiced now, pending outcome of the appeal. The minimum amount of penalty involved is Rs. 5,40,00,000/-.

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

Particulars	Current Year Rs.	Previous Year Rs.
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	-	-
Interest accrued on the due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (Other than interest) beyond the appointed date, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to Suppliers under MSMED Act for payments already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

Note: The above information is compiled by the Company on the basis of the information made available by vendors and the same has been relied upon by the Statutory Auditors.

25 **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.



**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**26 Related Party Disclosures**

List of Related Parties where control exists and related parties with whom transactions have taken place and relationships

<b>Name of the Related Party</b>
<b>Holding Company:</b> D B Realty Limited
<b>Fellow Subsidiary:</b> Real Gem Buildtech Private Limited
<b>Jointly Controlled Enterprise of Holding Company (Jointly Controlled Enterprise):</b> M/s. Dynamix Realty
<b>Enterprises over which Director(s) exercises Significant Influence: (Associated Enterprises):</b> K. G. Enterprises Conwood Construction & Developers Private Limited

**Transactions during the year**

Description of Transactions	Holding Company	Associated Enterprises	Jointly Controlled Enterprise
<b>Loans Taken</b>			
Opening Balance	1,124,970,130	-	-
	(1,120,784,130)	(-)	(-)
Taken during the year	2,410,000	-	-
	(4,386,000)	(-)	(-)
Repaid during the year	-	-	-
	(200,000)	(-)	(-)
Closing Balance	1,127,380,130	-	-
	(1,124,970,130)	(-)	(-)

Statutory obligation paid on behalf of company	Holding Company	Associated Enterprises	Jointly Controlled Enterprise
Opening Balance	-	-	670
	(-)	(-)	(309)
Paid during the year	-	-	132,886
	(-)	(-)	(38,857)
Repaid during the year	-	-	133,556
	(-)	(-)	(38,187)
Closing Balance	-	-	-
	(-)	(-)	(979)
<b>Charges for use of premises by the Company</b>			
Opening Balance	-	-	-
	(-)	(1,491,015)	(-)
Transaction during the year	-	-	-
	(-)	(366,036)	(-)
Repayment during the year	-	-	-
	(-)	(856,180)	(-)
Closing Balance as of year end	-	-	-
	(-)	(1,000,871)	(-)

Notes:

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



**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

27 As per Accounting Standard-15 "Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard is given below:

**Defined Benefit Plan**

The present value of obligation is determined based on an actuarial valuation done by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

**I Reconciliation of opening and closing balances of Defined Benefit obligation.**

Particulars	Gratuity Unfunded (Amount in Rupees)	
	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Defined Benefit obligation at the beginning of the year	43,477	34,138
Current Service Cost	9,339	9,339
Interest Cost	3,652	2,629
Actuarial (gain)/loss	(3,653)	(2,629)
<b>Defined Benefit obligation at the end of the year</b>	<b>52,815</b>	<b>43,477</b>

**II Expense recognized in the Profit & Loss Account.**

Particulars	Gratuity Unfunded (Amount in Rupees)	
	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Current Service Cost	9,339	9,339
Interest Cost	3,652	2,629
Actuarial (gain)/loss	(3,653)	(2,629)
<b>Net Cost</b>	<b>9,338</b>	<b>9,339</b>

**III Actuarial Assumptions**

Particulars	Gratuity Unfunded (Amount in Rupees)	
	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Mortality Table	Indian Assured Lives Mortality (2006-2008) ultimate	Indian Assured Lives Mortality (2006-2008) ultimate
Discount Rate	7.90%	8.40%
Rate of Escalation in Salary	15.00%	10.00%
Expected Average remaining working lives of employees (in years)	1.00	1.00



**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**IV Experience Adjustments**

Particulars	Gratuity Unfunded (Amount in Rupees)	
	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Present value of obligation	52,815	43,477
Plan assets	-	-
Surplus / (Deficit)	(52,815)	(43,477)
Experience (gain) or loss on plan liabilities	(3,653)	(2,629)
Experience (gain) or loss on plan assets	-	-

**Notes:**

- 1 The obligation for Gratuity is unfunded and therefore, the following disclosures are not given:
  - a Reconciliation of Opening and Closing Balances of fair value of plan assets.
  - b Details of Investments.
- 2 The obligation of Leave Encashment is provided for on an actuarial valuation done by an independent valuer and the same is unfunded. The amount charged to the Statement of Profit and Loss for the year is Rs. 4,047/- (Previous Year amount credited Rs. 13,623/- )

**28 Earnings Per Share:**

The Loss considered in ascertaining the Company's Earnings Per Share comprises net loss after tax.

The number of shares used in computing basic and diluted Earnings Per Share is the weighted average number of shares outstanding during the year.

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Net (Loss) after tax as per statement of Profit & Loss	(108,743)	(203,516)
Weighted Average number of Shares outstanding during the year	10,000	10,000
Basic Earnings Per Share	(10.87)	(20.35)
Face Value Per Equity Share	100	100

- 29 As regards deferred tax, the Company will account for deferred tax when there is a reasonable/ virtual certainty for recognition thereof, in accordance with Accounting Standard 22 dealing with "Accounting for taxes on income".



**ESTEEM PROPERTIES PRIVATE LIMITED**  
**Notes forming part of the financial statements**

30 Disclosure as per Guidance note on accounting for Real Estate Transactions (Revised 2012):

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Project Revenue Recognised in the reporting period	-	-
The aggregate amount of :		
- Cost incurred till date	1,107,506,376	1,101,279,840
- profits recognised till date	-	-
Work in Progress	1,107,506,376	1,101,279,840
Unbilled Revenue	-	-

31 **Previous Year figures:**

Previous year's figures have been rearranged and reclassified, wherever necessary, to conform with current year's presentation.

Signature to Schedule 1 to 31

In terms of our report of even date attached.

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



**Partner**  
**Name: Chintan Ghelani**  
**Membership No. : 132791**



**Place: Mumbai**  
**Date: 19/05/2015**

**For and on Behalf of Board of Directors**



**Rajiv Agarwal**  
**Director**

**Place: Mumbai**  
**Date: 19/05/2015**



**Salim Balwa**  
**Director**