

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of the Company will be held on Wednesday, the 28th September, 2016 at 2.30 p.m. at the Registered Office of the Company at DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai – 400063 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon;
2. To appoint Director in place of Mr. Salim Balwa, who retires by rotation and being eligible offers himself for re-appointment
3. To re-appoint Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the appointment of M/s. M. A. Parikh, Chartered Accountants, Mumbai (Reg No. 107556W), as the Statutory Auditors of the Company, who were appointed as auditors of the Company at the 20th Annual General Meeting of the Company to hold office till the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2019, be and is hereby ratified and the Board of Directors be and is hereby authorized to do all such acts, deeds, matters as may be necessary to give effect to this resolution including fixation of their remuneration and reimbursement of out of pocket expenses incurred in connection hereto.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Jagat Anil Killawala (DIN: 00262857), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on November 7, 2015 and whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from November 7, 2015 and whose office shall not be liable to determination by retirement of directors by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nasir M. Rafique (DIN: 01623598), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on November 7, 2015 and whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act , be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from November 7, 2015 and whose office shall not be liable to determination by retirement of directors by rotation.”

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

SD/-

Director

Place: Mumbai
Date: 27.05.2016

Registered Office:

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, must be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statements pursuant to section 102 (1) of the Companies Act, 2013 relating to the aforesaid Special Business are annexed.

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E-mail: info@dbg.co.in • Website: www.dbrealty.co.in
CIN: U99999MH1995PTC086668

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**Item No.4**

Pursuant to the Sec. 149 read with rules made thereunder and other applicable provisions of the Companies Act, 2013 the Company was require to appoint 2 Independent Director on the Board of the Company.

In order to comply with above requirement, the Board has decided to appoint Mr. Jagat A. Killawala, (DIN: 00262857) Independent Director of the Holding Company, D B Realty Limited as an Additional Director (Independent) of the Company with effect from 7th November, 2015. He holds office upto the date of this Annual General Meeting but is eligible for the appointment as an Independent Director for a term upto five years. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of an Independent Director

Mr. Jagat A. Killwala is an Industrialist and has been engaged in the business of manufacture of electrical switches, step lights for theatre applications and LED Products for lighting applications. He has been a premium distributor for Vimar Spa of Italy, for modular switches and accessories, Ilti Luce, Italy and Advance Fibre Optics for Fiber Otic Ligting etc for Mundocolr Spain for Theatre Lighting, He has been a Government Contractor & Railway Contractor in Signal & Telecom Dept.

Mr. Jagat A. Killawla has given a declaration to the Board that he meets the criteria of Independence as provided under section 149 (6) of the Companies Act, 2013 for appointment as Independent Director of the Company.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Jagat A. Killawala as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Jahat A. Killawla as an Independent Director, for the approval by the shareholder of the Company.

Except Mr. Jagat A. Killawala, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

Item No. 5

Pursuant to the Sec. 149 read with rules made thereunder and other applicable provisions of the Companies Act, 2013 the Company was require to appoint 2 Independent Director on the Board of the Company.

In order to comply with above requirement, the Board has decided to appoint Mr. Nasir M. Rafique (DIN: 01623598) Independent Director of the Holding Company, D B Realty Limited as an Additional Director (Independent) of the Company with effect from 7th November, 2016. Mr. Nasir M. Rafique holds office upto the date of this Annual General Meeting but is eligible for the appointment as an Independent Director for a term upto five years. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of an Independent Director

Mr. Nasir M. Rafique has completed Engineering from IIT, Kanpur / AMU and Hotel Management from IHM, PUSA, New Delhi. He has been a Freelance Consultant for the last 6 years and prior to

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that has worked as Advisor to Dadabhai Group, Bahrain (1998-2005), and as Principal of IHMA (1974-1998).

Mr. Nasir M. Rafique has given a declaration to the Board that he meets the criteria of Independence as provided under section 149 (6) of the Companies Act, 2013 for appointment as Independent Director of the Company.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Nasir M. Rafique as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Nasir M. Rafique as an Independent Director, for the approval by the shareholder of the Company.

Except Mr. Nasir M. Rafique, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

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

SD/-

Director

Place: Mumbai
Date: 27.05.2016

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

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DIRECTORS' REPORT

Dear Member

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2016:

FINANCIAL RESULTS AND BUSINESS INITIATIVES:

Particulars	For the Year Ended 31.03.2016	For the year Ended 31.03.2015
Total Revenue	--	--
Total Expenses	1,05,450	1,08,743
Loss before Tax	(1,05,450)	(1,08,743)
Loss for the Year	(1,05,450)	(1,08,743)

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. There is no any business activity in the Company during financial year 2015-2016.

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. The detail of ongoing litigation are detailed in Note No. 19, 22 and Note No. 23 in the notes to the financial statements.

RISK MANAGEMENT:

The Board of Directors of the Company reviews/shall review the risks affecting the Company from time to time.

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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. 17 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.

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 2015-16, the Board of Directors met 5 times, viz. 19-05-2015, 30-07-2015, 03-11-2015, 07-11-2015 and 06-02-2016. The gap between any two meetings has been less than one hundred and twenty days.

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.

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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 .

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed by the Auditors their report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is annexed as Annexure - B to the Auditors' Report.

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.

During the year under review, Mr. Jagat Killawala and Mr. Nasir M. Rafique appointed as Additional Director and as Non-executive Independent Director of the Company for a period of five years with effect from 7th November, 2015..

Mr. Salim Balwa, 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.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

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 :

The Audit Committee consists of the following members.

- a) Mr. Rajiv Agarwal
- b) Mr. Jagat A. Killwala
- c) Mr. Nasir M. Rafique

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The above composition of the Audit Committee consists of independent Directors viz., Mr. Jagat A. Killwala and Nasir M. Rafique who form the majority.

NOMINATION AND REMUNERATION COMMITTEE :

The Nomination and Remuneration Committee consists of the following members.

- a) Mr. Rajiv Agarwal
- b) Mr. Jagat A. Killwala
- c) Mr. Nasir M. Rafique

The above composition of the Nomination and Remuneration Committee consists of independent Directors viz., Mr. Jagat A. Killwala and Nasir M. Rafique who form the majority.

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**

SD/-

SD/-

Director

Director

Place : Mumbai
Date : 27.05.2016

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ANNEXURE- TO THE DIRECTORS' REPORT

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

As on financial year ended on 31.03.2016

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)

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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-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% 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.	-	10,000	10,000	100	-	10,000	10,000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	10,000	10,000	100	-	10,000	10,000	100	-
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):-	-	-	-	-	-	-	-	-	-

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2. Non-Institutions									
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	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10,000	10,000	100	-	10,000	10,000	100	-

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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	-	
	Total	10000	100.00	--	10000	100.00	-	

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	--	--	--	--

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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
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	1142380130	-	1142380130
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1142380130	-	1142380130
Change in Indebtedness during the financial year				
* Addition	-	22,60,000	-	22,60,000
* Reduction	-	25,000	-	25,000
Net Change	-	22,35,000	-	22,35,000
Indebtedness at the end of the financial year				
i) Principal Amount	-	1144615130	-	1144615130
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1144615130	-	1144615130

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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.

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

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)
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 Esteem Properties Private Limited**

SD/-

SD/-

Director

Director

Place : Mumbai
Date : 27.05.2016

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 2016, 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 and presentation 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 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 2016, and its loss and cash flows for the year ended on that date.

Emphasis of Matter

Attention is drawn to Note No. 17 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 these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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"** 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 it appears from our examination of those books;
 - (c) 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;
 - (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 the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"**; and



- (g) 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 does not have any long-term contracts including derivative contracts for which there could be any material foreseeable losses and hence, the question of making provision for such losses does not arise.
 - (c) There are 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: 27.05.2016

Annexure – A to the Auditors' Report

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.
- (c) The Company does not own any immovable property. Thus, paragraph 3(i)(c) of the Order is not applicable.
- (ii) Inventory represents cost incurred for acquisition of land and tenancy rights and other expenditure on construction and development which has been physically verified by the Management during the year. In our opinion, this periodicity of physical verification is reasonable. No material discrepancies were noticed on such verification.
- (iii) The Company has not granted loan to parties covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company has not granted loans or made investments or given guarantees or securities. Thus, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public. Thus, paragraph 3(v) of the Order is not applicable.
- (vi) The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Act. Thus, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the records of the Company, the Company is regular in depositing the undisputed statutory dues of provident fund, income-tax, service tax and other applicable statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax and other applicable statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

As explained to us, the Company did not have any dues on account of employees state insurance, sales tax, duty of custom, duty of excise, value added tax and cess.
- (b) The Company does not have disputed dues of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess. Thus, paragraph 3(vii)(b) of the Order is not applicable.
- (viii) The Company has not made any borrowings from financial institutions, banks and government or issued debentures. Thus, paragraph 3(viii) of the Order is not applicable.



- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has not paid managerial remuneration during the year. Thus, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.
- (xiii) The Company has not entered into any transaction, as prescribed under section 188 of the Act, with its related parties. Thus, paragraph 3(xiii) of the Order is not applicable.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Thus, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xiv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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





Partner
Name: Chintan Ghelani
Membership No. 132791

Mumbai, Date: 27.05.2016

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Esteem Properties Private Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect



the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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



C. Ghelani

Partner
Name: Chintan Ghelani
Membership No. 132791

Mumbai, Date: 27.05.2016

ESTEEM PROPERTIES PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in Rs.)

Particulars		Note No	As at 31st March, 2016	As at 31st March, 2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
(a)	Share Capital	3	1,000,000	1,000,000
(b)	Reserves and Surplus	4	(44,181,915)	(44,076,466)
			(43,181,915)	(43,076,466)
2	Current liabilities			
(a)	Short-term borrowings	5	1,144,615,130	1,142,380,130
(b)	Trade payables	6		
	Total outstanding dues of micro enterprises and small enterprises		-	-
	Total outstanding dues of creditors other than micro enterprises and small		3,306,198	3,248,387
(c)	Other current liabilities	7	5,662,089	5,605,031
(d)	Short-term provisions	8	81,039	63,067
			1,153,664,456	1,151,296,615
	TOTAL		1,110,482,541	1,108,220,149
II.	ASSETS			
1	Non-current assets			
	Fixed Assets			
	Tangible assets	9	206,976	428,692
			206,976	428,692
2	Current assets			
(a)	Inventories	10	1,110,151,607	1,107,506,376
(b)	Cash and bank balances	11	28,013	38,312
(c)	Short-term loans and advances	12	95,945	246,769
			1,110,275,565	1,107,791,457
	TOTAL		1,110,482,541	1,108,220,149

See accompanying notes forming part of the financial statements

1 to 28

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

Safim Balwa
Safim Balwa
Director

Place :Mumbai
DATED : 27.05.2016

Place :Mumbai
DATED : 27.05.2016

ESTEEM PROPERTIES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

Particulars		Note No.	For the year Ended 31st March, 2016	For the Year Ended 31st March 2015
1	Other Income		-	-
2	Total Revenue		-	-
3	Expenses:			
	Project Expenses	13	2,645,231	6,226,536
	Changes in inventories of Project Work-in-progress	14	(2,645,231)	(6,226,536)
	Other expenses	15	105,450	108,743
	Total expenses		105,450	108,743
4	Loss before tax		(105,450)	(108,743)
5	Loss for the year		(105,450)	(108,743)
6	Earnings per equity share(face value of Rs. 100/- each):			
	- Basic		(10.54)	(10.87)

See accompanying notes forming part of the financial statements 1 to 28

In terms of our report of even date attached

For.M.A PARIKH & CO.
Chartered Accountants



PARTNER
Name : Chintan Ghelani
Membership No. : 132791

For and Behalf of Board of Directors


Rajiv Agarwal
Director


Salim Balwa
Director

Place : Mumbai
Date : 27.05.2016

Place : Mumbai
Date : 27.05.2016

ESTEEM PROPERTIES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

Particulars	For the Year Ended 31.03.16		For the Year Ended 31.03.15	
	Rs.	Rs.	Rs.	Rs.
(A) Cash Flow From Operating Activities:				
(Loss) before tax as per Statement of Profit and Loss		(105,450)		(108,743)
Adjustments for:				
Depreciation	221,717		(58,040)	
Provision for Leave encashment	8,633		3,548,005	
Provision for Gratuity	9,339	239,689	-	3,489,965
Operating Income before working capital changes		134,239		3,381,222
Working Capital Changes:				
Inventories	(2,645,231)		(6,226,536)	
Loans and advances	150,824		(116,023)	
Current Liabilities	114,869	(2,379,538)	501,767	(5,840,792)
Net Cash Flow From Operating Activities		(2,245,299)		(2,459,570)
(B) Cash Flow From Financing Activities:				
Borrowings	2,235,000		2,410,000	
Net Cash used in Financing Activities		2,235,000		2,410,000
Net Increase in Cash and Cash Equivalents		(10,299)		(49,570)
Add: Cash and Cash Equivalents (Opening)		38,312		87,882
Cash and Cash Equivalents (Closing)		28,013		38,312
(C) Cash and Cash Equivalents includes:				
Cash on hand		24,678		33,333
Bank Balances		3,335		4,979
		28,013		38,312

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

Place: Mumbai
Date : 27.05.2016



For and on Behalf of Board of Directors

Rajiv Agarwal
Rajiv Agarwal
Director

Salim Balwa
Salim Balwa
Director

Place: Mumbai
Date : 27.05.2016

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 method based on useful life of the assets 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.



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 accepted 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 2016		As at 31st March 2015	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
	10,000	1,000,000	10,000	1,000,000
Issued & fully paid up				
Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
	10,000	1,000,000	10,000	1,000,000
Subscribed & fully Paid up				
Equity Shares of Rs.100/- each	10,000	1,000,000	10,000	1,000,000
Total	10,000	1,000,000	10,000	1,000,000

3.1 There is no movement in number of equity shares during the year 31st March,2016 as well as during the year ended 31st March, 2015.

3.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of Rs.100 per share. Each holder of equity share is entitled for one vote per share. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as and when declared.

On winding up of the Company, the holder's of equity shares will be entitled to receive the residual assets of the Company after distribution of all preferential amounts in proportion to the number of equity shares held.

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 2016	As at 31st March 2015
	Amount in Rs	Amount in Rs.
Surplus as per Statement of Profit and Loss		
Balance as at the beginning of the year	(44,076,466)	(43,967,723)
Add: (Loss) for the year	(105,450)	(108,743)
Balance as at the end of the year	(44,181,915)	(44,076,466)
Total	(44,181,915)	(44,076,466)

5 Short Term Borrowings

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount in Rs	Amount in Rs.
(Unsecured)		
- Loan from Holding Company (Refer Note below)	1,129,615,130	1,127,380,130
- Loan from other (Refer Note below)	15,000,000	15,000,000
Total	1,144,615,130	1,142,380,130

Note: Interest free, repayable on demand



ESTEEM PROPERTIES PRIVATE LIMITED
Notes forming part of the financial statements

6 Trade Payable

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount in Rs	Amount in Rs.
Trade Payables:		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 21)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,306,198	3,248,387
Total	3,306,198	3,248,387

7 Other Current Liabilities

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount in Rs	Amount in Rs.
(a) Employees' Benefits payable	89,094	76,282
(b) Statutory dues payable		
(i) Property Tax (*)	5,529,415	5,505,390
(ii) Others	27,647	15,956
(c) Liability for expenses	15,933	6,190
(d) Current maturities of long term debt	-	1,213
Total	5,662,089	5,605,031

(*) The Property Owners' Association has challenged the constitutional validity of the amendment to the Mumbai Municipal Corporation Act, 1888 regarding levy of property tax. In a Interim Order, the Hon'ble High Court of Bombay have directed MCGM for all the owners whether or not they are party to the Writ Petition to accept the taxes as per old regime and 50% of the differential amount as per the old and new rates. The Company has provided for the demand as per new rates subject to its right that shall emanate from the Hon'ble High Court Order. However, considering the amount provided for as upto 31-03-2015, additional amount of Rs.24,025/- is provided for. Accordingly, if the outcome is in favour, then, the excess amount of provision shall be written back or otherwise, the Company will have to pay the demand for the property tax including interest.

8 Short Term Provisions

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount in Rs	Amount in Rs.
Provision for employee benefit		
Gratuity (Unfunded)	62,154	52,815
Leave Encashment (Unfunded)	18,885	10,252
Total	81,039	63,067

10 Inventories

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount in Rs	Amount in Rs.
Project Work-in-Progress (Valued at cost) (Refer Note No. 17)	1,110,151,607	1,107,506,376
Total	1,110,151,607	1,107,506,376

11 Cash and Cash Equivalents

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount in Rs	Amount in Rs.
Cash on hand	24,678	33,333
Bank balance in a current account	3,335	4,979
Total	28,013	38,312



ESTEEM PROPERTIES PRIVATE LIMITED

Notes forming part of the financial statements

9 Fixed Assets

(Amount in Rupees)

Fixed Assets	Gross Block		Accumulated Depreciation		Net Block	
	Balance as at 1st April 2015	Balance as at 31st March 2016	Balance as at 1st April 2015	Depreciation	Balance as at 31st March 2016	Balance as at 31st March 2015
Tangible Assets						
Furniture and Fixtures	8,438	8,438	3,272	1,383	4,655	3,783
Office equipment	312,961	312,961	292,944	4,368	297,312	15,649
Computer	97,000	97,000	92,150	-	92,150	4,850
Vehicles	861,268	861,268	462,609	215,966	678,574	182,694
Total	1,279,667	1,279,667	850,974	221,717	1,072,691	206,976
Previous Year	1,279,667	1,279,667	909,016	(58,040)	850,975	428,692

Note: Depreciation is allocated to Project Expenses



ESTEEM PROPERTIES PRIVATE LIMITED
Notes forming part of the financial statements

12 Short-Term loans and advances

Particulars	As at 31st March 2016	As at 31st March 2015
	Amount in Rs.	Amount in Rs.
(Unsecured, considered good)		
Prepaid Expenses	4,500	6,253
Other Advances	91,445	240,516
Total	95,945	246,769

13 Project Expenses

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
	Amount in Rs.	Amount in Rs.
Construction Overheads		
- Salaries, Wages and Bonus	370,655	291,348
- Contribution to Provident Fund	31,437	18,725
- Staff Welfare and Other Amenities	47,179	(1,596)
- Gratuity	9,339	9,338
Rates & Taxes	388,597	4,853,059
Legal & Professional fees	40,539	94,850
Electricity Expenses	73,210	88,801
Security Charges	1,374,442	866,511
Printing and Stationery and Telephone Charges	3,216	7,809
Travelling and Conveyance Expenses	13,257	22,451
Repairs & Maintainence	35,450	-
Miscellaneous Expenses	37,406	25,653
Depreciation	221,717	(58,040)
Material Consumed	-	4,678
Interest on car loan	(1,213)	2,949
Total	2,645,231	6,226,536

14 Changes in Inventories of Project Work-in-progress

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
	Amount in Rs.	Amount in Rs.
Balance as of commencement of the year		
- Project work in progress	1,107,506,376	1,101,279,840
Less:		
Balance as of end of the year		
- Project work in progress	(1,110,151,607)	(1,107,506,376)
Total	(2,645,231)	(6,226,536)

15 Other Expenses

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
	Amount in Rs.	Amount in Rs.
Remuneration to Auditors'		
- Audit Fees	50,000	50,000
- Other Services	28,583	18,000
- Out of Pocket Expenses	-	1,500
-Taxation Matter	13,534	30,595
Legal & Professional Fees	8,773	5,258
Miscellaneous Expenses	4,560	3,390
Total	105,450	108,743



ESTEEM PROPERTIES PRIVATE LIMITED
Notes forming part of the financial statements

- 16 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.
- 17 **Status of the Project**
- 17.1 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.
- 17.2 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.
- 17.3 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, 2016 is Rs. 1,110,151,607/- (Previous year Rs. 1107,506,376/-)
- 17.4 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.
- 18 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 loan. 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.



19 **Contingent Liabilities not provided for**

(Amount in Rupees)

Particulars	As at 31st March 2016	As at 31st March 2015
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

20 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/- and interest of Rs. 1,93,26,416/- charged on such amount 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. 5,97,86,722/-.

21 **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.

22 **Segment Reporting**

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

23 **Related Party Disclosures**

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

Name of the Related Party
Holding Company: D B Realty Limited
Fellow Subsidiaries: Real Gem Buildtech Private Limited M/s. Dynamix Realty (Jointly Controlled by Holding Company)



Transactions during the year

Description of Transactions	Holding Company	Fellow Subsidiaries
Loans Taken		
Opening Balance	1,127,380,130	-
	(1,124,970,130)	(-)
Taken during the year	2,260,000	-
	(2,410,000)	(-)
Repaid during the year	25,000	-
	(-)	(-)
Closing Balance	1,129,615,130	-
	(1,127,380,130)	(-)

Statutory obligation paid on behalf of company	Holding Company	Fellow Subsidiaries
Opening Balance	-	-
	(-)	(670)
Paid during the year	-	41,328
	(-)	(132,886)
Repaid during the year	-	41,328
	(-)	(133,556)
Closing Balance	-	-
	(-)	(-)

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.
- 24 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.

Gratuity Unfunded
(Amount in Rupees)

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Defined Benefit obligation at the beginning of the year	52,815	43,477
Current Service Cost	10,077	9,339
Interest Cost	4,172	3,652
Actuarial (gain)/loss	(4,910)	(3,653)
Defined Benefit obligation at the end of the year	62,154	52,815



II Expense recognized in the Profit & Loss Account.

Particulars	Gratuity Unfunded (Amount in Rupees)	
	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Current Service Cost	10,077	9,339
Interest Cost	4,172	3,652
Actuarial (gain)/loss	(4,910)	(3,653)
Net Cost	9,339	9,338

III Actuarial Assumptions

Particulars	Gratuity Unfunded (Amount in Rupees)	
	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Mortality Table	Indian Assured Lives Mortality (2006-2008) ultimate	Indian Assured Lives Mortality (2006-2008) ultimate
Discount Rate	7.80%	7.90%
Rate of Escalation in Salary	10.00%	15.00%
Expected Average remaining working lives of employees (in years)	1.00	1.00

IV Experience Adjustments

Particulars	Gratuity Unfunded (Amount in Rupees)	
	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Present value of obligation	62,154	52,815
Plan assets	-	-
Surplus / (Deficit)	(62,154)	(52,815)
Experience (gain) or loss on plan liabilities	(4,910)	(3,653)
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. 8,633/- (Previous Year amount Rs. 4,047/-)

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25 **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 Earnings Per Share is the weighted average number of shares outstanding during the year. There are no dilutive potential equity shares.

Particulars	Year Ended	Year Ended
	31.03.2016	31.03.2015
Net (Loss) after tax as per statement of Profit & Loss	(105,450)	(108,743)
Weighted Average number of Shares outstanding during the year	10,000	10,000
Basic Earnings Per Share	(10.54)	(10.87)
Face Value Per Equity Share	100	100

26 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".

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

Particulars	Year Ended	Year Ended
	31.03.2016	31.03.2015
Project Revenue Recognised in the reporting period	-	-
The aggregate amount of :		
- Cost incurred till date	1,110,151,607	1,107,506,376
- profits recognised till date	-	-
Work in Progress	1,110,151,607	1,107,506,376
Unbilled Revenue	-	-

28 **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 28

In terms of our report of even date attached.

For M.A. PARIKH & CO.
Chartered Accountants



Partner
Name: Chintan Ghelani
Membership No. : 132791



For and on Behalf of Board of Directors



Rajiv Agarwal
Director



Salim Balwa
Director

Place: Mumbai
Date: 27.05.2016

Place: Mumbai
Date: 27.05.2016