

Revised

**M/S. GOREGAON HOTELS AND REALTY PRIVATE LIMITED**

**ANNUAL AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

**MEHTA CHOKSHI & SHAH**

Chartered Accountants

Maker Bhavan 3, 214, 2<sup>nd</sup> floor,

New Marine Lines, Mumbai 400 020

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

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## NOTICE

**NOTICE** is hereby given that the 4<sup>th</sup> Annual General Meeting of the members of the Company will be held on Wednesday, the 28<sup>th</sup> September, 2016 at 4.30 p.m. at the Registered Office of the Company at DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai – 400 063 to transact the following business:-

### **ORDINARY BUSINESS:**

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

“**RESOLVED THAT** 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. Mehta Chokshi & Shah, Chartered Accountants, Mumbai (Reg No. 106201W), as the Statutory Auditors of the Company, who were appointed as auditors of the Company at the 3<sup>rd</sup> Annual General Meeting of the Company to hold office till the conclusion of the 6<sup>th</sup> 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.”

**By order of the Board of Directors,  
For Goregaon Hotel & Realty Private Limited**

SD/-

Director

Place: Mumbai  
Date: 19.05.2016

**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.

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(Formerly known as GOREGAON HOTEL PRIVATE LIMITED)

**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: U55204MH2012PTC232397



## DIRECTOR'S REPORT

Dear Member

Your Directors have pleasure in presenting the 4<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, 2016:

### FINANCIAL RESULTS:

Particulars	(Amount in Rs)	
	For the year Ended 31.03.2016	For the Year Ended 31.03.2015
Total Revenue	-	1,09,47,945
Total Expenses	9,286,660	7,93,24,244
(Loss) before prior Period Item, Extra Ordinary Items & taxes	(92,86,660)	(6,83,76,299)
Prior Period Income (Share in Profit in Om Metal Consortium for FY 2014-2015)	34,25,340	-
Prior Period Expenses	(45,000)	--
(Loss) before tax	(2,906,320)	(6,83,76,299)
Current tax	-	-
Deferred tax	-	-
Profit/(Loss) for the year	(2,906,320)	(6,83,76,299)

The Company is a wholly owned subsidiary of D B Realty Ltd, which is engaged in the business of Hotel and Real Estate business. The Company became one of the Partners in M/s. Om Metal Consortium ("Partnership Firm") to undertake construction and development of the project at Bandra Reclamation during the financial year 2013-2014. The Company is awaiting certain approval from competent authorities for launching its Project.

### 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

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## **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.

## **RISK MANAGEMENT:**

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

## **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 Audit Report contains one qualification with regard to share of profit/loss of the Company in M/s. Om Metal Consortium ("Partnership Firm") not accounted for in financial year 2015-2016. In this context, your Directors have to state that the Company is taking steps to obtain the financial statement of account of the said firm and the impact thereof on the Company's account is not material in the opinion of the Directors.

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 observations of Auditors as stated in para no. (vii) (a) about the company is not depositing undisputed dues of TDS, Service tax and Profession Tax to the appropriate authority, your Directors have to state that the Company shall take proper care in future to pay statutory dues on time.

The provisions relating to Secretarial Audit by a practicing company secretary is not applicable to the Company.

## **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.

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## **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:**

During the financial year 2015-16, the Board of Directors met 5 times, viz. 09-05-2015, 29-07-2015, 04-11-2015, 28-01-2016 and 17-03-2016. 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.

## **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. Vipul Bansal and Mr. Nabil Patel, are continuing as the Directors of the Company.

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Mr. Nabil Patel, 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:**

In compliance with the provisions of new Companies Act, 2013, the Board has initiated the process of inducting independent directors on the Board.

#### **AUDITORS:**

The Statutory Auditors of the Company M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai (Reg. No. 106201W) retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves, for re-appointment. The Board recommends their re-appointment as the Statutory Auditors of the Company.

#### **AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE:**

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 Nomination & Remuneration Committee immediately upon induction of new independent directors in near future

#### **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 formulate vigil mechanism immediately upon induction of new independent directors in near future

#### **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

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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 Goregaon Hotel & Realty Private Limited**

**SD/-**

**SD/-**

**Director**

**Director**

Place : Mumbai  
Date : 19.05.2016

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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	U55204MH2012PTC232397
2.	Registration Date	19-06-2012
3.	Name of the Company	Goregaon Hotel & Realty Private Limited
4.	Category/Sub-category of the Company	Private Company / Limited by Share / Company having share capital
5.	Address of the Registered office & contact details	DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai – 400 063
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hotel and Restaurant	5510	NA
2	Construction and Real Estate Development	4100	NA

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S N No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/As sociate	% 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. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**  
 Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-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	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.		10000	10000	100	-	10000	10000	100	-
e) Banks / FI									
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	<b>10000</b>	<b>10000</b>	<b>100</b>	-	<b>10000</b>	<b>10000</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) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

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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>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>10000</b>	<b>10000</b>	<b>100</b>	-	<b>10000</b>	<b>10000</b>	<b>100</b>	-

**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	--	--

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**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	-	-	-	-

**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	-	-	-	-

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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	-	-60,26,61,740.00	-	-60,26,61,740.00
ii) Interest due but not paid	-	-8,26,64,385.00	-	-8,26,64,385.00
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>-68,53,26,125.00</b>	-	<b>-68,53,26,125.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-1,25,00,000.00	-83,50,08,194.00	-	-84,75,08,194.00
* Reduction	-	86,92,63,701.00	-	86,92,63,701.00
<b>Net Change</b>	<b>-1,25,00,000.00</b>	<b>3,42,55,507.00</b>	-	<b>2,17,55,507.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-1,25,00,000.00	-65,10,70,618.00	-	-66,35,70,618.00
ii) Interest due but not paid	-47318.00	-	-	-47,318.00
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-1,25,47,318.00</b>	<b>-65,10,70,618.00</b>	-	<b>-66,36,17,936.00</b>

**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	-	-	-	-	-

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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	-	-	-	-	-

B. 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	-	-	-	-

**GOREGAON HOTEL AND REALTY PRIVATE LIMITED**

(Formerly known as GOREGAON HOTEL PRIVATE LIMITED)

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: U55204MH2012PTC232397



**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 Goregaon Hotel & Realty Private Limited**

**SD/-**

**SD/-**

**Director**

**Director**

Place : Mumbai  
Date : 19.05.2016

**GOREGAON HOTEL AND REALTY PRIVATE LIMITED**

(Formerly known as GOREGAON HOTEL PRIVATE LIMITED)

**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  
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CIN: U55204MH2012PTC232397

*Mehtha Chokshi & Shah*  
CHARTERED ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

**To the Members of,  
GOREGAON HOTEL AND REALTY PRIVATE LIMITED**

**1 Report on the Financial Statements**

We have audited the accompanying financial statements of GOREGAON HOTEL AND REALTY PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**2 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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.

**3 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.



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A-101, "AADESHWAR" S.V.P. ROAD, (MANDPESHWAR ROAD), BORIVALI (W), MUMBAI - 400 092.  
Tel. 2893 0502 • Telefax : 2893 05 03 • Email : abhaymehta@camcs.in

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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.

#### **4 Basis for Qualified opinion**

*As stated in Note No.25(b) to the Financial Statements, the company has not accounted for its share of profit/loss in M/s Om Metal Consortium for FY 2015-16.*

*Accordingly, we are unable to give any opinion on consequential impact on loss for the year, retained earnings, shareholders' funds and investment in partnership firm as at year end.*

#### **5 Opinion**

*Except for the effects of the matter described in the "Basis for Qualified Opinion" para 4 above, 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, its loss and its cash flows for the year ended on that date.*

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

I. 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 statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

II. 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.






CHARTERED ACCOUNTANTS

- 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; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operative 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:
- i. The Company does not have any pending litigations which would materially impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



  
**Vijay R. Gajaria**  
**Partner**  
**M. No.: 137561**

**Place: Mumbai**  
**Date: 19th May, 2016**

**Annexure - A to the Independent Auditors' Report**  
**[Referred to in paragraph 6 (I) of our report of even date]**

- (i) (a) As per information and explanations given to us and on the basis of examination of records of the company, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As per information and explanations given to us and on the basis of examination of records of the company, the fixed assets have been physically verified by the management at reasonable intervals. Further, as informed to us, no material discrepancies were noticed on such verification.
- (c) As per information and explanations given to us and on the basis of examination of records of the company, the company does not have any immovable property held in its name. Hence, the question of title deeds being recorded in the name of the company does not arise.
- (ii) (a) The Company is in the business of real estate development and up to the year-end the company has incurred certain expenditure towards the project under development. As explained to us, site visit was carried out during the year by the management at reasonable intervals. In our opinion frequency of verification is reasonable.
- (b) In our opinion and according to information and explanation given to us, keeping in view the nature of inventory, the procedures of physical verification by way of site visits by the management are reasonable and adequate in relation to size of the company and nature of its business.
- (c) On the basis of information and explanation provided to us and based on our audit procedure, the inventory records have been kept properly. As explained to us, no material discrepancies were noticed on physical verification of inventory/project site by the management.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act and therefore paragraph 3 (iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, during the year, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits and consequently paragraph 3 (v) of the order is not applicable.




- (vi) The company does not qualify the prescribed criteria as specified in Companies (Cost Records and Audit) Rules, 2014, and therefore is not required to maintain the cost records as prescribed under Section 148 (1) of the Act. Hence paragraph 3 (vi) of the order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it is observed that the company is not regular in depositing undisputed dues of TDS, Service Tax and Profession Tax to the appropriate authority. The arrears of outstanding TDS as at 31 March 2016 which were outstanding for more than six months from the date they became payable is Rs. 13,54,910/-. Further as explained to us, the provisions for Provident Fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess are not applicable to the Company during the year.
- (b) According to the information and explanations given to us, there are no disputed dues of Income – tax and other applicable statutory dues and hence paragraph 3 (vii) (b) of the Order is not applicable.
- (viii) As per information and explanation given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, 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) during the year. However, with respect to term loans, they were applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no material 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) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, 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. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards



- (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.
- (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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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



  
Vijay R. Gajaria  
Partner  
M. No.: 137561

Place: Mumbai  
Date: 19th May, 2016

**Annexure - B to the Independent Auditors' Report**  
**[Referred to in paragraph 6 (II) (f) of our report of even date]**

**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 GOREGAON HOTEL AND REALTY PRIVATE LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone 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 Companies Act, 2013.

**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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 expenditures of the company are being made only in accordance with authorisations of management and directors 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 Institute of Chartered Accountants of India.

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



  
**Vijay R. Gajaria**  
**Partner**  
**M. No.: 137561**

**Place: Mumbai**  
**Date: 19th May, 2016**

**Goregaon Hotel and Realty 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
<b>I Equity and Liabilities</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	100,000	100,000
(b) Reserves and Surplus	4	(84,830,348)	(81,924,028)
<b>2 Non Current Liability</b>			
(a) Long-term Borrowings	5	12,500,000	-
(b) Long-term provisions	6	31,120	3,167
<b>3 Current liabilities</b>			
(a) Short Term borrowings	7	651,070,618	602,492,000
(b) Trade Payables	8	591,269	350,031
(c) Other Current Liabilities	9	115,988,352	89,984,679
(d) Short Term Provisions	10	2,877	-
<b>Total</b>		<b>695,453,888</b>	<b>611,005,849</b>
<b>II Assets</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	236,429	-
(b) Non-Current Investment	12	6,425,340	-
(c) Long-Term Loans and Advances	13	-	600,000,000
<b>2 Current assets</b>			
(a) Inventories	14	681,752,268	-
(b) Cash and Cash equivalents	15	5,096,947	12,904
(c) Short Term Loans and Advances	16	554	9,898,150
(d) Other Current Assets	17	1,942,350	1,094,795
<b>Total</b>		<b>695,453,888</b>	<b>611,005,849</b>

Significant Accounting Policies and notes on Financial Statements 1 to 34

As per our attached report of even date

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



Vijay R Gajaria  
Partner  
Membership no. 137561



For and on behalf of the Board



Vipul Bansal  
Director



Nabil Patel  
Director

Place: Mumbai  
Date: 19th May 2016

Place: Mumbai  
Date: 19th May 2016

**Goregaon Hotel and Realty Private Limited**

**Statement of Profit And Loss for the ended 31st March, 2016**

(Amount in Rs)

Particulars	Note No.	For The Year Ended 31st March, 2016	For The Year Ended 31st March, 2015
<b>I Income:</b>			
a) Revenue from operations		-	-
b) Other Income	18	-	10,947,945
<b>Total Revenue</b>		-	10,947,945
<b>II Expenditure:</b>			
a) Project related expenses	19	681,752,268	-
b) (Increase)/Decrease In Inventories	20	(681,752,268)	-
c) Employee Benefit Expense	21	-	55,926
d) Finance Cost	22	7,076,712	78,410,961
e) Depreciation and Amortisation	11	18,796	-
f) Other expenses	23	2,191,151	857,357
<b>Total Expenses</b>		9,286,660	79,324,244
<b>(Loss) before Prior Period Item, Extra Ordinary items &amp; Taxes</b>		(9,286,660)	(68,376,299)
Prior Period Income (Share in Profit in Om Metal Consortium for FY 2014-15)		6,425,340	-
Prior Period Expenses		(45,000)	-
<b>(Loss) before tax</b>		(2,906,320)	(68,376,299)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>(Loss) for the year</b>		(2,906,320)	(68,376,299)
Earnings per equity share:			
Basic and Diluted	29	(291)	(6,838)

Significant Accounting Policies and notes on Financial Statements

1 to 34

As per our attached report of even date

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

For and on behalf of the Board

Vijay R Gajaria  
Partner  
Membership no. 137561



Vipul Bansal  
Director

Nabil Patel  
Director

Place: Mumbai  
Date: 19th May 2016

Place: Mumbai  
Date: 19th May 2016



**Goregaon Hotel and Realty Private Limited**

**Cash Flow Statement For the Year Ended 31st March, 2016**

(Amount in Rs.)

Particulars	For The Year Ended 31st March, 2016	For The Year Ended 31st March, 2015
<b>Cash Flow From Operating Activities:</b>		
(Loss) Before Tax	(2,906,320)	(68,376,299)
<b>Add:</b>		
Interest expense	7,076,712	78,410,961
Depreciation	18,796	3,167
Share of profit from Partnership firm	(6,425,340)	-
Interest Income	-	(10,947,945)
<b>Net Operating Inflow before working capital changes</b>	<b>(2,236,151)</b>	<b>(910,116)</b>
<b>Working Capital Adjustments</b>		
Increase/(Decrease) in Trade Payables	241,238	280,680
Increase/(Decrease) in current liabilities	(73,996,327)	(1,864,638)
Increase/(Decrease) in Long term Provision	27,953	-
Increase/(Decrease) in Short Term Provision	2,877	-
Increase/(Decrease) in Short term Loans and Advances	9,897,596	1,054,795
Increase/(Decrease) in Other Current Assets	(847,555)	-
Increase/(Decrease) in Inventories	(81,723,694)	-
<b>Cash From Operating Activities</b>	<b>(148,634,063)</b>	<b>(1,439,279)</b>
Less: Taxes paid	-	(1,094,795)
<b>Net Cash generated/(used) from Operating Activities</b>	<b>(148,634,063)</b>	<b>(2,534,074)</b>
<b>Cash Flow From Investing Activities:</b>		
Contribution made to partnership firm	-	(200,000,000)
Loan (Granted) to /Repaid by Fellow Subsidiary	100,000,000	(100,000,000)
Purchase of Fixed Asset	(283,800)	-
<b>Net Cash generated/(used) from Investing Activities</b>	<b>99,716,200</b>	<b>(300,000,000)</b>
<b>Cash Flow From Financing Activities:</b>		
Loans Received	61,078,618	302,492,000
Interest expense	(7,076,712)	-
<b>Net Cash generated/(used) from Financing Activities</b>	<b>54,001,906</b>	<b>302,492,000</b>
<b>Net Increase/ ( Decrease ) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>5,084,043</b>	<b>(42,074)</b>
Add: Cash and Cash Equivalents (Opening)	12,904	54,978
<b>Cash and Cash Equivalents (Closing)</b>	<b>5,096,947</b>	<b>12,904</b>
<b>Cash and cash Equivalents includes:</b>		
Cash on hand	6,924	2,802
Bank Balances	5,090,023	10,102
	<b>5,096,947</b>	<b>12,904</b>

As per our attached report of even date

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

  
Vijay R Gajaria  
Partner  
Membership no. 137561



Place: Mumbai  
Date: 19th May 2016

For and on behalf of the Board



Vipul Bansal  
Director



Nabil Patel  
Director

Place: Mumbai  
Date: 19th May 2016

**Goregaon Hotel and Realty Private Limited**  
**Notes forming Part of Financial Statements**

**1 Company Information**

The Company has entered into Construction agreement dated 14/12/2013 with Om Metal Consortium (Firm) and with all the Partners of Om Metal Consortium to develop and construct rehab tenements and buildings at plot bearing CTS No.791/A(Part), Bandra Reclamations, Bandra ( West ), Mumbai admeasuring 26395.80 square meter which is to be handed over to MHADA. As per the terms of agreement, the Company shall bear the entire cost to construct, finance and develop the said property. The Company in consideration thereof shall be entitled to 50% share of Free Sale Area/Premises to be allotted to the Firm.

In furtherance thereof, expenditure incurred for the project have been included in Project Work in Progress.

**2 Statement of Significant Accounting Policies**

**2.1 Basis of Preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Act.

**2.2 Use of Estimates**

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

2.3 Accounting Policies not specifically referred to above are consistent with the Generally Accepted Accounting Principles in India.

**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 Revenue Recognition**

The Institute of Chartered Accountants of India has issued Guidance Note on "Recognisation of Revenue by Real Estate Developers" on 11th February, 2012 in consensus with AS-9 Revenue Recognition. To follow the Guidance Note the firm has revised its policies on Revenue Recognition as follows:

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

**2.6 Fixed Assets:**

**a) Tangible Assets:**

Fixed Assets are recorded at their cost of acquisition, net of modvat/ cenvat, less accumulated depreciation and impairment losses, if any. The

cost of fixed assets comprises purchase price and any attributable cost of bring the asset to its working condition for its intended use.

**b) Intangible Assets:**

Intangible Assets are recorded at their cost of acquisition, net of modvat/ cenvat, less accumulated amortization/ depletion.

**2.7 Depreciation/Amortisation**

Depreciation on fixed assets is provided on Straight Line Method basis using the rates and in the manner prescribed in Schedule II of the Companies Act, 2013.

**2.8 Impairment of Assets :**

Pursuant to Accounting Standard (AS) 28, Impairment of Assets issued by the Institute of Chartered Accountants of India, the Company assessed its fixed assets for impairment as at March, 31 2016 and concluded that there has been no significant impaired fixed asset that needs to be recognized in the books of account.

**2.9 Employee Benefits**

**i) Defined Contribution Plan**

Company's Contribution paid/payable for the year to Defined Contribution retirement benefit plan is charged to Profit and Loss account or project work in progress, if it is directly related to project.

**ii) Defined Benefit Plan and other long term benefit:**

Company's liabilities towards Defined Benefit Schemes viz. Gratuity benefits and other long term benefit viz. leave encashment are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognised in the Profit and Loss account in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent of benefits are vested, otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

**iii) Short term employee benefits**

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.



**2.10 Taxes on Income**

Provision for current tax is made after taking into consideration the benefit admissible under the provisions of the Income-Tax Act,1961 .Deferred Tax Resulting from "Timing difference" between taxable and accounting income is accounted for using the tax rates and loss that are enacted or substantively enacted as on the balance sheet date. The Deferred Tax Asset is recognized and carried forward only to the extent that there is a reasonable /virtual certainty that the assets will be realised in future.

**2.11 Cash Flow Statement:**

Cash Flow are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**2.12 Earning Per Share**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split. (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The period during which, number of dilutive potential equity shares change frequently, weighted average number of shares are computed based on a mean date in the quarter, as impact is immaterial on earning per share.

**2.13 Cash and Cash Equivalents**

Cash and cash equivalent for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**2.14 Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.



## Goregaon Hotel and Realty Private Limited

### Notes Forming Part of Financial Statements

#### 3 Share Capital

##### 3.1 Details of Authorized, Issued, Subscribed and Paid Up Share Capital

Particulars	As at 31st March , 2016		As at 31st March, 2015	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorized</b>				
<b>Equity Share</b>				
10,000 Equity Shares of Rs.10/- each	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000
<b>Issued</b>				
<b>Equity Share</b>				
10,000 Equity Shares of Rs.10/- each	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000
<b>Subscribed &amp; Paid up</b>				
<b>Equity Share</b>				
10,000 Equity Shares of Rs.10/- each	10,000	100,000	10,000	100,000
<b>Total</b>	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

All of the above shares carry equal voting rights and there are no restrictions / Preferences Attached to any of the above shares.

##### 3.2 Reconciliation of the outstanding Number of Shares

Particulars	Equity Shares		Equity Shares	
	As at 31st March , 2016		As at 31st March, 2015	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares Outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares Outstanding at the end of the year	10,000	100,000	10,000	100,000

##### 3.3 Details of number of shares held by the Holding Company

10,000 equity shares are held by DB Realty Limited (and its nominees), the holding company.

##### 3.4 The details of shareholders holding more than 5% shares

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
D B Realty Limited & its nominees	10,000	100.00%	10,000	100.00%



**Goregaon Hotel and Realty Private Limited**  
**Notes Forming Part of Financial Statements**

**4 Reserve and Surplus**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
<b>(Deficit) in Statement of Profit and Loss</b>		
Opening Balance	(81,924,028)	(13,547,729)
Add: (Loss) for the year	(2,906,320)	(68,376,299)
<b>Total</b>	<b>(84,830,348)</b>	<b>(81,924,028)</b>

**5 Long Term Borrowing**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
<b>Secured</b>		
Term Loan From NBFC : From Reliance Capital Limited ( RCL)	12,500,000	-
<b>Loan is secured by:</b>		
1. An exclusive charge on the scheduled receivables under the documents entered into with customers by the Borrower, all such proceeds both present & future .		
2. An exclusive charge over all rights, titles, interest, claims , benefits, demands under the Project documents both present & future.		
3. An exclusive charge on the escrow account , all monies credited/ deposited therein & all investments in respect thereof ( in whatever form they may be).		
4. Registered Mortgage on residential units falling under the share of GHRPL in the proposed project located at land bearing CTS No- A/791(pt) of Mahim Bandra Reclamation Area , Bandra (West).		
5. Hypothecation of receivables from sale of residential units falling under the share of GHRPL in the proposed project located at land bearing CTS No- A/791(pt) of Mahim Bandra Reclamation Area , Bandra (West) .		
6. Pledge of all shares of Goregaon Hotel and Realty Private Limited.		
<b>Repayment Schedule</b>		
1. The bullet repayment at the end of loan tenure i.e after 24 Months. The tenure can be extended for further term keeping maximum door to door tenure as 24 Months. Interest to be paid annually.		
2. The loan carry interest rate of 16% p.a		
<b>Total</b>	<b>12,500,000</b>	<b>-</b>

**6 Long Term Provisions**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
<b>Provision for employee benefit</b>		
Gratuity (unfunded)	13,545	1,205
Leave Encashment (unfunded)	17,575	1,962
<b>Total</b>	<b>31,120</b>	<b>3,167</b>



7 Short Term Borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
<b>Unsecured Loan</b>		
From Holding Company	651,070,618	2,492,000
Terms of loan : The above ICD is interest-free and repayable on demand		
Loan From Others	-	600,000,000
<b>Total</b>	<b>651,070,618</b>	<b>602,492,000</b>

8 Trade Payables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
Micro, Small and Medium Enterprises ( Refer Note <b>27</b> )	-	-
Others	591,269	350,031
<b>Total</b>	<b>591,269</b>	<b>350,031</b>

9 Other Current Liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
Interest Payable	47,318	82,664,385
Statutory Dues	507,646	6,787,576
Reimbursement of Expenses - related party	-	169,740
Outstanding Expenses	15,366,357	310,419
Salary Payable	67,031	52,559
Due to Om Metal Consortium (Refer Note No. <b>25</b> ).	100,000,000	-
<b>Total</b>	<b>115,988,352</b>	<b>89,984,679</b>

10 Short term Provision

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
<b>Provision for Employee benefit</b>		
Leave Encashment (unfunded)	2,877	5,000
<b>Total</b>	<b>2,877</b>	<b>5,000</b>

12 Non-Current Investments

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
Investment in partnership firm Om Metal Consortium (Refer Note No.25)	6,425,340	-
<b>Total</b>	<b>6,425,340</b>	<b>-</b>



**Goregaon Hotel and Realty Private Limited**  
**Notes Forming Part of Financial Statements**

**11 Fixed Assets**

(Amount In Rs.)

Particulars	Gross Block at Cost		Accumulated Depreciation		Net Block	
	Balance at 1st April, 2015	Addition (Disposals)	Balance at 1st April, 2015	Depreciation for the Year	Balance at 31st Mar, 2016	Balance at 31st March, 2015
<b>Tangible Assets</b>						
Porta Cabin	-	179,000	-	28,575	150,425	-
Computer & Related Equipments	-	104,800	-	18,796	86,004	-
<b>Total</b>	-	<b>283,800</b>	-	<b>47,371</b>	<b>236,429</b>	-
<b>Previous Year</b>						



13 Long Term Loans and Advances

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
(Unsecured, considered good)		
Contribution to Om Metals Consortium (50% Share)	-	500,000,000
Loan to Fellow Subsidiary	-	100,000,000
<b>Total</b>	-	600,000,000

14 Inventories

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
( As valued and certified by management )		
Opening inventories	-	-
Add: Project expenses incurred during the year ( * )	681,752,268	-
<b>Total</b>	681,752,268	-

\*The project is under initial stage of development and expected to have net realizable value of greater than the cost.

15 Cash and Cash equivalents

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
Balance with banks	5,090,023	10,102
Cash on Hand	6,924	2,802
<b>Total</b>	5,096,947	12,904

16 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)		
Advance recoverable cash or in kind or for values to be received	554	45,000
Interest Accrued and due	-	9,853,150
Trade Advances	-	-
<b>Total</b>	554	9,898,150

17 Other Current Assets

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount in Rs.	Amount in Rs.
Tax Deducted at Source (net of provision, if any)	1,094,795	1,094,795
Service Tax Receivable	847,555	-
<b>Total</b>	1,942,350	1,094,795





OMC note  
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**Goregaon Hotel and Realty Private Limited**  
**Notes forming Part of Financial Statements**

24 "The Company is a subsidiary of D B Realty Limited, which has become a "Public company" w.e.f. 23/09/2009. Therefore, the Company has become a private company which is a subsidiary of a public company and accordingly, by virtue of provision of section 2 (71) of the Companies Act, 2013, the Company is a public company. The Company continues to use the word "Private Limited" as permitted by law.

25 (a) The company is a partner in M/s Om Metal Consortium ("OMC"), which has been awarded tender by MHADA for construction of Rehabilitation Tenements and Buildings after redevelopment of existing transit camp against which OMC is entitled for Free Sale Premises. As per the terms of the deed, the company is admitted as a partner with 50% interest subject to it contributing Rs.60 crore as a non refundable amount, out of which as up to year end Rs.50 crore has been contributed and balance Rs. 10 crore has not been paid due to litigation filed by the company against OMC. *MEC*

Further, in terms of the deed, the firm, the company and the other partners of OMC has executed "Construction Agreement" setting out the rights and the obligations of the company and the other group. As per the agreement, the company is entitled for 50% of the Free Sale Premises and has to incur there against the costs detailed out therein (including the liabilities for direct/indirect taxes). Accordingly, the cost which are incurred as part of the company's obligation are allocated as Project Work in Progress in this account. Similarly, the amount of Rs.60 crore, being non refundable contribution is also allocated to Project Work in Progress since it represents non-refundable outflow of resources in the hands of the company for getting right in Free Sale Premises. Under the circumstances, the balance standing to partners' capital account does not include that of Rs. 50 crore paid by the company to OMC.

(b) The company has recognised share of profit for FY 2014-15 based on the audited accounts of OMC. However, the company has not recognised the share of profit for FY 2015-16 in this financial statements.

**26 Related Party Disclosures**

As per Accounting Standard 18 'Related party Disclosure' the disclosure of Transactions with the Related parties as defined in AS-18 are given below.

26.1	Particulars	Relations
	Mr. Vipul Bansal	Director ( K.M.P)
	Mr. Nabil Patel	Director ( K.M.P)
	DB Realty Ltd	Holding Company
	M/s Om Metal Consortium	Entity jointly controlled by the company
	Real Gem Buildtech Private Limited	Fellow Subsidiary

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

(Amount in Rs)

26.2	Particulars	With Holding Company	Fellow Subsidiary	Entity jointly controlled by the company
	<b>1. Loans Accepted</b>			
	Opening Balance as on 1st April, 2015	24,92,000	-	-
		(-)	(-)	(-)
	Loans taken during the year	77,04,12,383	-	-
		-25,03,600	(-)	(-)
	Loans repaid during the year	121833765	-	-
		-11,600	(-)	(-)
	Closing Balance as on 31st March, 2016	65,10,70,618	-	-
		-24,92,000	(-)	(-)
	<b>2. Loans given during the year</b>			
	Opening Balance as on 1st April, 2015	-	10,00,00,000	-
		(-)	(-)	(-)
	Loans given during the year	-	-	-
		(-)	-10,00,00,000	(-)
	Loans repaid during the year	-	10,00,00,000	-
		(-)	(-)	(-)
	Closing Balance as on 31st March, 2016	-	-	-
		(-)	-10,00,00,000	(-)
	<b>3. Interest Income</b>			
	( Transaction during the year )	-	64,25,340	-
		(-)	-1,09,47,945	(-)
	<b>4. Reimbursement of Expenses</b>			
	Opening Balance as on 1st April, 2015	1,69,740	-	-
		(-)	(-)	(-)
	Add: Expense incurred during the year	-	-	-
		-1,69,740	(-)	(-)
	Less: Amount Reimbursed during the year	1,69,740	-	-
		(-)	(-)	(-)
	Closing Balance as on 31st March, 2016	-	-	-
		-1,69,740	(-)	(-)
	<b>5. Share of Profit recognised</b>	-	-	64,25,340

*(Signature)*

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

Particulars	For the Year Ended 31st March,2016	For the Year Ended 31st March,2015
	Amount in Rs.	Amount in Rs.
Principal Amount outstanding to suppliers under MSMED Act,2006 beyond the	-	-
Interest accrued on the amount due to suppliers under MSMED Act on the above	-	-
Payment made to suppliers (other than Interest) beyond the appointed date during	-	-
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	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under	-	-

**Note:** The above information is compiled by the company on the basis of the information made available by vendors and the

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

**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.

29 **Earnings Per share**

As per AS-20, " Earning Per Share", the Disclosure of Company's EPS is as follows :

Particular	Amount in Rs.	
	For the Year Ended 31st March,2016	For the Year Ended 31st March,2015
Profit /(Loss) incurred during the year	(29,06,320)	(6,83,76,299)
Weighted average number of equity shares outstanding	10,000	10,000
Basic and Diluted Earnings per share	(291)	(6,838)
Face Value	10	10

30 **Breakup of Auditor's Remuneration**

Particulars	Amount in Rs.	
	For the Year Ended 31st March,2016	For the Year Ended 31st March,2015
Audit Fees	7,500	7,500
Certification Fees	6,850	-
Taxation Fees	-	3371
Total	14,350	10,871



**Goregaon Hotel and Realty Private Limited**  
**Notes forming Part of Financial Statements**

31 As per AS-15, "Employee Benefits", the disclosure of employee benefits as defined in AS is given below.

**Defined Benefit Plan**

Consequent to the adoption of Accounting Standard on Employee Benefits (AS-15), the Company has accounted the present value of gratuity obligation (Non-Funded) based on actuarial valuation done by an independent valuer using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences (Non-funded) is recognized in the same manner as gratuity.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2016

**31.1 Reconciliation of opening and closing balances of Defined Benefit Obligation:**

(Amount in Rupees)

Description	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Liability at the beginning of the period	1,205	-
Acquisition Adjustment	-	-
Interest cost	94	-
Current Service cost	12,574	1,205
Actuarial (gain)/loss on obligations	(328)	0
Liability at the end of the period	13,545	1,205

**31.2 Reconciliation of fair value of plan assets and obligations:**

(Amount in Rupees)

Description	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Liability at the end of the period	13,545	1,205
Fair value of Plan Assets at the end of the period	-	-
Difference	-	-
Amount Recognised in the Balance Sheet	(13,545)	(1,205)

**31.3 Expense recognized during the period:**

(Amount in Rupees)

Description	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Current service cost	12,574	1,205
Acquisition Adjustment	-	-
Interest cost	94.00	-
Expected Return on Plan Assets	-	-
Actuarial (Gain) or Loss	(328)	-
Expenses Recognised in Profit & Loss	12,340	1,205

**31.4 Actuarial Assumptions:**

Mortality Table	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	LIC (1994-96)	LIC (1994-96)
Discount rate ( per annum)	7.80%	7.8%
Rate of escalation in salary (per annum)	15.00%	#
Expected Average remaining working life of Employees	5.64 Years	5.64 Years

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion



**31.5 Experience adjustment history for 2 Years :**

Experience History	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation	13545	1250	-	-	-
Plan assets	-	-	-	-	-
Surplus/(Deficit)	(13545)	(1250)	-	-	-
Experience (gain) or loss on plan liabilities	2906	-	-	-	-
Experience (gain) or loss on plan assets	-	-	-	-	-

32 The Company is in a business of Real Estate Development. Apart from developing the properties on its own the other modes deployed are forming partnership firms, granting loans and investing in shares. Based on the audited accounts of the preceding year, financial assets and income from the financial assets exceeded 50% of total assets and total income but had never exceeded in years preceding the year ended 31st March, 2015 as also in the current year i.e. 31st March, 2016. Keeping in view these facts the Company is of the opinion that it is not a Non Banking Financial Company and hence is not required to obtain Registration in terms of Section 45-IA of the Reserve Bank of India Act, 1934.

33 The amount in the Balance Sheet and Statement of Profit and Loss is rounded off to nearest rupee.

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

Significant Accounting Policies and notes on Financial Statements I to 34

As per our attached report of even date

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



Vijay R Gajaria  
Partner  
Membership no. 137561



Place: Mumbai  
Date: 19th May 2016

For and on behalf of the Board



Vipul Bansal  
Director

Nabil Patel  
Director

Place: Mumbai  
Date: 19th May 2016