

D B MAN REALTY LIMITED

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31st MARCH, 2012

M. A. PARIKH & CO.

Chartered Accountants
Yusuf Building, 2nd Floor,
Mahatma Gandhi Road,
Fort, Mumbai – 400 001.

Tel No.: 22041018 *22043850 *22029187
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NOTICE

NOTICE IS HEREBY GIVEN THAT the fourth Annual General Meeting of the Members of DB Man Realty Limited will be held on Saturday, 1st September, 2012 at 3.00 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:

A G E N D A

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012, the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Vinod Goenka who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Mr. Asif Balwa who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditors and to fix their remuneration.

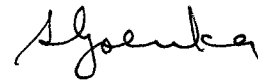
“RESOLVED THAT M/s. M.A.Parikh & Co, Chartered Accountants, Mumbai (Reg. No. 107556W) the retiring Auditors of the Company, who are not disqualified to act as Auditors of the Company u/s 224(1B) of the Companies Act, 1956, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the said auditors plus reimbursement of out of pocket expenses, if any, to be incurred by them in connection with the said audit exclusive of other fees payable for other services, if any, to be rendered by them.”

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Ashok Mehta who was appointed as Additional Director by the Board of Directors of the Company with effect from 1st February, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

BY ORDER OF THE BOARD
For **DB MAN REALTY LIMITED**



SUNITA GOENKA
DIRECTOR

MUMBAI,
DATE: 19-05-2012

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2) THE INSTRUMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 3) THE RELATIVE EXPLANATORY STATEMENT IN RESPECT OF ITEM NO 5 IS ANNEXED HERETO.

Directors' Report

To:
The Members
DB MAN REALTY LIMITED

Your Directors are pleased to present the 4th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended 31st March, 2012

NATURE OF OPERATIONS

Your Company was awarded Letter of Allotment for development and construction of an Eco- Friendly Affordable Township at Bhosari, Pune on a public private partnership basis by Pimpri Chinchwad New Township Development Authority (PCNTDA) on which an expenditure of Rs. 13.17 Crores was incurred. However, the said Letter of Allotment (LOA) was cancelled by PCNTDA in the month of June 2011. The said cancellation was contested by the Company in the Hon. High Court, Bombay. Pending the outcome, the expenditure incurred is being carried in the Balance Sheet under Project work-in-progress.

FINANCIAL RESULTS:

Particulars	(Amount in Rs.)	
	F.Y. 2011-12	F Y 2010-11
Gross Income	2,46,594	18,44,384
Less: Expenditure	10,65,596	58,24,609
Profit/(Loss) before taxation	(8,19,002)	(39,80,225)
Less : Tax provision	-	-
Profit/(Loss) after taxation	(8,19,002)	(39,80,225)
Balance brought forward	(78,61,000)	(38,80,775)
Balance carried to Balance Sheet	(86,80,002)	(78,61,000)

DIVIDEND

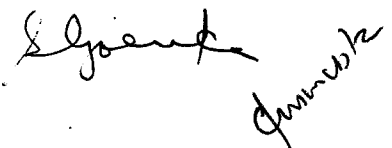
In the absence of profits, your directors do not recommend any dividend.

STATUS OF THE COMPANY

The Company continues to be a subsidiary Company of D B Realty Limited.

CHANGES IN CAPITAL STRUCTURE

During the year under review, the Company has increased the authorized capital by creation of 90,00,000 equity shares of Rs. 10 each. Consequently, the Authorised Capital has increased from Rs. 5 crores to Rs. 14 Crores.



Your Company has allotted 1,30,00,000 equity shares of Rs10/- each to the existing shareholders pro-rata their earlier shareholding. Accordingly, the issued and paid up capital of the Company has increased to Rs. 14,00,00,000 divided into 1,40,00,000 equity shares of Rs. 10/- each

FIXED DEPOSIT

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956, during the year under review.

DIRECTORS

Mr. Vinod K. Goenka retires by rotation at the ensuing annual general meeting and being eligible offers himself for reappointment.

Mr. Asif Balwa retires by rotation at the ensuing annual general meeting and being eligible offers himself for reappointment

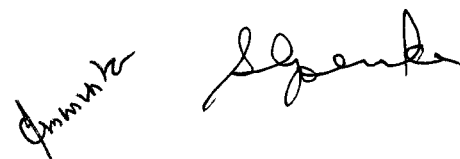
Mr. Ashok Mehta was appointed as Additional Director with effect from 1st February, 2012 and he holds the office up to the date of the annual general meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received Notice in writing from a member proposing his appointment as Director subject to retirement by rotation.

Mr. Parag Shah and Mr. Navin Ajwani ceased to be Directors with effect from 1st February, 2012 and 7th February, 2012 respectively and the Board places on record its appreciation for the services rendered by them during their tenure of Directorship.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) they 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 loss of the Company for that period;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) they had prepared the annual accounts on going concern basis.



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

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 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. Further during the year under review, the Company has neither earned nor used any foreign exchange.

PARTICULARS OF EMPLOYEES

There is no employee in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

AUDITORS

M/s. M. A. Parikh & Co., Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

You are requested to appoint the Auditors for the year 2012-2013 and fix their remuneration.

ON BEHALF OF THE BOARD OF DIRECTORS


SUNITA GOENKA
DIRECTOR


ASHOK MEHTA
DIRECTOR

Date: 19.05.2012

Place: Mumbai

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of D B Man Realty Limited

1. We have audited the attached Balance Sheet of **D B Man Realty Limited** ('the Company') as at March 31, 2012 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 here-in-above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



- (f) Attention is drawn to the Note No.19 of the financial statements with respect to the Company's contest before the Hon'High Court of Bombay against the cancellation of letter of Allotment by Pimpri Chinchwad New Town Development Authority and the implications arising therefrom.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2012;
- (ii) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.



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

C. Ghelani

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

Mumbai, Dated:19th May 2012.

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

1. Fixed Assets

- (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 assets. No discrepancies were noticed on such verification.
- (c) No fixed assets have been disposed off during the year.

2. Inventories

The Company is in the business of real estate development. As upto the year end, the Company has not purchased construction materials as also not commenced any construction activity. Therefore, the requirements of Clause 4(ii) of the Order are not applicable.

3. In respect of the loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loans from four companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding at any time during the year is Rs. 62,87,85,493/- and the year-end balance of the said loans is Rs. Nil .
- (c) The said loans were with interest and stands repaid during the year. According to the information and explanations given to us, the rate of interest and other terms and conditions of the said loans were prima facie not prejudicial to the interest of the Company.

4. During the year, there were no transactions for purchase of fixed asset, inventory and for sale of units/services. Therefore, the requirements of clause 4(iv) of the order are not applicable.

5. During the year, there were no particulars of contracts or a arrangements referred to in section 301 of the Companies Act, 1956, that were needed to be entered into the register required to be maintained under the said section Therefore, the requirements of clause 4 (v) of the order are not applicable.



6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. *The Company does not have a separate internal audit system.* In the opinion of the management of the Company, having regard to the activities of the Company during the year, separate internal audit system was not called for as the internal control procedures and systems in vogue were adequate.
8. The Company's object is to engage in construction activities. However in view the quantitative criteria's being not satisfied, the maintenance of cost records prescribed by the central Government under section 209(1)(d) of the Companies Act, 1956 are not applicable . Further, as upto the year end the company has yet to commence any construction activities.
9. Statutory Dues
 - (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, the Company is regular in depositing the Income Tax and Profession Tax due with the appropriate authority. According to the information and explanations given to us and according to the books and records as produced before us, no undisputed amounts payable in respect of the said statutory due were in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no disputed dues of Income – Tax / Value added tax / Wealth tax / Service tax / Custom duty / Excise duty / Cess and hence, the requirements of disclosure with respect to the amounts involved and the forums where the disputes are pending are not applicable.
10. The Company, as upto the end of the financial year under report, is registered for a period of less than five years from the date of its incorporation and consequently, the requirements of Clause 4(x) of the Order, with respect to position of accumulated losses and incurrence of cash losses, are not applicable.
11. The Company has neither taken any loans from banks or financial institutions nor issued any debentures. Therefore, the requirements of Clause 4(xi) of the Order are not applicable.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the requirements of Clause 4(xii) of the Order are not applicable.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the requirements of Clause 4(xiii) of the Order are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the requirements of Clause 4(xiv) of the Order are not applicable.



15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the requirements of Clause 4(xv) of the Order are not applicable.
16. The Company has not obtained any term loan. Therefore, the requirements of Clause 4(xvi) of the Order are not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short – term basis have not been utilized for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the requirements of Clause 4(xviii) of the Order are not applicable.
19. The Company has not issued any debentures. Therefore, the requirements of Clause 4(xix) of the Order are not applicable.
20. The Company has not raised any monies by way of Public Issue. Therefore, the requirements of Clause 4(xx) of the Order are not applicable.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.



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

C. Ghelani

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

Mumbai, Dated:19th May 2012.

DB MAN REALTY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No	As at	As at
		31st March 2012	31st March 2011
		Amount in ₹	Amount in ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	3	140,000,000	10,000,000
(b) Reserves and Surplus	4	(8,680,002)	(7,861,000)
2 Current liabilities			
(a) Short term borrowings	5	-	627,585,493
(b) Trade payables	6	1,026,229	200,144
(c) Other Current Liabilities	7	113,285	1,158,421
(d) Short-term provisions	8	-	403,479
TOTAL		132,459,512	631,486,537
II. ASSETS			
1 Non-current assets			
<u>Fixed Assets</u>			
Tangible assets	9	62,731	93,779
2 Current assets			
(a) Inventories	10	131,701,611	630,583,058
(b) Cash and cash equivalents	11	435,170	25,919
(c) Short-term loans and advances	12	260,000	783,781
TOTAL		132,459,512	631,486,537

See accompanying notes forming part of financial statements

1 to 29

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 on Behalf of Board of Directors

Sonita Goenka
Director
SONITA GOENKA

Ashok Mehta
Director
ASHOK MEHTA

Place : Mumbai

Date : 19 MAY 2012

DB MAN REALTY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars		Note No	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
			Amount in ₹	Amount in ₹
1	Other Income	13	246,594	1,844,384
2	Total Revenue		246,594	1,844,384
3	Expenses:			
	Project Expenses	14	1,118,552	85,789,958
	Changes in inventories of Project Work-in-Progress	15	(1,118,552)	(85,789,958)
	Employee benefits expense	16	-	2,174,519
	Finance costs	17	-	1,844,384
	Depreciation	9	31,048	40,637
	Other expenses	18	1,034,548	1,765,049
	Total Expenses		1,065,596	5,824,609
4	(Loss) before Tax		(819,002)	(3,980,225)
5	Tax expense: Current tax			
6	(Loss) for the year		(819,002)	(3,980,225)
7	Earnings per equity share: Basic and Diluted		(0.79)	(3.98)

See accompanying notes forming part of financial statements

1 to 29

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 on Behalf of Board of Directors

S. Goenka
Director
SUNITA GOENKA

Ashok Mehta
Director
ASHOK MEHTA

Place : Mumbai

Date : 19 MAY 2012

D B MAN REALTY LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
	Amount in ₹	Amount in ₹
A Cash flow from Operating Activities		
Net (Loss) for the year	(819,002)	(3,980,225)
Adjustments for		
Provision for Gratuity	-	140,837
Provision for Leave Encashment	-	198,143
Interest Income	-	(1,844,384)
Interest Expenses	-	71,031,638
Depreciation	31,048	40,657
Operating loss before Working Capital Changes	(787,954)	65,586,666
Working Capital Changes:		
Inventories	498,881,447	(85,789,958)
Loans and Advances	523,781	(209,992)
Current Liabilities	(628,208,023)	(1,388,434)
Cash flow from Operating Activities	(129,590,749)	(21,801,718)
Less: Direct Taxes Paid	-	(184,439)
Net Cash flow from Operating Activities	(129,590,749)	(21,986,157)
B Cash flow from Investing Activities		
Sale / (Investment) in Equity Shares	-	350,000
Purchase of Fixed Assets	-	(70,900)
Loan Granted/(Received back) to/from Subsidiary Company	-	111,704,151
Interest Received	-	1,844,384
Net Cash flow from Investing Activities	-	113,827,635
C Cash flow from Financing Activities		
Issue of Equity Shares	130,000,000	-
Unsecured Loans (Repaid)/Obtained	-	(24,988,432)
Interest Paid	-	(71,031,638)
Net Cash flow from Financing Activities	130,000,000	(96,020,070)
Net Increase in Cash and Cash Equivalents	409,251	(4,178,592)
Opening Balance of Cash and Cash Equivalents	25,919	4,204,511
Closing Balance of Cash and Cash Equivalents	435,170	25,919
Cash and Cash Equivalents includes:		
Cash In Hand	228,519	25,919
Balance with Scheduled Bank	206,651	-
	435,170	25,919

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 on Behalf of Board of Directors

Sunita Goenka (Director)
Ashok Mehta (Director)
SUNITA GOENKA ASHOK MEHTA

Place : Mumbai

Date : 19 MAY 2012

DB MAN REALTY LIMITED

Notes forming part of financial statements

1 NATURE OF OPERATIONS:

The Company is a Special Purpose Vehicle formed by D B Realty Limited, Conwood Agencies Private Limited, Man Infraconstruction Limited and Ajwani Infraconstruction Private Limited, for the purpose of developing and constructing Real Estates.

2 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, 1956.

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 VI to the Companies Act, 1956.

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 on fixed assets has been provided for on written down value method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

2.4 Inventories

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

2.5 Investment

Long term investment is valued at cost less provision for permanent diminution in value, if any.

2.6 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.

2.7 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.

2.8 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 period 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 an actuarial valuation done by an independent valuer as of year-end.

2.9 Operating Lease

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

2.10 Taxes on Income

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

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.



2.11 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 dilute earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted 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 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.

2.14 Accounting policies not specifically referred to above are consistence with the generally accepted accounting principles followed by the Company.



DB MAN REALTY LIMITED

Notes forming part of financials statements

3 Share Capital:

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number	Amount in ₹	Number	Amount in ₹
Authorized Equity Shares of Rs.10/- each	14,000,000	140,000,000	5,000,000	50,000,000
	14,000,000	140,000,000	5,000,000	50,000,000
Issued Equity Shares of Rs.10/- each fully paid up	14,000,000	140,000,000	1,000,000	10,000,000
	14,000,000	140,000,000	1,000,000	10,000,000
Subscribed & Paid up Equity Shares of Rs.10/- each fully paid up	14,000,000	140,000,000	1,000,000	10,000,000
	14,000,000	140,000,000	1,000,000	10,000,000

3.1 Reconciliation of number of Equity shares:

Particulars	No. of shares	
	As at 31st March 2012	As at 31st March 2011
Shares at the beginning of the year	1,000,000	1,000,000
Shares Issued during the year	13,000,000	-
Shares outstanding at the end of the year	14,000,000	1,000,000

3.2 Rights, preferences and restriction attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per shares

3.3 71,40,000 Equity Shares (Previous Year - 510,000) are held by the holding company, DB Realty Limited and its nominee.

3.4 Details of Shareholders holding more than 5 % of the aggregate equity shares in the Company:

Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
DB Realty Limited and its nominee	7,140,000	51.00%	510,000	51.00%
Man Infraconstruction Ltd and its nominee	4,200,000	30.00%	300,000	30.00%
Conwood Agencies Private Ltd and its nominee	1,260,000	9.00%	90,000	9.00%
Ajwani Infrastructure Ltd	1,400,000	10.00%	100,000	10.00%
Total	14,000,000	100%	1,000,000	100%

4 Reserves & Surplus:

Particulars	As at 31st March 2012	As at 31st March 2011
	Amount in ₹	Amount in ₹
Surplus in Statement of Profit & Loss		
Opening balance	(7,861,000)	(3,880,775)
Add:(Loss) for the year	(819,002)	(3,980,225)
Closing Balance	(8,680,002)	(7,861,000)
Total	(8,680,002)	(7,861,000)



DB MAN REALTY LIMITED

Notes forming part of financials statements

5 Short Term Borrowings:

Particulars	As at 31st March 2012	As at 31st March 2011
	Amount in ₹	Amount in ₹
Unsecured Loans: Loans from related parties	-	627,585,493
Total	-	627,585,493

6 Trade payables:

Particulars	As at 31st March 2012	As at 31st March 2011
	Amount in ₹	Amount in ₹
Sundry Creditors (Refer Note No.24)	1,026,229	200,144
Total	1,026,229	200,144

7 Other Current Liabilities:

Particulars	As at 31st March 2012	As at 31st March 2011
	Amount in ₹	Amount in ₹
(a) Statutory dues payable	113,285	907,907
(b) Other Payables	-	101,120
(c) Employee Benefits payable	-	149,394
Total	113,285	1,158,421

8 Short Term Provisions:

Particulars	As at 31st March 2012	As at 31st March 2011
	Amount in ₹	Amount in ₹
Provision for employee benefits: Gratuity (unfunded)	-	164,522
Leave Encashment (unfunded)	-	238,957
Total	-	403,479



DB MAN REALTY LIMITED

Notes forming part of financials statements

9 Fixed Assets:

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April 2011	Addition during the year	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation charge for the year	Balance as at 31st March 2012	Balance as at 31st March 2012	Balance as at 31st March 2011
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Tangible Assets								
Computers	112,830	-	112,830	43,824	27,602	71,426	41,404	69,006
Office Equipments	29,150	-	29,150	4,377	3,446	7,823	21,327	24,773
Grand Total	141,980	-	141,980	48,201	31,048	79,249	62,731	93,779
Previous Year	71,080	70,900	141,980	7,544	40,657	48,201	93,779	



DB MAN REALTY LIMITED

Notes forming part of financials statements

10. Inventories:

Particulars	As at 31st March 2012	As at 31st March 2011
	Amount in ₹	Amount in ₹
Project Work-In-Progress	131,701,611	630,583,058
Total	131,701,611	630,583,058

11. Cash and bank balances

Particulars	As at 31st March 2012	As at 31st March 2011
	Amount in ₹	Amount in ₹
(a) Cash on hand	228,519	25,919
(b) Bank Balances in Current Accounts	206,651	-
Total	435,170	25,919

12. Short-term loans and advances:

Particulars	As at 31st March 2012	As at 31st March 2011
	Amount in ₹	Amount in ₹
(a) Prepaid Expenses	-	4,167
(b) Advances recoverable in cash or kind	260,000	405,825
(c) Income Tax Refund	-	373,789
Total	260,000	783,781

13. Other Income:

Particulars	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
	Amount in ₹	Amount in ₹
Interest	22,451	1,844,384
Liabilities written back	54,560	-
Provision for employee benefits no longer required	169,583	-
Total	246,594	1,844,384

14. Project Expenses:

Particulars	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
	Amount in ₹	Amount in ₹
Direct Cost of Construction	331,615	7,906,152
Construction Overheads:		
- Salaries & Allowances	-	4,830,701
- Staff Welfare & Amenities	-	9,354
- Other Construction Overheads	-	2,532,742
Legal Fees	1,058,880	-
Financial Costs (Refer Note No. 17)	-	70,512,009
	1,390,495	86,789,958
Less:		
- Provision for employee benefits no longer required	(243,896)	-
- Liabilities written back	(28,047)	-
Total	1,118,552	86,789,958



DB MAN REALTY LIMITED

Notes forming part of financials statements

15 Changes in Inventories of Project Work-in-Progress

Particulars	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
	Amount in ₹	Amount in ₹
Balance as of commencement of the year:		
- Project work in progress	630,583,058	544,793,100
Less: Refund of upfront fees received (Refer Note No.19)	(500,000,000)	-
	130,583,058	544,793,100
Less:		
Balance as of end of the year:		
- Project work in progress	131,701,610	630,583,058
Total	(1,118,552)	(85,789,958)

16 Employee Benefits Expenses:

Particulars	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
	Amount in ₹	Amount in ₹
Payment to and Provision for Employees		
- Salaries & Allowances	-	2,170,317
- Staff Welfare & Amenities	-	4,202
Total	-	2,174,519

17 Finance Costs:

Particulars	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
	Amount in ₹	Amount in ₹
Interest on Unsecured Loans	-	71,031,638
Other Financial Charges	-	1,324,755
	-	72,356,393
Less: Transferred to Project Expenses	-	70,512,009
Total	-	1,844,384

18 Other Expenses:

Particular	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
	Amount in ₹	Amount in ₹
Repairs & Maintenance	-	7,240
Rent	156,554	1,253,724
Legal and Professional Charges	32,486	11,279
Communication Expenses	950	-
Conveyance and Travelling	1,856	118,255
Printing & Stationery and Telephone Expenses	-	110,238
Remuneration to Auditors:		
- Audit Fees	33,708	52,944
- Other Services	36,700	-
Share capital related expenses	762,040	-
Miscellaneous Expenses	10,254	158,425
Total	1,034,548	1,712,105



DB MAN REALTY LIMITED

Notes forming part of financials statements

- 19 The Company had undertaken development and construction of an Eco Friendly Affordable Township at Sector 12 at Bhosari, Pune on a public private partnership basis for which Letter of Allotment dated 25th August, 2009 (LOA) was issued by Pimpri Chinchwad New Town Development Authority (PCNTDA). For the purpose the Company had paid upfront fees of Rs.50 Crores to PCNTDA as per said LOA. Further, the Company had incurred expenditure aggregating to Rs. 13.06 Crores upto 31st March, 2011, which was allocated to the value of Project Work-in-Progress. During the quarter ended 30th June, 2011 PCNTDA cancelled the said LOA and has refunded back upfront fees of Rs.50 Crores paid by the Company.

The Company has contested the said cancellation of LOA by PCNTDA and filed writ petition before the Hon. High Court of Bombay. Pending reaching finality in the matter, the Company has not considered the cost incurred and allocated to Project Work-In-Progress as infructuous and accordingly, has carried forward the said cost as well as has continued to allocate the relevant cost incurred during the year ended 31st March, 2012 to the value of Project Work-in-Progress. Necessary adjustment entries, if any shall be passed in the year of reaching finality in the matter.

20 Contingent Liabilities not Provided For

Particulars	As at 31st March 2012	As at 31st March 2011
	Rs.	Rs.
Claim made against the Company not acknowledged as debt relating to Service Tax on lease rentals in respect of an Office Premise		156,554

21 Expenditure incurred in Foreign Currency

Particulars	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
	Rs.	Rs.
Professional Fees Paid		1,220,000

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

23 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.

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

Particulars	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
	Rs.	Rs.
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	-	-
Interest accrued on the amount due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (other than Interest) beyond the appointed date during the year/ period	-	-
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 period/ 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 Auditors.

- 25 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 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.



DB MAN REALTY LIMITED

Notes forming part of financials statements

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

	(Amount in Rupees)	
	Gratuity (Un-Funded)	
	For the Year Ended 31st March 2012	For the Year Ended 31st March 2012
Defined Benefit obligation at the beginning of the year	-	23,685
Current Service Cost	-	160,570
Interest Cost	-	14,740
Benefit paid	-	-
Actuarial (gain)/loss	-	(34,473)
Defined Benefit obligation at the end of the year	-	164,522

II Expense recognized during the year

	(Amount in Rupees)	
	Gratuity (Un-Funded)	
	For the Year Ended 31st March 2012	For the Year Ended 31st March 2012
Current Service Cost	-	160,570
Interest Cost	-	14,740
Actuarial (gain)/loss	-	(34,473)
Net Cost	-	140,837

III Actuarial assumptions

	Gratuity (Un-Funded)	
	For the Year Ended 31st March 2012	For the Year Ended 31st March 2012
	Discount Rate	-
Rate of Escalation in Salary	-	10%

Notes

1 The obligation towards 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

26 Related Party Disclosures:

A List of Related Parties with whom transactions have taken place and their relationship:

Holding Company

D B Realty Limited

Subsidiary Company

Royal Netra Constructions Private Limited (upto 17th May,2010)

Enterprises Over Which Directors Exercise Significant Influence

Man Infraconstruction Limited
 Conwood Agencies Private Limited
 Ajwani Infrastructures Private Limited
 Conwood Constructions & Dev.Pvt.Ltd
 K.G.Enterprises
 Man Projects Limited
 Man Ajwani Infraconstruction Ltd



DB MAN REALTY LIMITED

Notes forming part of financial statements

B Transactions with Related Parties and Outstanding Balances as of year end:

Nature of Transaction	Holding Company	Subsidiary Company	Enterprises Over Which Directors Exercise Significant Influence
Loans Taken			
Opening Balance	325,028,108	-	302,557,385
	(349,184,320)	(-)	(303,389,605)
Taken During the Year	1,800,000	-	18,204,671
	(47,728,108)	(-)	(36,257,385)
Repaid /Adjusted During the Year	326,828,108	-	320,762,056
	(71,884,320)	(-)	(37,089,605)
Closing Balance	-	-	-
	(325,028,108)	(-)	(302,557,385)
Interest on Loans Taken			
Interest Expense	-	-	-
	(36,753,836)	(-)	(34,277,802)
Loans Granted			
Opening Balance	-	-	-
	(-)	(111,704,151)	(-)
Granted During the Year	-	-	-
	(-)	(1,844,384)	(-)
Repaid	-	-	-
	(-)	(113,548,535)	(-)
Closing Balance	-	-	-
	(-)	(-)	(-)
Interest on Loans Granted			
Interest Income Received	-	-	-
	(-)	(1,844,384)	(-)
Project			
Project Expenses	-	-	-
	(-)	(-)	(959,494)
Expenses Recovered from the Company			
Bank Guarantee Commission	-	-	-
	(-)	(-)	(1,324,755)
Reimbursement of Expenses			
Opening Balance	-	-	18,662
	(-)	(-)	(-)
Incurred during the year	-	-	298,794
	(-)	(-)	(-)
Repaid	-	-	(317,456)
	(-)	(-)	(-)
Closing Balance	-	-	-
	(-)	(-)	(-)
Reimbursement of Statutory Obligations			
Opening Balance	-	-	145,117
	(-)	(-)	(-)
Granted During the Year	-	-	1,530,500
	(-)	(-)	(-)
Repaid	-	-	1,675,617
	(-)	(-)	(-)
Closing Balance	-	-	-
	(-)	(-)	(-)
Charges for Use of Premises by the Company			
Rent Paid/Service Tax.	-	-	156,554
	(-)	(-)	(1,253,724)
Electricity Charges	-	-	-
	(-)	(-)	(163,219)
Water Charges	-	-	-
	(-)	(-)	(7,727)
Closing Balance	-	-	-
	(-)	(-)	(51,623)

Notes:

- (i) The aforesaid related parties are as identified by the Company and relied upon by the Auditors.
(ii) Figures in bracket refer to previous year's figures.



DB MAN REALTY LIMITED

Notes forming part of financial statements

27 **Operating Lease:**

Particulars	For the Year Ended 31st March 2012	For the Year Ended 31st March 2012
	Rs.	Rs.
Lease payments recognized in the Statement of Profit and Loss	156,554	1,253,724
Future Lease Payments		
(a) Not later than one year.	-	-
(b) Later than one year but not later than five years.	-	-
(c) Later than five year	-	-
Total of future lease payments	-	-

Note: There are no exceptional/restrictive covenants in the lease agreement

28 **Earnings Per Share**

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

Particulars	Amount in `	
	For the Year Ended 31st March 2012	For the Year Ended 31st March 2012
(Loss) for the year as per Statement of Profit & Loss	(819,002)	(3,980,225)
Weighted average number of shares outstanding during the year	1,035,519	1,000,000
Basic and Diluted Earnings Per Share	(0.79)	(3.98)
Face Value Per Equity Share	10	10

29 **Previous Year figures:**

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

Signature to Notes 1 - 29

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 : 19 MAY 2012



For and on Behalf of Board of Directors

Sunita Goenka

Director
SUNITA GOENKA

Ashok Menta

Director
ASHOK MENTA