DB MAN REALTY LIMITED
(FORMERLY KNOWN AS DB MAN REALTY PRIVATE LIMITED)

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

		AS AT 31ST MARCH, 2010	AS AT 31ST MARCH, 2009
		Rupees	Rupees
SCHEDULE 1:			
SHARE CAPITAL:			
Authorized Capital:			
5,000,000 Equity Shares of Rs. 10/- each (Previous period 10,000)		50,000,000	100,000
	TOTAL	50,000,000	100,000
Issued, Subscribed and Paid up:			
1,000,000 Equity Shares of Rs. 10/- each, fully paid - up (Previous Period 10,000)		10,000,000	100,000
(Out of the above, 510,000 Equity Shares are held by Holding Company D B Realty Limited) (Previous Period Nil)			
	TOTAL	10,000,000	100,000
SCHEDULE 2:			
UNSECURED LOANS:			
From Holding Company		349,184,320	-
From Shareholders		303,389,605	-
	TOTAL	652,573,925	-

M.A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

DB MAN REALTY LIMITED
(FORMERLY KNOWN AS DB MAN REALTY PRIVATE LIMITED)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE : 3

FIXED ASSETS (AT COST LESS DEPRECIATION)

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
PARTICULARS	AS ON 01.04.09 RS.	ADDITIONS RS.	AS AT 31.03.2010 RS.	AS ON 01.04.09 RS.	PROVIDED FOR THE YEAR RS.	AS AT 31.03.2010 RS.	AS AT 31.03.2010 RS.	AS AT 31.03.09 RS.
OFFICE EQUIPMENTS	-	29,150	29,150	-	374	374	28,776	-
COMPUTERS	-	41,930	41,930	-	7,170	7,170	34,760	-
TOTAL RUPEES	-	71,080	71,080	-	7,544	7,544	63,536	-
PREVIOUS YEAR	-	-	-	-	-	-	-	

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

DB MAN REALTY LIMITED
(FORMERLY KNOWN AS DB MAN REALTY PRIVATE LIMITED)

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

		AS AT 31ST MARCH, 2010	AS AT 31ST MARCH, 2009
		Rupees	Rupees
SCHEDULE 4:			
INVESTMENTS:			
Long Tem (Unquoted - Trade)			
Subsidiary Company:			
In 3,500 equity shares of Rs. 100 each fully paid-up of Royal Netra Constructions Private Limited		350,000	-
	TOTAL	**350,000**	**-**
SCHEDULE 5:			
INVENTORIES:			
(At cost, as valued and certified by the management)			
Project Work-In-Progress		544,793,100	-
	TOTAL	**544,793,100**	**-**
SCHEDULE 6:			
CASH AND BANK BALANCES:			
Cash on Hand		7,930	-
Balance with Scheduled Bank (In a Current Account)		4,196,581	91,424
	TOTAL	**4,204,511**	**91,424**
SCHEDULE 7:			
LOANS AND ADVANCES:			
(Unsecured - Considered Good)			
Loan to Subsidiary Company		111,704,151	-
Advances recoverable in cash or in kind or for value to be received		200,000	
Tax Payments		189,350	-
	TOTAL	**112,093,501**	**-**
SCHEDULE 8:			
CURRENT LIABILITIES			
Sundry Creditors			
- Micro Enterprises and Small Enterprises (Refer Note No. C-6 Of Schedule No. 13)		-	-
- Others		377,147	5,515
Other Liabilities		2,369,852	-
	TOTAL	**2,746,999**	**5,515**
SCHEDULE 9:			
PROVISIONS:			
Gratuity		23,685	-
Leave Encashment		40,814	-
	TOTAL	**64,499**	**-**

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

DB MAN REALTY LIMITED
(FORMERLY KNOWN AS DB MAN REALTY PRIVATE LIMITED)

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

		YEAR ENDED 31ST MARCH, 2010	YEAR ENDED 31ST MARCH, 2009
	Rupees	Rupees	Rupees
SCHEDULE 10:			
PROJECT EXPENSES			
Upfront Amount for the Project (Refer Note No. C-2 of Schedule No. 13)		500,000,000	-
Architectural & Consultants' Fees		3,239,998	-
Financial Charges (Refer Schedule No. 12)		41,528,102	-
Miscellaneous Expenses		25,000	-
TOTAL		**544,793,100**	-
SCHEDULE 11:			
ESTABLISHMENT EXPENSES			
Payment to and Provision for Employees			
Salaries & Allowances	1,791,894		-
Staff Welfare & Amenities	4,574		-
		1,796,467	-
Rent, Rates & Taxes		759,947	-
Repairs & Maintenances		1,150	-
Legal & Professional Charges		403,258	-
Donations		200,000	-
Advertisement and Publicity		250,000	-
Printing, Stationery and Telephone Expenses		18,194	324
Travelling, Coveyance & Vehicle Expenses		312,069	-
Remuneration to Auditors' (Audit Fees including service tax)		33,407	5,515
Miscellaneous Expenses		84,649	8,252
TOTAL		**3,859,141**	**14,091**
SCHEDULE 12:			
FINANCIAL CHARGES			
Interest on Unsecured Loans	37,051,779		-
Other Finance Charges	6,369,824		-
	43,421,603		-
Less: Transferred to Project Expenses	41,528,102		-
		1,893,501	-
TOTAL		**1,893,501**	-

M.A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

DB MAN REALTY LIMITED
(FORMERLY KNOWN AS DB MAN REALTY PRIVATE LIMITED)

SCHEDULE 13:
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. NATURE OF OPERATIONS

The Company is a Special Purpose Vehicle formed by DB Realty Limited, Conwood Agencies Private Limited, Man Infraconstruction Limited and Ajwani Infrastructures Private Limited, for the purpose of developing and constructing an Eco Friendly Affordable Township at Sector 12 at Bhosari, Pune on a public private partnership basis for which the Letter of Allotment is issued by Pimpri Chinchwad New Town Development Authority (the Project).

B. SIGNIFICANT ACCOUNTING POLICIES

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.

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.

3 **Fixed Assets and Depreciation**

Fixed Assets are capitalized at cost of acquisition inclusive of expenses incidental thereto relevant in bringing the asset to its present location and condition. Depreciation on fixed assets has been provided on written down value method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

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.

5 **Investment**

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

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.

7 **Impairment of Assets**

Management periodically assesses using internal sources whether there is an indication that an asset may be impaired. The impairment occurs where the carrying value exceeds the recoverable amount. The impairment loss to be expensed out is determined as the excess of carrying amount over the higher of the assets net selling price or present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal.

8 **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 recognised after the work has progressed to the extent of 30% of the total work involved, however subject to minimum threshold limit of incurrence of 20% of construction cost excluding cost incurred in relation to acquisition of land and its development rights.

9 **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.

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

10 **Operating Lease**

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

11 **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.

12 **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.

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

C. NOTES TO ACCOUNTS

1 The Company became a subsidiary of D B Realty Limited, which effect from 30th November, 2009. Therefore, w.e.f. the said date, the Company became a private company which is a subsidiary of a public company and accordingly, by virtue of provision of section 3(1)(iv)(c) of the Companies Act, 1956, the Company became a public company. However, the Company continued to use the word "Private Limited", being permitted by law upto 23rd December, 2009. Thereafter, it has converted itself into a Public Limited Company.

2 **Upfront Amount of Rs. 50 Crores paid for the Project**

The Company has paid an upfront amount of Rs. 50 Crores to Pimpri Chinchwad New Town Development Authority (PCNTDA), in terms of the Letter of Allotment issued by it, for the Project. In terms of the said Letter of Allotment, the Company is to execute a Development Agreement with PCNTDA, which is pending execution as of year-end. The upfront amount, being non-refundable in nature is allocated to the Project Expenses.

3 UCO Bank has provided performance bank guarantee of Rs. 100 crores as a security for the performance of the Company's obligation in relation to the Project.

4 **Contingent Liabilities not Provided For**

Particulars	For the Year Ended 31.03.2010	For the Period Ended 31.03.2009
	Rs.	Rs.
Claim made against the Company not acknowledged as debt relating to Service Tax on lease rentals in respect of an Office Premise	31,310	-

5 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.

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

Particulars	For the Year Ended 31.03.2010	For the Period Ended 31.03.2009
	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.

7 In the opinion of the Board of Directors, Current Assets, Loans and Advances are realizable in the ordinary course of business. Provisions are made for all known liabilities and the same are adequate.

M.A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

8 **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.

9 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.

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

(Amount in Rupees)

	Gratuity (Un-Funded)	
	For the Year Ended 31.03.2010	For the Period Ended 31.03.2009
Defined Benefit obligation at the beginning of the year	-	-
Current Service Cost	23,685	-
Interest Cost	-	-
Benefit paid	-	-
Actuarial (gain)/loss	-	-
Defined Benefit obligation at the end of the year	**23,685**	**-**

II Expense recognized during the year

(Amount in Rupees)

	Gratuity (Un-Funded)	
	For the Year Ended 31.03.2010	For the Period Ended 31.03.2009
Current Service Cost	23,685	-
Interest Cost	-	-
Actuarial (gain)/loss	-	-
Net Cost	**23,685**	**-**

III Actuarial assumptions

	Gratuity (Un-Funded)	
	For the Year Ended 31.03.2010	For the Period Ended 31.03.2009
Discount Rate	8.00%	-
Rate of Escalation in Salary	10.00%	-

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

2 The obligation of Leave Encashment is provided for on an actuarial valuation done by an independent valuer and the same is unfunded. The amount recognized in the Profit & Loss Account for the year is Rs.40,814/- (Previous Year Rs. Nil)

10 **Related Party Disclosures:**

A List of Related Parties

Holding Company
D B Realty Limited (with effect from 30.11.2009)

Subsidiary Company
Royal Netra Constructions Private Limited

Enterprises Over Which Directors Exercise Significant Influence
Man Infraconstruction Limited
Conwood Agencies Private Limited
Ajwani Infrastructures Private Limited
K.G.Enterprises

M.A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

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			
Taken During the Year / Period	349,184,320	-	303,389,605
	(-)	(-)	(-)
Closing Balance	349,184,320	-	303,389,605
	(-)	(-)	(-)
Interest on Loans Taken			
Interest Expense	19,346,467	-	17,705,312
	(-)	(-)	(-)
Loans Granted			
Granted During the Year / Period	-	111,704,151	-
	(-)	(-)	(-)
Closing Balance	-	111,704,151	-
	(-)	(-)	(-)
Interest on Loans Granted			
Interest Due Income	-	1,893,501	-
	(-)	(-)	(-)
Expenses Recovered from the Company			
Bank Guarantee Commission	-	-	829,824
	(-)	(-)	
Charges for Use of Premises by the Company			
Rent Paid	-	-	308,247
	(-)	(-)	(-)
Electricity Charges	-	-	37,167
	(-)	(-)	(-)
Closing Balance	-	-	37,167
	(-)	(-)	(-)

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 period's figures

11 **Operating Lease:**

Particulars	For the Year Ended 31.03.2010	For the Period Ended 31.03.2009
	Rs.	Rs.
Lease payments recognized in the Profit and Loss account	308,247	-
Future Lease Payments		
(a) Not later than one year.	1,285,382	-
(b) Later than one year but not later than five years.	1,155,433	-
(c) Later than five year	-	-
Total of future lease payments	2,440,815	-

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

12 **Earnings Per Share**

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

Amount in Rs.

	For the Year Ended 31.03.2010	For the Period Ended 31.03.2009
Net Profit/(Loss) for the during the year / period as per the Profit & Loss Account	(3,866,685)	(14,091)
Weighted average number of shares outstanding during the year / period	338,192	10,000
Basic and Diluted Earnings Per Share	(11)	(1.41)
Face Value Per Equity Share	10	10

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

13 Management is of the view that the activities of the Company, being in the nature of construction and development of the Project, the requirements of Para No. 3(i)(a), 3(ii)(a), 4-C and 4-D(a) & (b) of Part II of Schedule VI to the Companies Act, 1956 are not applicable.

14 Previous period's figures have been re-grouped and re-classified where necessary.

Signature to Schedules 1 - 13
AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M.A.PARIKH & CO.
Chartered Accountants

PARTNER
Name : Dhaval B.Selwadia
Membership No.100023

PLACE: MUMBAI
DATE: 11 MAY 2010

FOR AND ON BEHALF OF THE BOARD

DIRECTOR **DIRECTOR**

PLACE: MUMBAI
DATE: 11 MAY 2010

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