

**ESTEEM PROPERTIES PRIVATE LIMITED**

**ANNUAL AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2011**

**M. A. PARIKH & CO.**

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

Tel No.: 22041018 \*22043850 \*22029187

Fax: 22874524 \*Email : maparikh@eth.net



## NOTICE

**Dear Members,**

**NOTICE** is hereby given that the Annual General Meeting of the members of the Company will be held on Monday, the 29<sup>th</sup> day of August, 2011 at 10.30 a.m. at the Registered Office of the Company at DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai – 400063 to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2011, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To appoint Director in place of Mr. Rajiv Agarwal, who retire by rotation, does not offer himself for re-appointment.
3. To re-appoint Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as an ordinary resolution:

**"RESOLVED THAT** M/s. M.A. Parikh & Co, Chartered Accountants, the Statutory 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 Auditors of the Company, to hold office from the conclusion of this 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:

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

**"RESOLVED THAT** Mr. Salim Balwa, who was appointed as an Additional Director of the Company on 8<sup>th</sup> March, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company, and whose term expires at the ensuing Annual

**ESTEEM PROPERTIES PVT. LTD.**

**Regd. Office :** DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063. • Tel.: 91-22-4077 8600 • Fax: 91-22-2841 5550 / 2842 1667  
E-mail: info@dbg.co.in • Website: www.dbrealty.in

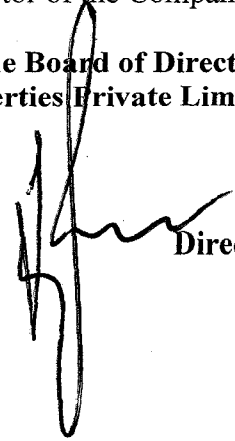


General Meeting of the Company and being eligible, for re-appointment as a Director, offered himself be and is hereby appointed as Director of the Company.”

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

“**RESOLVED THAT** Ms. Sunita Bali, who was appointed as an Additional Director of the Company on 8<sup>th</sup> March, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company, and whose term expires at the ensuing Annual General Meeting of the Company and being eligible, for re-appointment as a Director, offered herself be and is hereby appointed as Director of the Company.”

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



Director

Place: Mumbai  
Date: 30.05.2011

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

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, must be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no.3 & 4 of the notice is annexed hereto.

**ESTEEM PROPERTIES PVT. LTD.**



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**Item No. 4**

Mr. Salim Balwa was appointed as an Additional Director of the Company on 8<sup>th</sup> March, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company. Pursuant to the provisions of the said section, his term expires at the ensuing Annual General Meeting of the Company. Mr. Salim Balwa, being eligible, has offered himself for re- appointment as a Director at the ensuing Annual General Meeting. Your Board recommends his appointment as Director of the Company.

The resolution vide item no. 4 is therefore proposed for approval of the members.

None of the directors except Mr. Salim Balwa shall be deemed to be concerned or interested in the said resolution.

**Item No. 5**

Ms. Sunita Bali was appointed as an Additional Director of the Company on 8<sup>th</sup> March, 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company. Pursuant to the provisions of the said section, his term expires at the ensuing Annual General Meeting of the Company. Ms. Sunita Bali, being eligible, has offered herself for re- appointment as a Director at the ensuing Annual General Meeting. Your Board recommends his appointment as Director of the Company.

The resolution vide item no. 5 is therefore proposed for approval of the members.

None of the directors except Ms. Sunita Bali shall be deemed to be concerned or interested in the said resolution.

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

**Director**

Place: Mumbai  
Date: 30.05.2011

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

**ESTEEM PROPERTIES PVT. LTD.**

**Regd. Office :** DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063. • Tel.: 91-22-4077 8600 • Fax: 91-22-2841 5550 / 2842 1667  
E-mail: info@dbg.co.in • Website: www.dbrealty.in



## DIRECTOR'S REPORT

**Dear Member**

Your Directors have pleasure in presenting the Annual Report together with the Audited Accounts of the Company for the year ended on 31<sup>st</sup> March, 2011:

### FINANCIAL RESULTS

During the year under review, on account of heavy project and establishment expenses, your company suffered a loss before tax of Rs. 72,04,256/- as compared to the loss before tax of Rs. 48,15,331/- previous year.

### DIVIDEND

In the absence of any profits, your Directors do not recommend any dividend for the year under review.

### FIXED DEPOSITS

Your Company has not accepted any deposits from public and as such no amount of principal or interest was outstanding on the date of the Balance Sheet.

### DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is, hereby, confirmed:

- (i) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2011, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and the Directors had made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as it exists for the year ended 31<sup>st</sup> March, 2011 and of the loss of the company for that year;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

### ESTEEM PROPERTIES PVT. LTD.



## **DIRECTORS:**

Mr. Rajiv Agarwal, Director, retires by rotation, does not offer himself for re-appointment subject to approval of Members in the ensuing Annual General Meeting.

Mr. Salim Balwa was appointed as an Additional Director of the Company w.e.f. 8<sup>th</sup> March, 2011. He, being eligible, has offered himself for appointment as Director at the ensuing Annual General Meeting. The Board recommends his appointment as a Director of the Company.

Mrs. Sunita Bali was appointed as an Additional Director of the Company w.e.f. 8<sup>th</sup> March, 2011. She, being eligible, has offered herself for appointment as Director at the ensuing Annual General Meeting. The Board recommends his appointment as a Director of the Company.

Mr. Asif Balwa has resigned from the Directorship of the Company w.e.f. 01.08.2010

Mr. Ishaq. Balwa has resigned from the Directorship of the Company w.e.f. 10.04.2011

## **COMPLIANCE CERTIFICATE:**

The Compliance Certificate was received in accordance with the Provision of Section 383A read with the Companies (Compliance Certificate) Rules 2001. The Board as appoint M/s. V. Sundaram & Co., Company Secretaries in Whole time Practice, for issuance of the Compliance Certificate in terms of the provisions of Section 383A(1) of the Companies Act, 1956, being annexed to the Report.

## **AUDITORS:**

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

## **PARTICULARS OF EMPLOYEES:**

During the year under review, there were no employees drawing the remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Considering the nature of the business, it is not necessary to give statement showing required particulars in accordance with the Companies (Disclosure of particulars in the

### **ESTEEM PROPERTIES PVT. LTD.**



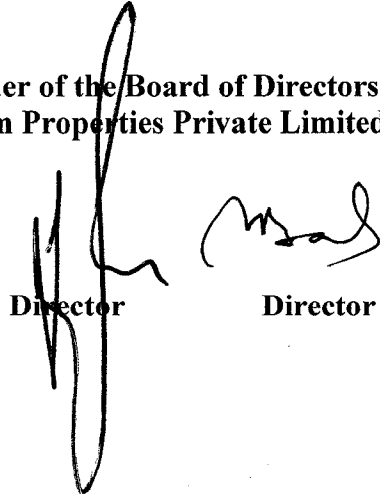
Report of Board of Directors) Rules, 1998 read with the provisions of Section 217(1)(e) of the Companies Act, 1956 and hence it has not been annexed hereto.

During the year under review, Foreign Exchange earning and outgo were Nil.

**ACKNOWLEDGEMENT:**

Your Directors would like to express their appreciation for the support extended by the Bankers, Office Bearers of the Government Department, its Employees, Creditors and Suppliers.

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



Director                      Director

Place : Mumbai  
Date : 30.05.2011

# V. Sundaram & Co.

COMPANY SECRETARIES

B/204, Parijat, 90' Road, Thakur Complex,  
Kandivli (E), Mumbai – 400101.  
Tel: 022-28541629 Mobile : 9833159899  
email : vsundaramfcs@yahoo.com

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## COMPLIANCE CERTIFICATE U/S 383A (1) OF COMPANIES ACT, 1956

CIN: U99999MH1995PTC086668

**Nominal Capital:** Rs. 10 Lakhs

The Members

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

We have examined the registers, records, books and papers of **Esteem Properties Private Limited** (the company), as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company and its officers, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained the registers as stated in “Annexure - A” to this certificate, as per the provisions of Act and the rules made there under and entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in “Annexure - B” to this certificate, with the Ministry of Corporate Affairs or such other authorities as required under the Act and the rules made thereunder. However no forms are or returns were required to be filed with Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a private limited Company has the minimum prescribed paid-up capital and its maximum number of members was 2 excluding its present and past employees. During the year the Company has not invited public to subscribe for its shares and debentures and has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 9 (Nine) times for the meetings held on 10th April 2010, 04<sup>th</sup> May 2010, 15<sup>th</sup> July 2010, 27<sup>th</sup> July 2010, 25<sup>th</sup> October 2010, 31<sup>st</sup> December 2010, 29<sup>th</sup> January 2011, 16<sup>th</sup> February 2011 and 8<sup>th</sup> March 2011 respectively, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

STAR COMPUTERS (Certified Filing Centre)

51, Evershine Moon, 71 EMP Opp. Valley of Flowers, Thakur Village, Kandivli (East), Mumbai – 400 101.  
Tel.: 2870 8704 / 6595 0175 . E-mail : starco@vsnl.net



5. The company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2010 was held on 22<sup>nd</sup> June, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies under Section 295 of the Companies Act, 1956.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act.
10. The Company has made proper entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approval from the Board of Directors, Members or of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) There was no allotment/transfer/transmission of securities during the financial year.  
(ii) The Company was not required to deposit any amount in a separate bank as no dividend was declared during the financial year.  
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.  
(iv) The Company was not required to transfer any money to the Investor Education and Protection Fund during the financial year.  
(v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was appointment of an additional directors and resignation of directors during the financial year. The necessary forms have been filed.
15. The Company has not appointed any Managing Director/ Whole time Director/ Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.

- 18.** The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- 19.** The Company has not issued any shares, debentures or other securities during the financial year.
- 20.** The Company has not bought back any shares during the financial year.
- 21.** There was no redemption of preference shares or debentures during the financial year.
- 22.** There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23.** The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the year under scrutiny.
- 24.** The borrowings made during the financial are in compliance with the provisions of Section 293 (1)(a) & (d) of the Act.
- 25.** The company has not given loans & made investments in other bodies corporate. The Company being Subsidiary of Public Limited Company section 372A of the Companies Act, 1956 is applicable.
- 26.** The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
- 27.** The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
- 28.** The Company has not altered the provision of the Memorandum with respect to the name of the Company during the year under scrutiny.
- 29.** The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
- 30.** The Company has not altered its Articles of Association during the financial year.
- 31.** The Company has not been prosecuted during the year nor received any show cause notice nor has been fined or penalties or punishment been imposed on it for offences under the Act.
- 32.** The Company has not received any money as a security from its employees during the year under scrutiny.

**33.** The Company has not deducted any contribution towards Provident Fund & ESI during the financial year, as both are not applicable to the Company.

For, V. Sundaram & Co.,

Sd/-

Prasanna Gupchup  
(Partner)  
CP No. : 9900

Place: - Mumbai  
Date: - 30<sup>th</sup> May, 2011

<b>COMPLIANCE CERTIFICATE U/S 383A (1)</b>
<b>ESTEEM PROPERTIES PRIVATE LIMITED</b>

**Annexure: A**

- a) Register of members under section 150.
- b) Register and returns under section 163.
- c) Minutes book of general meeting and Board meetings 193
- d) Books of accounts under section 209.
- e) Register of contracts 301.
- f) Register of Directors, Managing Director, Manager and Secretary under section 303.
- g) Register of Directors' shareholding under section 307.
- h) Register of fixed assets.
- i) Books of Accounts
- j) Register of Transfers

**Annexure: B**

Forms & Returns as filed by the Company with Registrar of Companies during the financial year ended 31st March, 2011.

<b>Form No.</b>	<b>Section</b>	<b>Purpose</b>	<b>Date of filing</b>	<b>Whether filed within the prescribed time Yes / No</b>	<b>If delay in filing, whether requisite additional fee paid Yes / No</b>
Form 32	303(2)	Resignation of Director	26/04/2010	Yes	N.A
Form 32	303(2)	Resignation of Director	11/05/2010	Yes	N.A
Form 32	303(2)	Appointment and Cessation of Director	03/08/2010	Yes	N.A
Form 32	303(2)	Appointment of Directors	19/08/2010	Yes	N.A
Form 66	383 A	Compliance Certificate	22/07/2010	Yes	N.A
Form 23AC & ACA	220	Annual Accounts	22/07/2010	Yes	N.A
Form 20B	159	Annual Return	22/07/2010	Yes	N.A

Place: - Mumbai

Date: - 30<sup>th</sup> May, 2011

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

**AUDITORS' REPORT**

**To the Members of Esteem Properties Private Limited**

1. We have audited the attached Balance Sheet of **Esteem Properties Private Limited** ('the Company') as at March 31, 2011 and the Profit and Loss Account 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 Profit and Loss Account 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 Profit and Loss Account 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) In respect of one director, the Company has not received written representation regarding his disqualification as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956. In respect of balance directors, on the basis of written representations received from them as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



1

- (f) Without qualifying our opinion, we draw your attention to Note No. C-2 in Schedule 13 of the Audited Accounts as regards the opinion framed by the Management of the Company in relation to the Status of the Project on hand;
- (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, 2011;
- (ii) In the case of the Profit and Loss Account, 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: 30 MAY 2011

**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 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 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 one company 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. 198,31,98,372/- and the year-end balance of the said loans was Rs. 113,91,62,672/-.
  - (c) The said loans are without interest and repayable on demand. According to the information and explanations given to us, other terms and conditions of the said loans are prima facie not prejudicial to the interest of the Company.
  - (d) Since the said loans are repayable on demand, the question of repayment being regular does not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said area. During the year, there were no transactions for purchase of inventory and for sale of units.



5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of a contract or an arrangement referred to in section 301 of the Companies Act, 1956, that needed to be entered into the register required to be maintained under the said section have been so entered.
  - (b) The transaction has been made at a price which is prima facie reasonable having regard to the prevailing market price at the relevant time.
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, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The Company's paid up capital and reserves at the commencement of the financial year concerned did not exceed Rs. 50 lakhs. Further, the Company's average annual turnover for the three consecutive preceding financial years did not exceed Rs. 5 crores. Therefore, the requirements of Clause 4(vii), with respect to internal audit system, are not applicable.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the activities carried on by the Company.
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 undisputed statutory dues including Income Tax and Other applicable Statutory Dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the applicable statutory dues were in arrears as at March 31, 2011 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 accumulated losses of the Company at the end of the financial year concerned are more than 50% of its net worth. The Company has incurred cash losses in the current financial year as well as in the immediately preceding financial year.
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.



Mumbai, Dated: 30 MAY 2011

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

*C. Ghelani*

Partner  
Name: Chintan Ghelani  
Membership No. 132791

**ESTEEM PROPERTIES PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2011**

**SOURCES OF FUNDS:**

**Shareholders' Funds**

Share Capital

**Loans Funds**

Secured Loans

Unsecured Loans

**TOTAL RUPEES**

**APPLICATION OF FUNDS:**

**Fixed Assets**

Gross Block

Less: Accumulated Depreciation

Net Block

**Current Assets, Loans & Advances**

Inventories

Cash and Bank Balances

Loans & Advances

**Less: Current Liabilities & Provisions**

Current Liabilities

Provisions

Net Current Assets

Deficit as per annexed Profit and Loss Account

**TOTAL RUPEES**

Schedules	Rs.	As at 31-Mar-11 Rs.	As at 31-Mar-10 Rs.
1		1,000,000	1,000,000
2	267,969		323,898
3	1,154,171,099		1,275,506,799
		1,154,439,068	1,275,830,697
		<b>1,155,439,068</b>	<b>1,276,830,697</b>
4	1,279,667		1,228,145
	447,971		196,401
		831,696	1,031,744
5	1,078,048,644		1,057,510,564
6	4,045,232		1,574,738
7	257,045,690		400,128,184
	<b>1,339,139,566</b>		<b>1,459,213,486</b>
8	214,724,945		206,420,245
9	36,581		19,364
	<b>214,761,526</b>		<b>206,439,609</b>
		1,124,378,040	1,252,773,877
		30,229,332	23,025,076
		<b>1,155,439,068</b>	<b>1,276,830,697</b>

Significant Accounting Policies and Notes to Accounts

13

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

Dated: 30 MAR 2011



For and on Behalf of Board of Directors

(Salim Balwa)  
Director

(Sunita Baki)  
Director

Place: Mumbai  
Dated:

30 MAY 2011

**ESTEEM PROPERTIES PRIVATE LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

**INCOME:**

Sale of Land (Refer Note No. C 3 of Schedule 13)

Interest Income (Gross)

Profit on Sale of fixed assets

**TOTAL RUPEES**

**EXPENDITURE :**

Project Expenses

(Increase) / Decrease in Inventories

Establishment Expenses

Depreciation

**TOTAL RUPEES**

(Loss) for the year

Balance of Loss Brought Forward

Balance Carried to Balance Sheet

Basic and Diluted Earning per Equity Share

Face Value per Equity Share

Significant Accounting Policies and Notes to Accounts

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

Dated: 30 MAY 2011



Schedules	For the Year Ended 31-Mar-11 Rs.	For the Year Ended 31-Mar-10 Rs.
	-	51,968,488
	6,883,561	-
	-	1,133,082
	6,883,561	53,101,570
10	20,286,513	538,645,581
11	(20,538,081)	(489,177,219)
12	14,087,815	8,326,647
4	251,570	121,892
	14,087,817	57,916,901
	(7,204,256)	(4,815,331)
	(23,025,076)	(18,209,745)
	(30,229,332)	(23,025,076)

(720) (551)

100 100

13

For and on Behalf of Board of Directors

*(Salim Balwa)*  
Director

*(Sunita Bali)*  
Director

Place: Mumbai  
Dated:

30 MAY 2011

**ESTEEM PROPERTIES PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	For the Year Ended 31.03.11		For the Year Ended 31.03.10	
	Rs.	Rs.	Rs.	Rs.
(A) <b>Cash Flow From Operating Activities:</b>				
Profit/(Loss) before taxation and extraordinary items		(7,204,256)		(4,815,331)
<b>Adjustments for:</b>				
Depreciation	251,570		121,892	
Financial Charges	27,771		252,499,084	
Profit on sale of Fixed Assets	-		(1,133,082)	
Provision for Leave encashment	8,128		12,473	
Provision for Gratuity	9,089	296,558	(61,076)	251,439,291
<b>Operating Income before working capital changes</b>		(6,907,698)		246,623,960
<b>Working Capital Changes:</b>				
Inventories	(20,538,080)		(489,177,219)	
Advances	143,082,494		(399,410,588)	
Current Liabilities	(11,021,715)	111,522,699	178,295,284	(710,292,523)
<b>Net Cash Flow From Operating Activities</b>		104,615,001		(463,668,563)
Less: Taxes paid		-		(5,000)
<b>Net Cash Flow From Operating Activities</b>		104,615,001		(463,673,563)
(B) <b>Cash Flow From Investing Activities:</b>				
Loans Granted (Net)			27,484,497	
Purchase of Fixed Assets	(51,522)		(869,706)	
Sale of Fixed Assets			2,000,000	
<b>Net Cash used in Investing Activities</b>		(51,522)		28,614,791
(C) <b>Cash Flow From Financing Activities:</b>				
Financial Charges	(27,771)		(36,968)	
Borrowings (Net)	(102,065,214)		434,630,466	
Issue of share capital			900,000	
<b>Net Cash Generated from Financing Activities</b>		(102,092,985)		435,493,498
<b>Net Increase in Cash and Cash Equivalents</b>		2,470,494		434,726
Add: Cash and Cash Equivalents (Opening)		1,574,738		1,140,012
<b>Cash and Cash Equivalents (Closing)</b>		4,045,232		1,574,738
(D) <b>Cash and Cash Equivalents includes:</b>				
Cash on hand		51,425		1,051
Bank Balances		3,993,807		1,573,687
		4,045,232		1,574,738

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: 30 MAY 2011



For and on Behalf of Board of Directors

(Salim Balya)  
Director

(Sunita Bali)  
Director

Place: Mumbai  
Dated: 30 MAY 2011

30 MAY 2011

**ESTEEM PROPERTIES PRIVATE LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE:1**

**SHARE CAPITAL:**

**AUTHORISED**

10,000 Equity Shares of Rs.100/- each

**TOTAL RUPEES**

**ISSUED, SUBSCRIBED & PAID UP:**

10,000 (Previous Year 10,000) Equity Shares of Rs.100/- each fully paid up  
(All of the above equity shares are held by the holding company D B Realty Limited  
and by its nominee)

**TOTAL RUPEES**

**SCHEDULE:2**

**SECURED LOANS:**

Car Loan

(Secured Against Hypothecation of Car)

**TOTAL RUPEES**

**SCHEDULE:3**

**UNSECURED LOANS:**

Holding Company (include interest accrued and due- Rs.Nil, Previous Year-  
Rs.233,135,701/-)

Others

**TOTAL RUPEES**

As at 31.03.11 Rs.	As at 31.03.10 Rs.
1,000,000	1,000,000
<b>1,000,000</b>	<b>1,000,000</b>
1,000,000	1,000,000
<b>1,000,000</b>	<b>1,000,000</b>
267,969	323,898
<b>267,969</b>	<b>323,898</b>
1,139,162,672	1,260,498,372
15,008,427	15,008,427
<b>1,154,171,099</b>	<b>1,275,506,799</b>



**ESTEEM PROPERTIES PRIVATE LIMITED**

**SCHEDULE FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 4**

**FIXED ASSETS (AT COST LESS DEPRECIATION)**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1-Apr-10 Rs.	Additions during the year Rs.	Deletions during the year Rs.	As at 31-Mar-11 Rs.	As at 1-Apr-10 Rs.	Provided For the year Rs.	Deletions during the year Rs.	As at 31-Mar-11 Rs.	As at 31-Mar-11 Rs.	As at 31-Mar-10 Rs.
Motor Cars	861,268	-	-	861,268	36,678	213,486	-	250,164	611,104	824,590
Computers	58,500	38,500	-	97,000	42,440	9,926	-	52,366	44,634	16,060
Office Equipments	299,939	13,022	-	312,961	108,845	28,158	-	137,003	175,958	191,094
Furniture & Fixture	8,438	-	-	8,438	8,438	-	-	8,438	-	-
<b>Total Rupees</b>	<b>1,228,145</b>	<b>51,522</b>	<b>-</b>	<b>1,279,667</b>	<b>196,401</b>	<b>251,570</b>	<b>-</b>	<b>447,971</b>	<b>831,696</b>	<b>1,031,744</b>
Previous Year	4,025,159	869,706	3,666,720	1,228,145	2,874,311	121,892	2,799,802	196,401	1,031,744	1,150,848



**ESTEEM PROPERTIES PRIVATE LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE:5**

**INVENTORIES:**

(At cost, taken valued and certified by a Director)

Project Work in Progress

**TOTAL RUPEES**

**SCHEDULE:6**

**CASH & BANK BALANCES:**

Cash on hand

Balance with Scheduled Banks in

- Current Accounts

**TOTAL RUPEES**

**SCHEDULE:7**

**LOANS AND ADVANCES:**

**(Unsecured, Considered Good)**

Loan

Advances recoverable in cash or in kind or for value to be received

Tax Payments (Net of provision made thereagainst)

**TOTAL RUPEES**

**SCHEDULE:8**

**CURRENT LIABILITIES:**

**Sundry Creditors**

- Micro Enterprises and Small Enterprises (Refer Note No.C.11 of Schedule 13)

- Others

- Due to Holding Company (Refer Note No.C 5 of Schedule 13)

Other Liabilities

**TOTAL RUPEES**

**SCHEDULE:9**

**PROVISIONS:**

Gratuity

Leave encashment

**TOTAL RUPEES**

As at 31.03.11 Rs.	As at 31.03.10 Rs.
1,078,048,644	1,057,510,564
<b>1,078,048,644</b>	<b>1,057,510,564</b>
51,425	1,051
3,993,807	1,573,687
<b>4,045,232</b>	<b>1,574,738</b>
50,967	50,967
256,948,621	400,031,115
46,102	46,102
<b>257,045,690</b>	<b>400,128,184</b>
1,747,820	1,933,982
1,747,820	1,933,982
212,815,273	204,165,273
161,852	320,990
<b>214,724,945</b>	<b>206,420,245</b>
15,980	6,891
20,601	12,473
<b>36,581</b>	<b>19,364</b>



**ESTEEM PROPERTIES PRIVATE LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE:10**

**PROJECT EXPENSES:**

Land Cost including Stamp Duty  
Direct Cost of Construction  
Recovery of loss on Sale of Shares by the Holding Company  
(Refer Note No. C.5 of Schedule 13)

**Construction Overheads**

- Salaries , Wages and Bonus  
- Staff Welfare and Other Amenities  
- Other Construction Overheads

**Interest:**

- On loan from Holding Company (Refer Note No. C 9 of Schedule 13)  
- On Car Loan

**TOTAL RUPEES**

**SCHEDULE:11**

**(INCREASE) / DECREASE IN INVENTORIES**

Balance as of commencement of the year:  
- Project work in progress

*Less:*

Balance as of end of the year:  
- Project work in progress

**TOTAL RUPEES**

**SCHEDULE:12**

**ESTABLISHMENT EXPENSES**

Hire Charges  
Rent, Rates & Taxes  
Legal and Professional charges  
Donation  
Advertisement and Business Promotion  
Electricity Charges  
Water Charges  
Auditors' Remuneration (Audit Fees, including Service Tax)  
Miscellaneous expenses

**TOTAL RUPEES**

	For the Year Ended 31.03.11 Rs.	For the Year Ended 31.03.10 Rs.
	-	80,319,888
	340,897	4,475,756
	-	179,952,658
	430,299	348,499
	46,176	17,014
	19,441,370	21,032,682
	-	252,462,116
	27,771	36,968
<b>TOTAL RUPEES</b>	<b>20,286,513</b>	<b>538,645,581</b>
	1,057,510,563	568,333,345
	1,078,048,644	1,057,510,564
<b>TOTAL RUPEES</b>	<b>(20,538,081)</b>	<b>(489,177,219)</b>
	9,206,000	-
	3,761,198	3,757,011
	-	6,730
	500	-
	491,508	181,764
	489,660	573,223
	27,932	21,423
	88,240	55,150
	22,777	3,731,346
<b>TOTAL RUPEES</b>	<b>14,087,815</b>	<b>8,326,647</b>





## SCHEDULE 13

### NOTES TO ACCOUNTS:

#### **A NATURE OF OPERATIONS**

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

#### **B STATEMENT OF 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 relevant asset to its 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.

##### **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.

##### **5 Borrowing Cost**

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

##### **6 Revenue Recognition**

Revenue from construction and development of the Project is recognized on the basis of percentage of Completion method. The initial revenue shall be recognized after the work has progressed to the extent of 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.

##### **7 Employee Benefits**

###### **Short term employee benefits:**

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

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



**8 Taxes on Income**

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

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

**9 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.

**10 Provision and Contingent Liabilities**

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

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

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



## C OTHER NOTES

- 1 The Company is a subsidiary of D B Realty Limited, which has become a "public company" w.e.f. 23.09.2009. Therefore, w.e.f. the said date, the Company has become 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 is a public company. The Company continues to use the word Private Limited as permitted by law.
- 2 Status of the Project
  - 2.1 The Company had acquired under Agreement, a plot of land situated at Sahar, Andheri (East), Mumbai from Gonsalves Family and Ors, the ownership whereof was vested with them consequent to the Order passed by the Revenue Minister of the Government of Maharashtra (Revenue Minister) in the year 1995. The said Order was subsequently reversed by the Revenue Minister in the year 1998, holding that the said plot of land belongs to the Government and not Gonsalves Family and Ors (Reversed Order). The Company has challenged the said Reversed Order before the Hon. High Court of Bombay, which is pending as of now. However, in the year 2007, the Revenue Minister cancelled the Reversed Order and restored the Order passed in the year 1995 and consequent to which the Company obtained ownership thereof.
  - 2.2 In this background, a Public Interest Litigation (PIL) was filed before the Bombay High Court and their Lordship in Order dated 1st May, 2010 have restored the Revenue Minister's Order passed in 1998 whereby the ownership of the said plot of land is held to be that of the State Government but subject to the outcome of the petition before the Civil Court. In the PIL, the Order of 1995 was not challenged. Further, the Company has challenged the judgement of the Bombay High Court in PIL by way of Special Leave Petition before the Supreme Court of India, which is pending and a status quo order has been passed by the Supreme Court of India.
  - 2.3 Pending outcome of reaching finality in the matter, the cost incurred in acquiring the land as well as other costs and expenses considered by the management incurred in relation to the development and construction of the said land have been allocated to Project Work in Progress and the value thereof as of 31st March, 2011 is Rs. 107,80,48,644/-.
  - 2.4 The Company has been legally advised that the outcome of the petition before the High Court of Bombay against the Reversed Order and that of the Supreme Court of India against the Order of the Bombay High Court in PIL could be in its favour and accordingly, in the opinion of the Management of the Company, the said land may be available to it for development. Further, the Company is in physical possession of the land.
- 3 The Company had paid Rs. 110 crores to 5 parties against Letter of Intent (LOI) for carrying out civil work at the Project. The said LOI's have been terminated and the amount paid to them have been recalled. Out of the aggregate amount paid of Rs. 110 crores, the Company has recovered Rs. 85 crores. The Company has charged interest on the amounts that have been refunded after the stipulated time limit as well as on the amounts that have remained outstanding. In the opinion of the Management of the Company, the outstanding amount of Rs. 25 crores and the interest charged is good for recovery.
- 4 The accumulated losses have exceeded the Company's net worth. However, these accounts have been prepared by adopting the principle of going concern in view of management's expectation of developing the land.
- 5 During the year ended 31st March 2010, the Company had executed Consent Terms with Air Inn Private Limited (Air Inn), whereby a portion of land admeasuring about 5,128.09 square meters was transferred to Air Inn in lieu of settlement of its claim on the Company, the implications thereof was translated in the accounts. The Company in principle, had agreed to bear the loss resulted in the hands of holding Company on account of transfer of its shares in Air Inn to other shareholders of Air Inn, being transferred to facilitate the settlement of Air Inn's claim and to expedite the development activity in the hands of the Company. Accordingly, the holding Company recovered such loss of Rs.17,99,52,658/- from the Company and the same stands allocated to Project Expenses as in the opinion of the Company it represents additional cost incurred towards the settlement of claim of Air Inn. Further, in view of the amount not being paid as upto the year end, the holding Company had charged interest of Rs. 1,93,26,415/- on such recovery.
- 6 During the year ended 31st March 2010, the Company had executed a deed of exchange with Dynamix Developers Private Limited for exchanging the land inter-se between both the parties to facilitate the development of the Project on hand. In the accounts for the year ended 31.03.2010 necessary entries for transfer and acquisition of land were accounted for based on the market value adopted for payment of stamp duty. Pending ascertainment of direct cost attributable to the land transferred, the cost of Rs. 49,590,254/- referable to the land transferred, has been determined by pro-rating the amount allocated to project work-in-progress based on the ratio of total area of the land to area of land transferred and the same was charged off to the Profit & Loss Account as period cost by adjusting the value of closing project work-in-progress. Necessary adjustment entries shall be passed in the event of ascertainment of direct cost referable to the land so transferred.



7 In the opinion of the Management of the Company, Current Assets, Loans and Advances, are stated at a value to be realised in the ordinary course of business. Provisions are made for all the known liabilities and the same are adequate.

8 The Company's Statutory Auditors have employed direct confirmation procedure for verification of balances of certain parties from / to whom unsecured loans have been taken / granted as well as of balances held in Bank and balances of advances granted & sundry creditors.

In the opinion of the Management of the Company, the balances for which confirmations have not been received, in case of loan / advances granted, the same are good for recovery and in case of liabilities, the same are payable.

9 **Charge of Interest on unsecured loan granted by the Holding Company**

During the year ended 31st March, 2010, the holding company had charged interest of Rs.25,24,62,116/- on loans granted to the Company. The interest amount was inclusive of Rs.13,68,11,916/- for and upto year ended 31st March, 2009. No interest is charged for the year ended 31st March, 2011 on the amount of loan advanced.

10 **Contingent Liabilities not provided for**

(Amount in Rupees)

Particulars	Year ended	Year ended
	31.03.11	31.03.10
	Rs.	Rs.
The Company, as per terms of Consent Terms entered into with Air Inn, is liable to re-imburse to Air Inn the liability that may devolve upon it on account of suit pending against it in the Hon'ble High Court of Judicature of Bombay.	15,000,000	15,000,000
Claim made against the Company not acknowledged as debt relating to Service Tax on lease rentals in respect of an Office Premises.	1,092,781	717,049

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

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

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

12 **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 requirement of AS-17 Segment Reporting are not applicable.



13 Related Party Disclosures

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

<b>Name of the Related Party</b>
<b>Holding Company:</b> D B Realty Limited
<b>Fellow Subsidiary:</b> Neelkamal Realtors Tower Private Limited
<b>Jointly Controlled Enterprise of Holding Company (Jointly Controlled Enterprise):</b> M/s. Dynamix Realty
<b>Enterprises over which Director(s) exercises Significant Influence: (Associated Enterprises):</b> K. G. Enterprise Dynamix Developers Private Limited Conwood Construction & Developers Private BD & P Hotels (India) Private Limited Eon Aviation Private Limited Dynamix Balwas Realty Ventures Private Limited

**Transactions during the year**

Description of Transactions	Holding Company	Fellow Subsidiary Company	Associated Enterprises	Jointly Controlled Enterprise
<b>Loans Taken</b>				
Opening Balance	1,260,498,372 (480,563,171)	15,008,427 (-)	- (-)	- (-)
Taken during the year	737,200,000 (592,800,000)	- (15,008,427)	- (17,100,000)	- (-)
Repaid during the year	858,535,700 (46,000,500)	- (-)	- (17,100,000)	- (-)
Recovery of Interest	- (233,135,701)	- (-)	- (-)	- (-)
Closing Balance	1,139,162,672 (1,260,498,372)	15,008,427 (15,008,427)	- (-)	- (-)
<b>Loans Granted</b>				
Opening Balance	- (-)	- (15,035,464)	- (2,500,000)	- (-)
Granted during the year	- (-)	5,343,246 (-)	1,848,500 (-)	- (-)
Repaid during the year	- (-)	5,343,246 (15,035,464)	1,848,500 (2,500,000)	- (-)
Closing Balance	- (-)	- (-)	- (-)	- (-)
<b>Recovery of loss on sale of Shares by the Holding Company and charge of interest thereon</b>				
Opening Balance	199,279,073 -	- (-)	- (-)	- (-)
Recovery of loss on sale of shares	(179,952,658)	(-)	(-)	(-)
Interest recovered on non-payment of recovery of loss on sale of equity shares.	(19,326,415)	(-)	(-)	(-)
Closing Balance as of year end	199,279,073 (199,279,073)	- (-)	- (-)	- (-)



<b>Reimbursement of Expenditure incurred on behalf of the Company:</b>				
Opening Balance	4,886,200	-	-	-
	(-)	(-)	(-)	(-)
<i>Transaction during the year</i>	-	-	-	-
	(-)	(-)	(-)	(-)
Closing Balance as of year end	4,886,200	-	-	-
	(4,886,200)	(-)	(-)	(-)
<b>Aircraft Hire Charges</b>				
Opening Balance	-	-	-	-
	(-)	(-)	(-)	(-)
Transaction during the year	8,650,000	-	551,500	-
	(-)	(-)	(-)	(-)
Repayment during the year	-	-	551,500	-
	(-)	(-)	(-)	(-)
Closing Balance as of year end	8,650,000	-	-	-
	(-)	(-)	(-)	(-)
<b>Statutory obligation paid on behalf of company</b>				
Opening Balance	-	-	-	-
	(-)	(-)	(-)	(-)
Paid during the year	-	-	2,055,892	-
	(-)	(-)	(-)	(-)
Repaid during the year	-	-	2,055,892	-
	(-)	(-)	(-)	(-)
Closing Balance	-	-	-	-
	(-)	(-)	(-)	(-)
<b>Sale of Land</b>				
Transaction during the year	-	-	-	-
	(-)	(-)	(51,968,488)	(-)
Closing Balance as of year end	-	-	-	-
	(-)	(-)	(-)	(-)
<b>Expenditure incurred by the Company on behalf of Others</b>				
Transaction during the year	-	-	-	-
	(-)	(-)	(-)	(53,000)
Closing Balance as of year end	-	-	-	-
	(-)	(-)	(-)	(53,000)
<b>Charges for use of premises by the Company</b>				
Opening Balance	-	-	161,442	-
	(-)	(-)	(465,544)	(-)
Transaction during the year	-	-	4,173,263	-
	(-)	(-)	(4,729,928)	(-)
Repayment during the year	-	-	4,129,877	-
	(-)	(-)	(5,034,030)	(-)
Closing Balance as of year end	-	-	204,828	-
	(-)	(-)	(161,442)	(-)
<b>Lodging and boarding charges</b>				
Opening Balance	-	-	-	-
	(-)	(-)	(-)	(-)
Transaction during the year	-	-	12,475	-
	(-)	(-)	(-)	(-)
Repayment during the year	-	-	12,475	-
	(-)	(-)	(-)	(-)
Closing Balance as of year end	-	-	-	-
	(-)	(-)	(-)	(-)
Previous year figures are denoted in Bracket				



Notes:

1.The aforesaid related parties are as identified by the Company and relied upon by the Auditors.

2.In respect of the land undertaken for development and construction, there was charge by way of equitable mortgage on part of the land admeasuring 18000 sq. mtrs. in favour of IL & FS Financial Services Limited for securing term loan given to Dynamix Realty , a firm in which the holding company is a partner. The said loan stands repaid by Dynamix Realty during the year.

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

**Defined Benefit Plan**

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

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

Particulars	Gratuity Unfunded (Amount in Rupees)	
	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Defined Benefit obligation at the beginning of the year	6,891	67,967
Current Service Cost	10,867	36,496
Interest Cost	1,421	8,096
Actuarial (gain)/loss	(3,199)	(105,668)
Defined Benefit obligation at the end of the year	15,980	6,891

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

Particulars	Gratuity Unfunded (Amount in Rupees)	
	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Current Service Cost	10,867	33,722
Interest Cost	1,421	5,207
Actuarial (gain)/loss	(3,199)	(2,331)
Net Cost	9,089	36,598

**III Actuarial Assumptions**

Particulars	Gratuity Unfunded (Amount in Rupees)	
	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Discount Rate	8.00%	8.00%
Rate of Escalation in Salary	10.00%	10.00%

**Notes:**

- 1 The obligation for Gratuity is unfunded and therefore, the following disclosures are not given:
  - a Reconciliation of Opening and Closing Balances of fair value of plan assets.
  - b Details of Investments.
- 2 The obligation of Leave Encashment is provided for on an actuarial valuation done by an independent valuer and the same is unfunded. The amount recognised in the Profit and Loss Account for the year is Rs. 17,946/- (Previous Year Rs. 12,473)



15 Operating Lease:

(Amount in Rupees)

Particulars	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
Lease payments recognized in the profit and loss account	3,761,198	3,757,021
<b>Future Lease Payments</b>		
a Not later than one year.	3,698,976	3,856,178
b Later than one year but not later than five years.	1,582,380	3,466,300
c Later than five years.	-	-
<b>Total of Future Lease Payments</b>	<b>5,281,356</b>	<b>7,322,478</b>

**Note:**

There are no exceptional/restrictive covenants in the lease agreement

16 Earnings Per Share:

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

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

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Net Profit/(Loss) after tax as per Profit & Loss Account	(7,204,256)	(4,815,331)
Weighted Average number of Shares outstanding during the year	10,000	8,743
Basic and Diluted Earnings Per Share	(720)	(551)
Face Value Per Equity Share	100	100

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

18 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.

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

Signature to Schedule 1 to 13

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: 30 MAY 2011



For and on Behalf of Board of Directors

(Salim Balkwa)  
Director

(Sunita Bali)  
Director

Place: Mumbai

Dated:

30 MAY 2011



ESTEEM PROPERTIES PRIVATE LIMITED

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No. : 11-086668 State Code : 11  
Balance Sheet Date : 31.03.2011

**II. Capital raised during the year**

Public Issue : NIL Right issue : NIL  
Bonus Issue : NIL Private Placement : NIL

**III. Position of Mobilisation and Deployment of Funds**

(Rupees In Thousands)

Total Liabilities : 1,155,439 Total Assests : 1,155,439

**Sources of Funds**

Paid-up Capital : 1,000 Resereves & Surplus : NIL  
Secured Loans : 268 Unsecured Loans : 1,154,171

**Application of Funds**

Net Fixed Assets : 832 Investments : NIL  
Net Current Assets : 1,124,378 Miscellaneous Expenditure : NIL  
Deferred Tax Assets : NIL Accumulated Losses : 30,229

**VI. Performance of Company**

Turnover : 6,884 Total Expenditure : 14,088  
Loss Before Tax : (7,204) Loss After Tax : (7,204)  
Earning Per Shares (In Rs.) : (720) Dividend Rate % : NA

**V. Generic names of Three Principal Products/Services of Company:**

Item Code No. (ITC Code) : Not Applicable  
Product Description : Development and Construction of Real Estate

For and on Behalf of Board of Directors

(Salim Balwa)  
Director

(Sunita Bali)  
Director

30 MAY 2011