

Date: 12th February, 2021

| | |
|--|---|
| The General Manager, Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 | The Vice-President, Listing Department National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051 |
| Scrip Code : 533160 | Scrip Symbol : DBREALTY |
| Fax No.: 022 – 2272 3121/ 2039 | Fax No.: 022 – 26598237/38 |

Dear Sir,

Sub: Outcome of the Board Meeting held on 12th February, 2021

(The meeting of the Board of Directors of the Company commenced at ~~5.55~~ p.m and concluded at ~~6.40~~ p.m)

The Board of Directors has at its meeting held today considered and approved the Unaudited standalone and consolidated Financial Results of the Company for the third quarter and nine months ended 31st December, 2020. The copy of said Unaudited standalone and consolidated Financial Results, along with Limited Review Reports given by Statutory Auditors thereon are attached herewith.

In addition to above, at the recommendation of Nomination and Remuneration Committee, the Board also approved the appointment of Mr. Mahesh Gandhi (DIN : 00165638) as an Additional Director (Independent Director) with effect from 12th February, 2021 for a tenure of five (5) years, subject to the approval of shareholders at the ensuing Annual General meeting of the Company and thereupon the Board also approved to reconstitute Audit Committee, Nomination and Remuneration Committee and Finance & Investment Committee by inducting Mr. Mahesh Gandhi as a new member.

The above is for your information and record.

Thanking You,

Yours faithfully,

For D B Realty Limited



**Jignesh Shah
Company Secretary**



D B REALTY LIMITED

Regd. Office : DB Central, Maulana Azad Road, Rangwala Compound, Jacob Circle, Mumbai- 400 011 Tel.: 91-22-2305 5555

Website: www.dbrealty.co.in • Email : info@dbg.co.in

CIN: L70200MH2007PLC166818

D B REALTY LIMITED
REGD. OFFICE : DB CENTRAL, MAULANA AZAD ROAD, RANGWALA COMPOUND, JACOB CIRCLE, MUMBAI - 400011
CIN L70200MH2007PLC166818

Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2020

(Rs. in Lacs other than EPS)

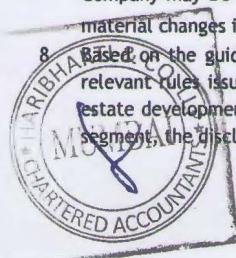
| Sr.No | PARTICULARS | Standalone Quarter Ended | | | Standalone Nine Months Ended | | Standalone Year Ended |
|-------|--|--------------------------|-------------------|--------------------|------------------------------|--------------------|-----------------------|
| | | Dec-20 | Sep-20 | Dec-19 | Dec-20 | Dec-19 | Mar-20 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Revenue from Operations | 4.62 | 4.62 | 19.97 | 13.86 | 61.31 | 45.93 |
| 2 | Other Income | 538.25 | 2,720.72 | 928.70 | 6,153.26 | 4,179.38 | 4,934.57 |
| 3 | Total Income | 542.87 | 2,725.34 | 948.67 | 6,167.12 | 4,240.69 | 4,980.50 |
| 4 | Expenses | | | | | | |
| | a. Project Expenses | 213.51 | 219.17 | 156.45 | 602.75 | 490.59 | 777.64 |
| | b. Changes in Inventories of finished goods, work-in progress and stock-in-trade | (213.51) | (219.17) | (156.45) | (602.75) | (490.59) | (777.64) |
| | c. Employee Benefits Expenses | 50.82 | 50.13 | 94.31 | 146.06 | 284.98 | 332.19 |
| | d. Depreciation and Amortisation | 7.46 | 7.82 | 11.21 | 24.50 | 36.51 | 46.88 |
| | e. Finance Costs | 3,985.50 | 3,488.44 | 3,199.23 | 11,291.75 | 9,070.25 | 12,400.04 |
| | f. Other Expenses | 1,541.55 | 567.16 | 899.85 | 6,818.52 | 6,706.59 | 7,015.74 |
| | Total Expenses (a+b+c+d+e+f) | 5,585.33 | 4,113.55 | 4,204.60 | 18,280.83 | 16,098.33 | 19,794.85 |
| 5 | Profit (Loss) before Exceptional Items (3-4) | (5,042.46) | (1,388.21) | (3,255.93) | (12,113.71) | (11,857.64) | (14,814.35) |
| 6 | Exceptional Items (Profit on sale of Investment in joint venture company) | 18,067.75 | - | - | 18,067.75 | - | - |
| 7 | Profit/ (Loss) before tax (5-6) | 13,025.29 | (1,388.21) | (3,255.93) | 5,954.04 | (11,857.64) | (14,814.35) |
| 8 | Tax Expenses | | | | | | |
| | (a) Current tax | - | - | - | - | - | - |
| | (b) Deferred tax | (143.56) | 447.17 | (134.25) | 592.62 | (545.29) | (251.08) |
| | (c) Prior Period Tax Adjustment | 271.09 | 126.38 | - | 212.85 | - | - |
| | Total Tax expense | 127.53 | 573.55 | (134.25) | 805.47 | (545.29) | (251.08) |
| 9 | Net Profit (Loss) after tax (7-8) | 12,897.76 | (1,961.76) | (3,121.68) | 5,148.57 | (11,312.35) | (14,563.27) |
| 10 | Other Comprehensive Income | | | | | | |
| | (a) Items that will not be reclassified to profit or loss | (892.36) | (317.58) | (14,679.08) | (7,955.48) | (15,558.03) | (27,997.35) |
| | (b) Income tax relating to Items that will not be reclassified to profit or loss | 185.58 | 66.03 | 3,058.26 | 1,654.65 | 3,240.92 | 5,823.33 |
| | (c) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | Total Other Comprehensive Income | (706.78) | (251.55) | (11,620.82) | (6,300.83) | (12,317.11) | (22,174.02) |
| 11 | Total Comprehensive Income for the period | 12,190.98 | (2,213.31) | (14,742.50) | (1,152.26) | (23,629.46) | (36,737.29) |
| 12 | Paid up Equity Share Capital (Face value of Rs. 10 per Equity Share) | 24,325.88 | 24,325.88 | 24,325.88 | 24,325.88 | 24,325.88 | 24,325.88 |
| 13 | Other Equity (Excluding Revaluation Reserve) | | | | | | 215,906.72 |
| 14 | Basic and Diluted EPS (Rs.) (Not Annualised) | | | | | | |
| | Basic | 5.30 | (0.81) | (1.28) | 2.12 | (4.65) | (5.99) |
| | Diluted | 5.30 | (0.81) | (1.28) | 2.12 | (4.65) | (5.99) |
| 15 | Items exceeding 10% of total Expenses | | | | | | |
| | Loss/ (Gain) on fair value on financial assets | 1.13 | (2,046.82) | 121.44 | (3,803.68) | 4,496.92 | 2,456.74 |
| | Provision for allowance for bad and doubtful Advance | 975.11 | 420.49 | 527.43 | 2,057.52 | 1,188.95 | 2,006.52 |
| | Provision for Impairment of investments | - | - | - | 2,541.76 | 470.16 | 470.16 |
| | Compensation Expense | - | - | - | 1,325.00 | - | 960.00 |



Notes:-

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on February 12, 2020. The Statutory Auditors have carried out Limited Review of the Unaudited Standalone Financial Results of the Company as per the requirements of SEBI (Listing and Other Disclosure requirements) Regulations, 2015, as amended.
- 2 The Company carries out its business ventures through various entities. The funds required for projects in those entities are secured through financial guarantees of the Company. The bankers/ financial institutions provide a restrictive covenants while lending, not to charge guarantee commission for the financial guarantees provided by the Company. As per Ind AS 109 - "Financial Instruments", there has to be fair valuation of the financial guarantees and subsequent measurements thereof as per expected credit loss method. However, considering the restrictive covenants and its model of execution of the projects through such entities, the Management is of the opinion that there cannot be fair valuation of the financial guarantees issued aggregating Rs. 350,052.00 lacs as on December 31, 2020.
- 3 The Company has investments in certain subsidiaries and other parties aggregating Rs. 194,291.94 lacs and loans and receivables outstanding aggregating Rs. 98,558.58 lacs as at December 31, 2020. While such entities have incurred significant losses and/or have negative net worth as at December 31, 2020, the underlying projects in such entities are in the early stages of real estate development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values. The Company considers its investments and loans in such entities as strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the Company's investments in such entities and for expected credit losses in respect of loans and advances advanced to such entities, which are considered good and fully recoverable.
- 4 Note on "Control" of the Company in Marine Drive Hospitality and Realty Private Limited (MDHRPL):
 - a) Total 2,470,600 numbers of Redeemable optionally cumulative convertible preference shares ("ROCCPS") Series A and 29,415 numbers of ROCCPS Series C of MDHRPL held by the Company amounting to Rs. 1,215.15 lacs has been attached by an attachment order issued by adjudicating authority under Prevention of Money Laundering Act (PMLA) and therefore, all the rights of the Company as a shareholder have been suspended till the time attachment continues. Therefore, the Company is of the view that the aforesaid shares can not be considered while applying the test of "Control" on MDHRPL.
 - b) The Company is presently holding 92,600 numbers of cumulative convertible preference shares ("CCCPS") - Series C. The CCCPS - Series C which shall be convertible, in part or full in the ratio of 1:100 viz. 100 (One Hundred) fully paid up new Equity shares of Rs. 10/- each against 1 (one) CCCPS - Series C of Rs. 10/- each held by the Company. As per existing terms, the latest date of conversion of the aforesaid CCCPS - Series C is July 2021. However, this being strategic investment, the Company has decided not to exercise the option of conversion.
 - c) In addition to the above, the Company is presently holding (i) 1,88,215 numbers of ROCCPS - Series C and (ii) 74,443 numbers of Cumulative Redeemable Convertible Preference Shares, which are having option of either redemption or conversion on different dates up to March 2021 and March 2022, respectively. As on date, the Management has decided not to opt for conversion of aforesaid shares.
 - d) The Company has not nominated any director on the Board of MDHRPL.

On the basis of the above facts, the Management is not having effective control over MDHRPL. In view of the same, accounts of MDHRPL along with its subsidiaries, associates and joint ventures are not consolidated as per Ind AS 110. Further, equity instruments of MDHRPL are measured at fair value through other comprehensive income based on irrevocable designation at inception.
- 5 The Company is regularly coordinating with one of the financial institution for loan of Rs. 2,635.85 lacs (including overdue interest) which is subject to Independent confirmation and is in the process of obtaining confirmation as on December 31, 2020. However, the Company has made adequate provision for interest as per terms and conditions.
- 6 The Company has principal debt repayment obligations (including interest thereon) aggregating Rs. 110,949.69 Lacs within next twelve months. The Company has also Incurred net cash losses for several years and no significant progress in development of projects undertaken in last several years due to sluggish demand in the real estate sector and it has defaulted in various debt obligations, employee benefits and trade payables. These could result in significant uncertainty on its ability to meet these debt obligations and continue as going concern. The Management is addressing this issue robustly and the Company has generally met its debt obligations, employee benefits and trade payables with some delays. The Management is confident that they will be able to arrange sufficient liquidity by restructuring of the existing loans terms, monetization of non-core assets and mobilisation of additional funds. Accordingly, the Unaudited Standalone Financial Results are prepared on a going concern basis.
- 7 The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown for specific period ordered by the Government of India and other restrictions has resulted in significant reduction in economic activities and also the business operations of the Company in terms of delay in project progress and construction activities. The management has evaluated and considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets including the value of its Inventories, investments and loans. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets including the value of its Inventories, loans and investments as Company's projects and its investment/ loans granted projects are at very initial stage of development, However, since the projection of revenue of the Company will be ultimately dependent on project activities, project progress, availability of personnel, supply chain disruption, demand in real estate market, changes in market conditions and the trend of cash flows into real estate sector may have an adverse impact on the operations of the Company. Since the situation is rapidly evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.
- 8 Based on the guiding principles given in Ind AS 108 "Operating Segments" prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, the Company is mainly engaged in the business of real estate development viz. construction of residential / commercial properties in India. As the Company's business falls within a single primary business segment, the disclosure requirements of Ind AS 108 in this regard are not applicable.



- 9 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 10 Figures for the previous quarters/period/ year are re-classified/re-arranged/re-grouped wherever required.

Dated:- February 12, 2020
Place:- Mumbai



For DB Realty Limited

A handwritten signature in blue ink, appearing to read "Vinod Goenka". The signature is fluid and cursive, written over the printed name.

Vinod Goenka
Vice Chairman & Managing Director
DIN 00029033

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Chartered Accountants

Independent Auditor's Review Report on quarter and year to date Unaudited Standalone Financial Results of D B Realty Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To the Board of Directors

D B Realty Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of D B Realty Limited ("the Company") for the quarter ended December 31, 2020 and for the period from April 01, 2020 to December 31, 2020 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Basis for Qualified Report:
 - a. As stated in Note 2 to the Statement regarding non-recognition of financial guarantees aggregating Rs. 350,052.00 lakhs issued to banks/ financial institutions on behalf of various entities at fair value as required under Ind AS 109 - Financial Instruments. In absence of measurement of financial guarantees at fair value, we are unable to comment on the consequential impact on the profit for the quarter and for the nine months period ended December 31, 2020, if any.



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- b. As stated in Note 3 to the Statement regarding non-evaluation of impairment provision in accordance with Ind AS 109 - Financial Instruments and Ind AS 36 - Impairment of Assets, for loans and receivables aggregating Rs. 98,558.58 lakhs and investments aggregating Rs. 194,291.94 lakhs respectively as on December 31, 2020 to certain subsidiaries and other parties which have incurred significant losses and/or have negative net worth as at December 31, 2020, we are unable to comment on the consequential impact of the impairment provision on the profit for the quarter and for the nine months period ended December 31, 2020, if any.
- c. As stated in Note 4 to the Statement regarding the recognition and measurement of its investments in equity instruments of one of its subsidiary company at fair value through other comprehensive income which the Management has not considered as a subsidiary based on its irrevocable designation at inception. Had it been treated as a subsidiary, then as per the Company's accounting policy, it should be measured at cost, subject to impairment of investment. Consequently, investments in these instruments and other comprehensive income are lower by Rs. 20,733.70 lakhs and Rs. 16,421.09 lakhs (net of tax) respectively as on December 31, 2020, after ignoring the impact of impairment, if any.
- d. As stated in Note 5 to the Statement, regarding the loan from a financial institution aggregating Rs. 2,635.85 lakhs (including overdue interest thereon) which is subject to independent confirmation as at December 31, 2020. In the absence of independent confirmation, we are unable to comment on the consequential impact on the profit for the quarter and for the nine months period ended December 31, 2020, if any.
5. Based on our review conducted as stated in paragraph 3 above and subject to the possible effects of the matters described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. **Material uncertainty relating to going concern:**
We draw attention to Note 6 to the Statement, which indicates that there is no progress in the development of projects undertaken since last several years and the Company is also incurring cash losses during last three years as well as defaults in various debt and other obligations. For the quarter and the nine months period ended December 31, 2020, the Company has incurred a net loss (before tax and exceptional item) of Rs.5,042.46 Lakhs and Rs. 12,113.71 lakhs, respectively, and has an accumulated



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loss of Rs. 28,724.75 lakhs (including other comprehensive income) as of that date. The said assumption of going concern is dependent upon the Company's ability to raise funds through monetization of its non-core assets, mobilization of additional funds and other strategic initiative to meet its obligations. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, based on the mitigating factors as mentioned above, the Statement has been prepared on a going concern basis. Our report is not modified in respect of this matter.

7. We draw attention to the following matters:

- a. As stated in Note 7 to the Statement, regarding the uncertainties and the Management's evaluation of the financial impact on the Company due to restrictions on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.
- b. As regards security deposits aggregating Rs. 5,742.88 lakhs as on December 31, 2020, given to various parties for acquisition of development rights, as explained by the Management, the Company is in the process of obtaining necessary approvals with regard to these properties and that their current market values are significantly in excess of their carrying values and are expected to achieve adequate profitability on substantial completion of such projects.
- c. As regards status of inventories consisting of projects having aggregate value of Rs. 29,608.55 lakhs as on December 31, 2020 and the opinion framed by the Management about realizable value of the cost incurred, being a technical matter, has been relied upon by us.
- d. As regards certain allegations made by the Enforcement Directorate against the Company and its two Key Managerial Persons, in a matter relating to Prevention of Money Laundering Act, 2002, this matter is sub-judice and the impact, if any, of the outcome is unascertainable at this stage.
- e. As regards attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002, by which the Company's assets aggregating to Rs. 1,373.27 lakhs have been attached on August 30, 2011. Consequently, the adjudicating authority has taken over the bank balance of Rs. 68.93 lakhs and Investment in Redeemable Optionally Convertible Cumulative Preference Shares - Series A and Series C of a subsidiary company of Rs. 1,215.15 lakhs in earlier years. The impact, if any, of its outcome is currently unascertainable.



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f. The statutory auditors of the partnership firms, where the Company is one of the partner, have reported the following Emphasis of Matters on their respective unaudited financial results for the quarter and nine months period ended December 31, 2020:

i. As regards recoverability of Trade Receivables of Rs. 4,930.33 lakhs as on December 31, 2020 which are attached under the Prevention of Money Laundering Act, 2002 are good for recovery and non-provision of expected credit losses on account of the undertaking given by the Company that it will bear the loss if the said trade receivables become bad.

ii. Allegations made by the Central Bureau of Investigation (CBI) relating to the 2G spectrum case and regarding attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002 and the undertaking given by the Company that it will bear the loss if there is any non / short realization of the attached asset.

These matters are sub-judice and the impact, if any, of its outcome is currently unascertainable.

iii. As regards pending dispute towards liability of property tax of the Firm with Municipal Corporation of Greater Mumbai / Slum Rehabilitation Authority for amount not paid for Rs. 102.35 lakhs and adjustment of amount paid under protest for Rs 33.74 lakhs period on or after April 2012.

iv. As regards opinion framed by the firm with respect to utilization of balance of goods and service tax of Rs. 178.24 lakhs, which will be depended on future GST output liability.

v. As regards order passed by Hon'ble Supreme Court of India confirming Order of Delhi High Court in one of the partnership firm, directing the Airport Authority of India (AAI) to conduct Aeronautical Studies without demolishing the structure of SRA buildings. In the opinion of the Management, the firm is hopeful for favourable outcome for construction activities from AAI and hence, it does not expect any financial outflow in this matter.

vi. There is significant uncertainty regarding completion of the Project in one of the partnership firm based on its management assessment and accordingly, the firm has not recognized revenue till such significant uncertainty exists.

Observations made by us in the above paragraphs (b) to (f) and their impact on the Statement, have not been disclosed in notes to the Statement.

Our report is not modified in respect of these matters.



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8. Share of loss (net) from investment in three partnership firms and one limited liability partnerships aggregating to Rs. 480.20 lakhs and Rs. 692.34 lakhs for the quarter and for the nine months period ended December 31, 2020, respectively, included in the Statement, are based on the unaudited financial results of such entities. These unaudited financial results have been reviewed by the auditors of these entities, whose reports have been furnished to us by the Management and our review report on the Statement is based solely on such review reports of the other auditors.

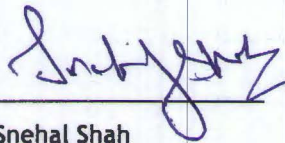
The Statement also includes share of loss (net) from investment in four Limited Liability Partnerships and two Joint Ventures aggregating Rs. 0.53 lakhs and Rs. 0.67 lakhs for the quarter and for the nine months period ended December 31, 2020, respectively, which are based on the financial results of such entities. These financial results have not been reviewed/audited by their auditors and have been furnished to us by the Management and our review report on the Statement is based solely on such unaudited/unreviewed financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Company.

Our report on the Statement is not modified in respect of the above matters.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Snehal Shah

Partner

Membership No.: 048539

UDIN: 21048539AAAAA04362

Place: Mumbai

Date: February 12, 2021

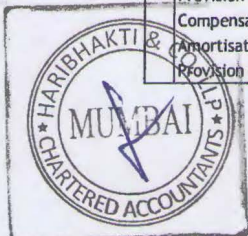


D B REALTY LIMITED GROUP
REGD. OFFICE : DB CENTRAL, MAULANA AZAD ROAD, RANGWALA COMPOUND, JACOB CIRCLE, MUMBAI - 400011
CIN L70200MH2007PLC166818

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2020

(Rs. in Lacs other than EPS)

| PARTICULARS | Quarter Ended | | | Nine Months period Ended | | Year Ended |
|--|---------------|------------|-------------|--------------------------|-------------|-------------|
| | Dec-20 | Sep-20 | Dec-19 | Dec-20 | Dec-19 | Mar-20 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 Revenue from operations | 1,081.86 | 776.76 | 2,636.01 | 1,984.97 | 17,073.91 | 16,918.71 |
| 2 Other Income | 1,187.04 | 2,521.55 | 511.71 | 6,470.12 | 1,834.93 | 11,719.70 |
| 3 Total Income (1+2) | 2,268.90 | 3,298.31 | 3,147.72 | 8,455.09 | 18,908.84 | 28,638.41 |
| 4 Expenses | | | | | | |
| a. Project Expenses / Cost to fulfil contracts with customers | 2,906.11 | 3,302.00 | 6,923.75 | 8,692.10 | 19,452.32 | 5,784.97 |
| b. Changes in inventories of finished goods and work-in-progress | (2,979.37) | (2,651.31) | (4,061.09) | (7,449.16) | (11,437.35) | 2,769.28 |
| c. Employee Benefits Expenses | 245.50 | 261.37 | 313.20 | 727.31 | 971.68 | 1,092.52 |
| d. Depreciation and Amortisation | 21.16 | 21.63 | 29.87 | 65.61 | 90.40 | 118.54 |
| e. Finance Costs (Refer Note no.12) | 6,842.77 | 6,834.43 | 4,332.61 | 21,696.89 | 12,507.31 | 25,375.06 |
| f. Other Expenses | 1,616.32 | 590.51 | 10,517.78 | 8,696.01 | 24,159.20 | 30,397.49 |
| Total Expenses (a+b+c+d+e+f) | 8,652.49 | 8,358.63 | 18,056.12 | 32,428.76 | 45,743.56 | 65,537.86 |
| 5 Profit/(Loss) before Exceptional Items and tax (3-4) | (6,383.59) | (5,060.32) | (14,908.40) | (23,973.67) | (26,834.72) | (36,899.45) |
| 6 Exceptional Items/donation (Profit on sale of Investment in joint venture company) | (17,567.63) | - | - | (17,567.63) | 1,500.00 | 2,000.00 |
| 7 Profit/(Loss) before tax (5-6) | 11,184.04 | (5,060.32) | (14,908.40) | (6,406.04) | (28,334.72) | (38,899.45) |
| 8 Tax Expenses | | | | | | |
| (a) Current tax | - | - | (7.35) | - | (15.45) | (15.69) |
| (b) Deferred tax | 155.07 | (125.97) | (36.62) | 44.37 | (2,063.56) | (1,227.19) |
| (c) Prior Period Tax Adjustment | (271.09) | (126.38) | 0.02 | (212.85) | 0.02 | (2,820.77) |
| Total Tax expense (a+b+c) | (116.02) | (252.35) | (43.95) | (168.48) | (2,078.99) | (4,063.65) |
| 9 Profit/(Loss) for the period (7+8) | 11,068.02 | (5,312.67) | (14,952.35) | (6,574.52) | (30,413.71) | (42,963.10) |
| 10 Share of profit/(loss) of joint venture and associates | (1,208.56) | (730.07) | (60.37) | (1,907.14) | 1,681.01 | (449.03) |
| 11 Profit/(Loss) after tax (9+10) | 9,859.46 | (6,042.74) | (15,012.72) | (8,481.66) | (28,732.70) | (43,412.14) |
| 12 Other Comprehensive Income | | | | | | |
| (a) Items that will not be reclassified to profit or loss | (895.65) | (318.80) | (15,407.55) | (8,246.99) | (16,221.01) | (29,150.18) |
| (b) Income tax relating to items that will not be reclassified to profit or loss | 185.13 | 65.16 | 3,057.72 | 1,652.87 | 3,239.23 | 5,819.26 |
| (c) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| Total Other Comprehensive Income (a+b+c) | (710.52) | (253.64) | (12,349.83) | (6,594.12) | (12,981.78) | (23,330.92) |
| 13 Total Comprehensive Income for the period (11+12) | 9,148.94 | (6,296.38) | (27,362.55) | (15,075.78) | (41,714.48) | (66,743.05) |
| Profit after tax | | | | | | |
| Attributable to: | | | | | | |
| Owner of equity | 9,944.96 | (5,879.86) | (13,082.55) | (7,604.25) | (27,726.76) | (41,303.11) |
| Non controlling interest | (85.50) | (162.88) | (1,930.17) | (877.41) | (1,005.94) | (2,109.02) |
| Total | 9,859.46 | (6,042.74) | (15,012.72) | (8,481.66) | (28,732.70) | (43,412.14) |
| Other Comprehensive Income | | | | | | |
| Attributable to: | | | | | | |
| Owner of equity | (710.53) | (253.64) | (12,349.77) | (6,594.12) | (12,981.68) | (23,333.54) |
| Non controlling interest | - | - | (0.06) | - | (0.10) | 2.62 |
| Total | (710.52) | (253.64) | (12,349.83) | (6,594.12) | (12,981.78) | (23,330.92) |
| Total Comprehensive Income | | | | | | |
| Attributable to: | | | | | | |
| Owner of equity | 9,234.44 | (6,133.50) | (25,432.32) | (14,198.37) | (40,708.44) | (64,636.66) |
| Non controlling interest | (85.50) | (162.88) | (1,930.23) | (877.41) | (1,006.05) | (2,106.40) |
| Total | 9,148.94 | (6,296.38) | (27,362.55) | (15,075.78) | (41,714.49) | (66,743.05) |
| 14 Paid up Equity Share Capital (Face value of Rs. 10 per Equity Share) | 24,325.88 | 24,325.88 | 24,325.88 | 24,325.88 | 24,325.88 | 24,325.88 |
| 15 Other Equity (excluding Revaluation Reserve) | | | | | | 131,879.95 |
| 16 Basic and Diluted EPS (Rs.) (Not Annualised) | | | | | | |
| Basic | 4.09 | (2.42) | (5.38) | (3.13) | (11.40) | (17.18) |
| Diluted | 4.09 | (2.42) | (5.38) | (3.13) | (11.40) | (17.18) |
| 17 Items exceeding 10% of total Expenses | | | | | | |
| Provision for impairment of goodwill | - | - | 4,517.05 | - | 8,808.97 | 13,147.21 |
| Compensation for Cancelled Flats/dispute | 113.44 | (1.46) | - | 1,438.44 | - | 1,198.24 |
| Amortisation of Cost of Assignment of Rights | - | - | - | - | - | 1,997.18 |
| Provision for doubtful debts, loans and advances | 1,333.26 | 321.95 | 4,704.87 | 6,662.29 | 6,275.70 | 7,454.45 |



Notes:-

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on February 12, 2021. The Statutory Auditors have carried out Limited Review of the Unaudited Consolidated Financial Results of the Company as per the requirements of SEBI (Listing and Other Disclosure requirements) Regulations, 2015, as amended.
- 2 The group carries out its business ventures through various entities. The funds required for projects in those entities are secured through financial guarantees of the Parent. The bankers / financial institutions provide a restrictive covenant while lending, not to charge guarantee commission for the financial guarantees provided by the Parent. As per Ind AS 109 - "Financial Instruments", there has to be fair valuation of the financial guarantees and subsequent measurements thereof as per expected credit loss method. However, considering the restrictive covenants and its model of execution of the projects through such entities, the Management is of the opinion that there cannot be fair valuation of the financial guarantees issued aggregating Rs. 170,800.00 lacs as on December 31, 2020.
- 3 The group has investments in certain associates, joint venture and other parties aggregating Rs. 128,486.00 lacs and loans and receivables outstanding aggregating Rs. 48,133.19 lacs as at December 31, 2020. While such entities have incurred significant losses and/or have negative net worth as at December 31, 2020, the underlying projects in such entities are in the early stages of real estate development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values. The group considers its investments and loans in such entities as long term and strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the group's investments in such entities and for expected credit losses in respect of loans and advances advanced to such entities, which are considered good and fully recoverable.
- 4 Note on "Control" of the D B Realty Limited (Parent Company) in Marine Drive Hospitality and Realty Private Limited (MDHRPL):
 - a) Total 2,470,600 numbers of Redeemable optionally cumulative convertible preference shares ("ROCCPS") Series A and 29,415 numbers of ROCCPS Series C of MDHRPL held by the Parent Company amounting to Rs 1,215.15 lacs has been attached by an attachment order issued by adjudicating authority under Prevention of Money Laundering Act (PMLA) and therefore, all the rights of the Parent Company as a shareholder have been suspended till the time attachment continues. Therefore, the Parent Company is of the view that the aforesaid shares can not be considered while applying the test of "Control" on MDHRPL.
 - b) The Parent Company is presently holding 92,600 numbers of cumulative convertible preference shares ("CCCPS") - Series C. The CCCPS - Series C which shall be convertible, in part or full in the ratio of 1:100 viz. 100 (One Hundred) fully paid up new Equity shares of Rs. 10/- each against 1 (one) CCCPS - Series C of Rs. 10/- each held by the Parent Company. As per existing terms, the latest date of conversion of the aforesaid CCCPS - Series C is July 2021. However, this being strategic investment the Parent Company has decided not to exercise the option of conversion.
 - c) In addition to the above, the Parent Company is presently holding (i) 1,88,215 numbers of ROCCPS - Series C and (ii) 74,443 numbers of Cumulative Redeemable Convertible Preference Shares, which are having option of either redemption or conversion on different dates up to March 2021 and March 2022, respectively. As on date, the Management has decided not to opt for conversion of aforesaid shares.
 - d) The Parent Company has not nominated any director on the Board of MDHRPL.

On the basis of the above facts, the Management is not having effective control over MDHRPL. In view of the same, accounts of MDHRPL along with its subsidiaries, associates and joint ventures are not consolidated as per Ind AS 110. Further, equity instruments of MDHRPL are measured at fair value through other comprehensive income based on irrevocable designation at inception.

- 5 The Parent company is regularly coordinating with one of the financial institution for loan of Rs. 2,635.85 lacs (including overdue interest) which is subject to Independent confirmation and is in the process of obtaining confirmation as on December 31, 2020. However, the parent company has made adequate provision for interest as per terms and conditions.
- 6 Real Gem Buildtech Private Limited (a wholly owned subsidiary company/ (WOS) in the year ended 31st March, 2019 has filed a Scheme with National Company Law Tribunal whereby it has proposed to transfer its all the assets and liabilities pertaining to Identified Project Undertaking, being "DB Crown" Project, on going concern basis as Slump Sale to Kingmaker Developers Private Limited (KDPL) for a consideration of Rs. 10 lacs. Additionally, as mentioned in the scheme, upon achieving certain milestones to be mutually agreed between said WOS and KDPL, said WOS shall be entitled to receive the such realisation / sale proceeds of the Project Undertaking as Contingent consideration from KDPL. The Management is hopeful that the said Project Undertaking will be able to achieve those milestones and above Contingent consideration will accrue to the said WOS. Accordingly, no provision of Impairment of goodwill is considered necessary by the Group.
Further, the said WOS has shown its assets and liabilities relating to project undertaking as assets held for sale and liabilities pertaining to disposal group in accordance with Ind AS 105.
- 7 In one of the joint venture, based on existing term of ROCCPS and CCPS, as per Ind AS 32, these shares are financial liabilities of the joint venture.
In case of ROCCPS, the joint venture does not have any right to avoid the obligation for redemption and there is no fixed ratio for conversion of ROCCPS to equity shares.
In case of CCPS, there is no fixed ratio for conversion to equity shares.
During June 2020, the joint venture has extended redemption/conversion terms for 12 years from the original maturity. The original maturity date for redemption / conversion (as applicable) of the ROCCPS was 28th March, 2012 and CCPS was 11 November 2011 and 30th January, 2012 ("the said shares").
Based on above, the said shares are financial liability of the joint venture. However, the joint venture has not considered these shares as financial liability, considering settlement of dispute-between existing shareholders has been resolved and there have been changes in share holding pattern due to stake sell by such investor. The project is at initial state of development, the Management of the joint venture has decided to continue to treat ROCCPS and CCPS as equity only.
- 8 One of the associate company has not recognized interest liability (including overdue interest and penalty) on borrowings as per terms and conditions as the lender is in liquidation/stress and the associate company is under discussion with lender for settlement of liability. Further, the associate company has not received any confirmation from lender on interest liabilities. The associate company will recognize its interest liability at the time of settlement.



9 In one of the Subsidiary company, In terms of Development Agreement with one of the society (MIG) had to provide "Agreed Premises" to the Members by December, 2018, which in terms of the understanding reached in the year ended 31st March, 2019 got extended till June, 2020 (considering RERA circular on account of Covid-19, in the view of the subsidiary company, the said period has got extended till December, 2020), subject to payment of additional hardship compensation, liquidated damages at the time of completion of the project and provision of corpus along with interest, for which necessary provisions were made in the year ended 31st March, 2019.

Further, due to COVID 19 pandemic, the subsidiary company had invoked the force majeure clause and had submitted to MIG to accept additional hardship compensation at reduced rate from March, 2020 till the end of expected force majeure which is not accepted by MIG.

Also further, as per Clause 11.2 of the Agreement between the subsidiary company and development partner(Radius), the additional hardship compensation effective July, 2020 is to be borne by Radius as the delay in execution of the project is due to them and hence, no such provision is made thereafter.

The Company has paid entire hardship compensation for 3.5 FSI to the members of the MIG. In the event, the FSI increases to 3.50 to 4.50, agreed hardship compensation would be paid.

On account of force majeure clause (Covid 19) the Company had reversed Rs. 339.93 lacs being provision for additional hardship compensation in the quarter ended 31st March, 2020.

On account of the lockdown, the Company invoked the force majeure provision in the Agreement and offered to pay hardship compensation at a reduced rate. In view of such action by the Company, MIG terminated the Agreement. The Company has invoked Arbitration. The Hon' High Court of Bombay has passed status quo order subject to payment of hardship compensation, which is adhered to. The primary issue in the arbitration proceedings is whether MIG could terminate the Agreement with the Company, in view of the alleged breaches claimed by MIG. Other issues are relates to monetary claims. The company has recognised the Contingent Asset of Rs. 13,257.41 lacs.

The Company does not expect additional outflow on account of claim for interest over and above the amount provided for and hence, no further amount stands provided for and up to quarter and nine months period ended December 31, 2020.

10 The Group has principal debt repayment obligations (including interest thereon) aggregating Rs. 128,850.77 Lacs within next twelve months. The group has also incurred net cash losses for more than 3 years and no significant progress in development of projects undertaken in last several years due to sluggish demand in the real estate sector and it has defaulted in various debt and other obligations. These could result in significant uncertainty on its ability to meet these debt obligations and continue as going concern. The management is addressing this issue robustly and the Group has generally met its debt and other obligations with some delays. The Management is confident that they will be able to arrange sufficient liquidity by restructuring of the existing loans terms, monetization of non-core assets and mobilisation of additional funds. Accordingly, the Consolidated Unaudited Financial Results are prepared on a going concern basis.

11 The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Group in terms of delay in project progress and construction activities. The management has evaluated and considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets including the value of its Inventories, investments and loans. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets including the value of its Inventories, loans and investments as Group's projects and its investment/ loans granted projects are at various stage of development. However, since the projection of revenue of the Group will be ultimately dependent on project activities, project progress, availability of personal, supply chain disruption, demand in real estate market, changes in market conditions and the trend of cash flows into real estate sector may have an impact on the operations of the Group. Since the situation is rapidly evolving, its effect on the operations of the Group may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor material changes in markets and future economic conditions.

12 In one of the subsidiary company, treatment for recognising the borrowing costs, Ind AS 23 prescribes the accounting treatment for recognising the borrowing costs incurred by entities. It sets out the criteria for capitalising the borrowing costs or for charging the borrowing costs as expense to the statement of profit and loss. The Accounting Standards Board of The Institute of Chartered Accountants of India (ICAI) has published on 27th January, 2021 an "Educational Material on Ind AS 23, Borrowing Costs" whereby it has clarified that for a real estate developer which recognises revenue in terms of Ind AS 115 over the period of time, the inventory relating to such units does not represent a qualifying asset. As the Company was applying the accounting policy of capitalising the borrowing cost relating to such inventory, the clarification of ICAI has resulted into de capitalisation of borrowing cost. Therefore, in these results, in terms of Ind AS 8, retrospective restatement has been done, whereby the total comprehensive income for the year ended 31st March, 2020 is restated by Rs. 490.77 lacs and correspondingly the balance of other equity is also restated by equivalent amount. Also the consequential impact in the determination of basic and diluted earnings per share is made.

13 Based on the guiding principles given in Ind AS 108 "Operating Segments" prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, the group is mainly engaged in the business of real estate development viz. construction of residential / commercial properties in India. As the group business fall within a single primary business segment, the disclosure requirements of Ind AS 108 in this regard are not applicable.

14 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

15 Figures for the previous quarters/period/ year are re-classified/re-arranged/re-grouped wherever required.

Dated:- February 12, 2020
Place:- Mumbai



For D B Realty Limited

Vinod Goenka
Vice Chairman & Managing Director
DIN 00029033

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Independent Auditor's Review Report on quarterly and year to date Unaudited Consolidated Financial Results of D B Realty Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To the Board of Directors
D B Realty Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of D B Realty Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive loss of its associates and joint ventures for the quarter ended December 31, 2020 and for the period from April 01, 2020 to December 31, 2020 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

| Sr. No. | Name of the Entity | Relationship |
|---------|--|--------------|
| 1. | D B Realty Limited | Parent |
| 2. | DB Man Realty Limited | Subsidiary |
| 3. | Esteem Properties Private Limited | Subsidiary |
| 4. | Goregoan Hotel and Realty Private Limited | Subsidiary |
| 5. | Neelkamal Realtors Suburban Private Limited | Subsidiary |
| 6. | NeelKamal Shantinagar Properties Private Limited | Subsidiary |
| 7. | Real Gem Buildtech Private Limited | Subsidiary |
| 8. | Saifee Bucket Factory Private Limited | Subsidiary |
| 9. | N.A. Estate Private Limited | Subsidiary |



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| | | |
|-----|---|-------------------------|
| 10. | Royal Netra Constructions Private Limited | Subsidiary |
| 11. | Nine Paradise Erectors Private Limited | Subsidiary |
| 12. | MIG Bandra Realtor and Builder Private Limited | Subsidiary |
| 13. | Spacecon Realty Private Limited | Subsidiary |
| 14. | Vanita Infrastructure Private Limited | Subsidiary |
| 15. | DB Contractors and Builders Private Limited | Subsidiary |
| 16. | DB View Infracon Private Limited | Subsidiary |
| 17. | DB (BKC) Realtors Private Limited | Joint Venture |
| 18. | Neelkamal Realtors Tower Private Limited | Associate |
| 19. | Sangam City Town Ship Private Limited | Associate |
| 20. | D B Hi-Sky Construction Private Limited | Associate |
| 21. | Mahal Pictures Private Limited (up to December 23, 2020) | Joint Venture |
| 22. | Shiva Realtors Suburban Private Limited | Associate |
| 23. | Shiva Buildcon Private Limited | Associate |
| 24. | Shiva Multitrade Private Limited | Associate |
| 25. | Horizontal Realty and Aviation Private Limited (consolidated) | Step down Subsidiary |
| 26. | Turf Estate Realty Private Limited | Step down Subsidiary |
| | Partnership Firms/ LLP's/Association of Persons | |
| 27. | Mira Real Estate Developers | Subsidiary |
| 28. | Conwood -DB Joint Venture (AOP) | Subsidiary |
| 29. | ECC - DB Joint Venture (AOP) | Subsidiary |
| 30. | Turf Estate Joint Venture (AOP) | Subsidiary |
| 31. | Innovation Electors LLP | Subsidiary |
| 32. | Turf Estate Joint Venture LLP | Subsidiary |
| 33. | M/s Dynamix Realty | Joint Venture |
| 34. | M/s DBS Realty | Joint Venture |
| 35. | Lokhandwala Dynamix-Balwas JV | Joint Venture |
| 36. | DB Realty and Shreepati Infrastructures LLP | Joint Venture |
| 37. | Kapstar Realty LLP (Up to October 6, 2020) | Joint Venture |
| 38. | Sneh Developers | Step down Joint Venture |
| 39. | Evergreen Industrial Estate | Step down subsidiary |
| 40. | Shree Shantinagar Venture | Step down subsidiary |
| 41. | Suraksha DB Realty | Step down Joint Venture |
| 42. | Lokhandwala DB Realty LLP | Step down Joint Venture |
| 43. | OM Metal Consortium | Step down Joint Venture |
| 44. | Ahmednagar Warehousing Developers and Builders LLP | Step down Joint Venture |
| 45. | Solapur Warehousing Developers and Builders LLP | Step down Joint Venture |
| 46. | Aurangabad Warehousing Developers Builders LLP | Step down Joint Venture |
| 47. | Latur Warehousing Developers and Builders LLP | Step down Joint Venture |
| 48. | Saswad Warehousing Developers and Builders LLP | Step down Joint Venture |

5. Basis for Qualified Report:

- a. As stated in Note 2 to the Statement regarding the non-recognition of financial guarantees aggregating Rs. 170,800.00 lakhs issued to banks/ financial institutions on behalf of various entities



at fair value as required under Ind AS 109 - Financial Instruments. In the absence of measurement of these financial guarantees at fair value, we are unable to comment on the consequential impact on the consolidated loss for the quarter and for the nine months period ended December 31, 2020, if any.

- b. As stated in Note 3 to the Statement regarding non-evaluation of impairment provision in accordance with Ind AS 109 - Financial Instruments and Ind AS 36 - Impairment of Assets, for loans and receivables aggregating Rs. 48,133.19 lakhs and investments aggregating Rs. 128,486.00 lakhs respectively as on December 31, 2020 to certain associates, joint ventures and other parties which have incurred significant losses and/or have negative net worth as at December 31, 2020, we are unable to comment on the consequential impact of impairment provision on the consolidated loss for the quarter and for the nine months period ended December 31, 2020, if any.
- c. As stated in Note 4 to the Statement, the financial statements of one of the subsidiary companies and its subsidiaries/associates/ joint ventures have not been consolidated in the Statement. The Parent controls the subsidiary company in terms of Ind AS 110. In absence of the availability of the consolidated financial statements of such subsidiary company, we are unable to quantify the effects on the Statement, if any.
- d. As stated in Note 5 to the Statement, regarding the loan from financial institution aggregating Rs. 2,635.85 lakhs (including overdue interest thereon) which is subject to independent confirmation as at December 31, 2020. In the absence of independent confirmation, we are unable to comment on the consequential impact on the consolidated loss for the quarter and for the nine months period ended December 31, 2020, if any.
- e. As stated in Note 6 to the Statement, regarding non impairment of goodwill as on December 31, 2020, created for one of the subsidiary company aggregating Rs. 15,194.80 lakhs as required under 'Ind AS 36 - Impairment of Assets'. Based on the circumstances as detailed in the aforesaid note, in our view, goodwill needs to be tested for impairment and provision, if any, is required to be made in this regard. In the absence of impairment testing and determination of future contingent consideration, goodwill has been entirely carried in the books of account. We are unable to comment on the consequential impact on the consolidated loss for the quarter and for the nine months period ended December 31, 2020, if any.
- f. As stated in Note 7 to the Statement, regarding the recognition of Redeemable Optionally Convertible Cumulative Preference Shares (ROCCPS) and Compulsory Convertible Preference Shares (CCPS) issued by one of the joint venture as part of Equity and regarding its measurement at issue price instead of measurement of the same at fair value as financial liability in accordance with 'Ind AS 32 - Financial Instrument': Presentation and 'Ind AS 109 - Financial Instruments'. In the absence of fair valuation of these shares, we are unable to comment on the consequential impact of the same on the consolidated loss for the quarter and for the nine months period ended December 31, 2020, if any.
- g. As stated in Note 8 to the Statement, regarding non recognition of interest liability (including overdue interest and penalty) on borrowings as per terms and conditions in one of the associate company. Had the same been computed and provided for, the share of loss of associate would have been increased to that extent. In absence of computation and evaluation of liability to pay interest



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by the said associate company, we are unable to comment on the consequential impact of the same on the consolidated loss for the quarter and for the nine month period ended December 31, 2020, if any.

- h. As stated in Note 9 to the Statement, regarding effect taken for 'Contingent Asset' of Rs. 13,257.41 lakhs by one of the subsidiary company, pending issuance of order by MHADA and not providing for additional hardship compensation since the said liability is to be borne by joint development partner, being not in compliance with the requirements of 'Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets'. In the absence of certainty of financial implications, we are unable to comment on the effects on the consolidated loss for the quarter and for the nine months period ended December 31, 2020, if any.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review reports of the other auditors referred to in paragraph 9 below and subject to the possible effects of the matters described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Material uncertainty relating to going concern:

We draw attention to Note 10 to the Statement, which indicates that there is no significant progress in the development of various projects undertaken since last several years and they are also incurring cash losses during last several years, litigations involved in various projects/development activities and defaults in various debt and other obligations. For the quarter and nine months period ended December 31, 2020, the Group, including its associates and joint ventures has incurred a consolidated net loss (before tax and exceptional items) of Rs. 6,383.59 lakhs and Rs 23,973.67 lakhs and has accumulated losses of Rs. 125,881.14 lakhs as of that date. The said assumption of going concern is dependent upon the ability of the Group (including its associates and joint ventures) to raise funds through monetization of its non-core assets, mobilization of additional funds and other strategic initiative to meet its obligations. These conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group (including its associates and joint ventures) to continue as a going concern. However, based on the mitigating factors as mentioned above, the Statement has been prepared on a going concern basis.

Our report is not modified in respect of the above matter.

8. We draw attention to the following matters:

- a. As stated in Note 11 to the Statement, regarding the uncertainties and the Management's evaluation of the financial impact on the Group, its associates and joint ventures due to restrictions on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.



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- b. As regards security deposits aggregating Rs. 5,742.88 lakhs as on December 31, 2020, given to various parties for acquisition of development rights, as explained by the Management, the Parent is in the process of obtaining necessary approvals with regard to these properties and that their current market values are significantly in excess of their carrying values and are expected to achieve adequate profitability on substantial completion of such projects.
- c. As regards status of inventory consisting of projects having aggregate value of Rs. 29,608.55 lakhs of the Parent as on December 31, 2020 and the opinion framed by the Management about realizable value of the cost incurred, being a technical matter, has been relied upon by us.
- d. As regards certain allegations made by the Enforcement Directorate against the Parent and its two Key Managerial Persons, in a matter relating to Prevention of Money Laundering Act, 2002, this matter is sub-judice and the impact, if any, of the outcome is unascertainable at this stage.
- e. As regards attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002, by which the Parent's assets aggregating Rs. 1,373.27 lakhs have been attached on August 30, 2011. Consequently, the adjudicating authority has taken over the bank balance of Rs. 68.93 lakhs and Investment in Redeemable Optionally Convertible Cumulative Preference Shares - Series A and Series C of a subsidiary company of Rs. 1,215.15 lakhs in earlier years. The impact, if any, of its outcome is currently unascertainable.
- f. The statutory auditors of the partnership firms, where the Parent is one of the partner, have reported the following Emphasis of Matters on their respective unaudited financial results for the quarter and for the nine month period ended December 31, 2020:
- As regards recoverability of Trade Receivables of Rs. 4,930.33 lakhs as on December 31, 2020 which are attached under the Prevention of Money Laundering Act, 2002 are good for recovery and non-provision of expected credit losses on account of the undertaking given by the Parent that it will bear the loss if the said trade receivables become bad.
 - Allegations made by the Central Bureau of Investigation (CBI) relating to the 2G spectrum case and regarding attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002 and the undertaking given by the Parent that it will bear the loss if there is any non / short realization of the attached asset.

These matters are sub-judice and the impact, if any, of its outcome is currently unascertainable.
 - As regards pending dispute towards liability of property tax of the Firm with Municipal Corporation of Greater Mumbai / Slum Rehabilitation Authority for amount not paid for Rs. 102.35 lakhs and adjustment of amount paid under protest for Rs. 33.74 lakhs period on or after April 2012.
 - As regards opinion framed by the firm with respect to utilization of balance of goods and service tax of Rs. 178.24 lakhs, which will be depended on future GST output liability.
 - As regards order passed by Hon'ble Supreme Court of India confirming Order of Delhi High Court in one of the partnership firm, directing the Airport Authority of India (AAI) to conduct Aeronautical Studies without demolishing the structure of SRA buildings. In the opinion of the Management, the firm is hopeful for favourable outcome for construction activities from AAI and hence, it does not expect any financial outflow in this matter.



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- vi. There is significant uncertainty regarding completion of the Project in one of the partnership firm based on its management assessment and accordingly, the firm has not recognized revenue till such significant uncertainty exists.
- g. In case of a subsidiary company, with regards to status of the project, including the agreements/ arrangements with Society and Joint Venture Partner appointed for the project is in dispute with them. The management of the said subsidiary are hopeful for favorable resolution with the Society and the Joint Venture Partner and does not expect additional financial implications.
- h. In case of a subsidiary company, with regards to the opinion framed by the management of the subsidiary company that there is no suspension in the active development of the project and hence, the requirements of the Para 20 of Ind AS 23 relating to suspension of capitalization of borrowing costs as part of cost of a qualifying asset, does not apply to its facts and circumstances and accordingly, has continued to capitalize borrowing costs of Rs. 3,913.66 lakhs as part of the project cost.
- i. In case of a subsidiary company, with regards to retrospective restatement of its accounting policy based on the clarification of the Institute of Chartered Accountants of India in this regard, where the finance cost of Rs. 490.78 lakhs relating to project, which was earlier capitalized under inventory has been charged off to other comprehensive income.
- j. The status of various ongoing projects, recognition of expense and income and the realizable value of the cost incurred, are as per the judgment of management of the respective entities and certified by their technical personnel and being of technical nature, have been relied upon by respective auditors of such entities.
- k. In case of a step down subsidiary company, as regards recoverability aspect of loans of Rs. 794.22 lakhs which includes loan to a third party which are subject to confirmation and also to the opinion of the Management of such step down subsidiary company, that all the loans are good for recovery.
- l. In case of a step down subsidiary company, non-provision of disputed service tax demand of Rs. 1,843.77 lakhs as on December 31, 2020.
- m. In case of a joint venture, advance aggregating Rs. 21,206.66 lakhs as at December 31, 2020, given to various parties for acquisition of tenancy rights. As explained by the Management of such joint venture, the joint venture is in process of obtaining tenancy rights from remaining unsettled tenants and necessary approvals with regard to project development.
- n. In case of certain subsidiary companies, project cost carried in inventory aggregating Rs. 140,692.09 lakhs as on December 31, 2020 are under litigation and are sub-judice. Based on the assessment done by the Management of the respective entities, no adjustments are considered necessary in respect of recoverability of these balances. The impact, if any, of the outcome is unascertainable at present.
- o. In case of a subsidiary company, with regards to acquisition of certain debts by way of assignment from a Bank and an ARC Company amounting Rs. 51,289.92 lakhs as on December 31, 2020, for which the Hon'ble Bombay High Court has appointed the court receiver and directed to take possession of the said assets and recovery from sale of these assets. These receivables are measured at fair value through profit or loss and fair value has been considered equal to cost by the Management less expected credit loss provisioning on account of time value of money.



- p. In case of a subsidiary company, with regards to the status of the amounts due to infrastructure company aggregating Rs. 3,100.00 lakhs as on December 31, 2020 received on account of certain TDR sale which are yet to be transferred and other development activities for which terms are yet to be finalized.
- q. In case of a subsidiary company, with regards to memorandum of understanding entered into with a party for acquiring part of the rights in leasehold land for development thereof, including advances granted / to be granted and the implications if it is not able to complete its obligations within the agreed timelines.

Observation made by us in the above paragraphs (b) to (q) and their impact on the Statement, have not been disclosed in the notes to the Statement.

Our report is not modified in respect of these matters.

9. We did not review the interim financial results of nine subsidiaries (including one step down subsidiary) included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs. 1,190.98 lakhs and Rs. 2,446.78 lakhs, total net loss after tax of Rs. 1,255.16 lakhs and Rs. 13,182.32 lakhs and total comprehensive loss of Rs. 1,258.91 lakhs and Rs. 13,475.61 lakhs, for the quarter ended December 31, 2020 and for the period from April 01, 2020 to December 31, 2020, respectively, as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also includes the Group's share of net loss after tax of Rs. 820.64 lakhs and Rs. 1,224.35 lakhs and total comprehensive loss of Rs. 820.64 lakhs and Rs. 1,224.35 lakhs for the quarter ended December 31, 2020 and for the period from April 01, 2020 to December 31, 2020, respectively, as considered in the unaudited consolidated financial results, in respect of one associate and three joint ventures, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our report on the Statement is not modified in respect of the above matter.

10. The unaudited consolidated financial results includes the interim financial results of sixteen subsidiaries (including three step down subsidiaries) which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 19.07 lakhs and Rs. 28.28 lakhs, total net loss after tax of Rs. 612.36 lakhs and Rs. 794.89 lakhs and total comprehensive loss of Rs. 612.36 lakhs and Rs. 794.89 lakhs for the quarter ended December 31, 2020 and for the period from April 01, 2020 to December 31, 2020, respectively as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also includes the Group's share of net loss after tax of Rs. 18.55 lakhs and Rs. 95.62 lakhs and total comprehensive loss of Rs. 18.55 lakhs and Rs. 95.62 lakhs for the quarter ended December 31, 2020 and for the period from April 01, 2020 to December 31, 2020, respectively, as considered in the unaudited consolidated financial results, in respect of five associates and twelve joint ventures (including eight step down joint ventures), based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group including its associates and joint ventures.



HARIBHAKTI & CO. LLP

Chartered Accountants

Our report on the Statement is not modified in respect of the above matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Snehal Shah

Partner

Membership No.: 048539

UDIN: 21048539AAAAAP3652

Place: Mumbai

Date: February 12, 2021