

D B PROPERTIES PRIVATE LIMITED

ANNUAL AUDITED ACCOUNTS

FOR THE YEAR ENDED 31st MARCH, 2011

M. A. PARIKH & CO.

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

Tel No.: 22041018 *22043850 *22029187

Fax: 22874524 *Email : maparikh@eth.net

D B PROPERTIES PRIVATE LIMITED

601, 6th Floor, Hallmark Business Plaza, OPP. Guru Nanak Hospital, Govt. Colony,
Bandra (E), Mumbai - 400 051

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of D. B. Properties Private Limited will be held on Friday, 2nd September, 2011 at 10.00 a.m. at 601, 6th Floor, Hallmark Business Plaza, Opp. Guru Nanak Hospital, Govt. Colony, Bandra (East), Mumbai-400 051 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2011 and the 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 M/s. Mrunal N. Shah & Co., Chartered Accountants, Ahmedabad (Firm Registration No.:127680W), as Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be approved by the Board of Directors of the Company.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Juvenil Jani, who was appointed as an Additional Director of the Company and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. Juvenil Jani for the office of Director, be and is hereby appointed as Director of the Company.

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

"RESOLVED THAT Mr. Ajit Barodia, who was appointed as an Additional Director of the Company and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. Ajit Barodia for the office of Director, be and is hereby appointed as Director of the Company.

Juni

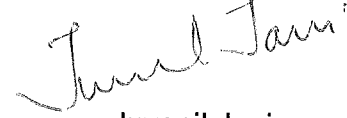
D B PROPERTIES PRIVATE LIMITED

601, 6th Floor, Hallmark Business Plaza, OPP. Guru Nanak Hospital, Govt. Colony,
Bandra (E), Mumbai - 400 051

Regd. Office:

601, 6th floor, Hallmark Business Plaza,
Opp. Guru Nanak Hospital, Govt. Colony,
Bandra (East),
Mumbai-400 051

By order of the Board



Juvenil Jani
Chairman



Date: 14.06.2011

Place: Mumbai

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
3. The instruments appointing proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

ANNEXURE TO NOTICE

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

Item No. 3:

Mr. Juvenil Jani was appointed as an Additional Director of the Company on 7th June, 2011 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, notice has been received from a member signifying his intention to propose the appointment of Mr. Juvenil Jani as a Director.

The Board considers it desirable that the Company should continue to avail itself of his services.

Except Mr. Juvenil Jani, no other Director is interested in the resolution.

D B PROPERTIES PRIVATE LIMITED

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Item No. 4:

Mr. Ajit Barodia was appointed as an Additional Director of the Company on 7th June, 2011 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, notice has been received from a member signifying his intention to propose the appointment of Mr. Ajit Barodia as a Director.

The Board considers it desirable that the Company should continue to avail itself of his services.

Except Mr. Ajit Barodia, no other Director is interested in the resolution.

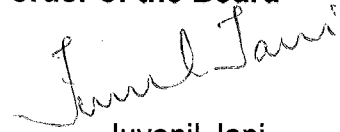
Regd. Office:

601, 6th floor, Hallmark Business Plaza,
Opp. Guru Nanak Hospital, Govt. Colony,
Bandra (East),
Mumbai-400 051

Date: 14.06.2011

Place: Mumbai

By order of the Board



Juvenil Jani
Chairman



D B PROPERTIES PRIVATE LIMITED

601, 6th Floor, Hallmark Business Plaza, OPP. Guru Nanak Hospital, Govt. Colony,
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DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Fourth Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2011.

Financial Highlights:

Particulars	(Rs. in crores)	
	31-03-2011	31-03-2010
Total Income	12.41	Nil
Total Expenditure	7.93	4.60
Profit / (Loss) of the year	4.48	(4.60)
Balance brought forward	(18.31)	(13.71)
Balance carried to Balance Sheet	(13.83)	(18.31)

DIVIDEND ON EQUITY SHARES

In view of loss, your Directors do not propose to recommend any dividend for the year under review.

TO TAKE NOTE OF STATUS OF THE COMPANY

As on 31st March, 2011, your Company was Wholly Owned Subsidiary Company of M/s. D.B. Realty Ltd.

M/s. Adani Properties Pvt. Ltd. acquired entire 10,000 equity shares of your Company from M/s. D. B. Realty Limited on 7th June, 2011. Accordingly, your Company has ceased to be Wholly Owned Subsidiary of M/s. D. B. Realty Ltd. and has become Wholly Owned Subsidiary of M/s. Adani Properties Pvt. Ltd. w.e.f. 7th June, 2011.

FIXED DEPOSITS

During the period under review, your Company has not accepted any deposits from public.

DIRECTORS

Change in Directors:

During the year under review, the following change took place in the Directorship of your Company:



D B PROPERTIES PRIVATE LIMITED

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Sr. No.	Name of Director	Details of Change in Directorship
1	Mr. Asif Balwa	Ceased w.e.f. 21-05-2011
2	Mr. Rajiv Agarwal	Ceased w.e.f. 21-05-2011
3	Mrs. Sunita Bali	Appointed w.e.f. 08-03-2011 & Ceased w.e.f. 07-06-2011
4	Mr. Salim Balwa	Appointed w.e.f. 08-03-2011 & Ceased w.e.f. 07-06-2011
5	Mr. Juvenil Jani	Appointed w.e.f. 07-06-2011
6	Mr. Ajit Barodia	Appointed w.e.f. 07-06-2011

As on date, Mr. Juvenil Jani and Mr. Ajit Barodia are Additional Directors of your Company. As an Additional Directors they hold office upto the ensuing Annual General Meeting of the Company. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing the candidature Mr. Juvenil Jani and Mr. Ajit Barodia as Directors of the Company.

The Board recommends appointment of aforesaid Directors.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY:

The Registered Office of the Company has been shifted from D B House, General A.K. Vaidya Marg, Goregaon (East), Mumbai-400063 to 601, 6th Floor, Hallmark Business Plaza, Opp. Guru Nanak Hospital, Govt. Colony, Bandra (E), Mumbai-400051 w.e.f. 7th June 2011.

AUDITORS AND AUDITORS' REPORT:

M/s. M.A. Parikh & Co., Chartered Accountants, Mumbai were appointed as Statutory Auditors of the Company by the members at their last Annual General Meeting of the Company. However, the said Statutory Auditors vide their letter dated 14th June, 2011 had shown unwillingness to be re-appointed as Statutory Auditors of the Company for the financial year 2011-12.

The Board of Directors of your Company recommends appointment of M/s. Mrunal N. Shah & Co., Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for the financial year 2011-12 and has received a certificate from M/s. Mrunal N. Shah & Co., Chartered Accountants, Ahmedabad to the effect that their appointment if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. M/s. Mrunal N. Shah & Co., Chartered Accountants, Ahmedabad, if appointed by

Juvenil

D B PROPERTIES PRIVATE LIMITED

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the members at the ensuing Annual General Meeting (AGM) will hold the office of Statutory Auditors from the conclusion of the ensuing AGM till conclusion of the next AGM.

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations and comments, appearing in the Auditors' Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors under Section 217(3) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that in the preparation of the annual accounts for the financial year ended March 31, 2011 –

- The applicable accounting standards have been followed and that no material departures have been made from the same.
- Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year.
- Proper and sufficient care has been taken 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.
- The annual accounts have been prepared on a going concern basis.

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

As your Company is not a manufacturing company, a statement containing the information as per Section 217(1)(e) of the Companies Act read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 is not appended.

There were no inflow or outflow of foreign exchange involved during the year under review.

PERSONNEL

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

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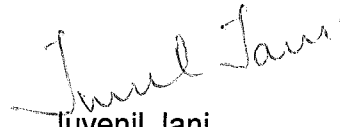
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ACKNOWLEDGEMENT

Your Directors have pleasure in taking this opportunity to thank the Government Agencies, bankers and all other personnel for their continued support and confidence reposed in the Company.

For and on behalf of the Board



Juvenil Jani
Chairman

Place: Mumbai
Date: 14.06.2011



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of D B Properties Private Limited

1. We have audited the attached Balance Sheet of D B 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 two directors, the Company has not received written representations regarding their disqualification as on 31st March, 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 directors 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;



- (f) 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 Profit 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: **21 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

Inventory consists of Transferrable Development Rights, which have been physically verified by the management as of the year-end. In our opinion, having regard to the nature of inventory, the procedure followed by the management for physical verification of the said inventory is reasonable and adequate in relation to the size of the Company and the nature of its business. The Company has maintained proper records for the said inventory. No discrepancies were noticed on physical verification of the inventory as compared to the books records.

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 granted unsecured loan to a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding at any time during the year and the year-end balance was Rs. 5,00,00,000/-.
- (b) The said loan is without interest and repayable on demand. Since the loan is repayable on demand, the question of overdue amount does not arise.
- (c) According to the information and explanations given to us, the other terms and conditions of the said loan are prima facie not prejudicial to the interest of the Company.
- (d) 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. 182,52,59,783/- and the year-end balance of the said loans was Rs. 156,19,00,000/-.
- (e) The loan is without interest and repayable on demand. According to the information and explanations given to us, the terms and conditions of the said loans are prima facie not prejudicial to the interest of the Company.



- (f) 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 and inventory and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of the said areas.
 5. During the year, there were no contracts or arrangements that were needed to be entered in the register required to be maintained under section 301 of the Companies Act 1956. Therefore, the requirements of Clause 4(v) of the Order are not applicable.
 6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A, 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 three immediately 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 and according to the books and records as produced before 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 are more than 50% of its net worth. The Company has not incurred cash losses in the current financial year but had incurred in the immediately preceding financial year.
 11. 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(xi) of the Order are not applicable.



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

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



C. Ghelani

Partner
Name: Chintan Ghelani

Membership No. 132791

Mumbai, Dated:- **21 MAY 2011**

DB PROPERTIES PVT. LTD.

BALANCE SHEET AS AT 31ST MARCH, 2011

Schedules	Rs.	As at 31.03.2011	As at 31.03.2010
		Rs.	Rs.
SOURCES OF FUNDS:			
<u>Shareholders Funds:</u>			
Share Capital	1	100,000	100,000
<u>Loan Funds:</u>			
Unsecured Loans	2	1,561,900,000	1,714,359,783
TOTAL RUPEES		1,562,000,000	1,714,459,783
<u>APPLICATION OF FUNDS</u>			
<u>Fixed Assets</u>			
Gross Block	3	118,147	-
Less: Accumulated Depreciation		13,012	-
Net Block		105,135	-
Investments	4	958,536,439	1,123,573,905
<u>Current Assets, Loans & Advances:</u>			
Inventories	5	33,906,600	-
Cash and Bank Balances	6	163,314	66,217
Loans and Advances	7	541,154,701	407,750,000
		575,224,615	407,816,217
<u>Less: Current Liabilities & Provisions:</u>			
Current Liabilities	8	110,220,589	27,575
Provisions	9	4,795	4,795
		110,225,384	32,370
Net Current Assets		464,999,231	407,783,847
Deficit as per annexed Profit and Loss Account		138,359,195	183,102,031
TOTAL RUPEES		1,562,000,000	1,714,459,783

Significant Accounting Policies and Notes to Accounts

In terms of our report of even date attached

For M. A. PARIKH & CO.
Chartered Accountants

G. Ghelani

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

Place: Mumbai
Dated: **21 MAY 2011**



11

For and on Behalf of Board of Directors

(*Salmu Balwa*)
Director

(*Sunita Bali*)
Director

Place: Mumbai
Dated: **21 MAY 2011**

D B PROPERTIES PVT. LTD.

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

INCOME:

Share of Profit from the Partnership Firm
TDR Sale

TOTAL RUPEES

EXPENDITURE:

Establishment Expenses
Depreciation
Share of Loss from the Partnership Firm/LLP
TDR Purchase

TOTAL RUPEES

Profit/(Loss) for the year

Balance brought forward

Balance carried to Balance Sheet

Basic and Diluted Earnings Per Equity Share

Face Value per Equity Share

Schedules	For the Year Ended 31.03.11 Rs.	For the Year Ended 31.03.10 Rs.
	44,954,634	-
	79,115,400	-
	124,070,034	-
10	132,494	41,980,696
3	13,012	-
	66,292	3,976,692
	79,115,400	-
	79,327,198	45,957,388
	44,742,836	(45,957,388)
	(183,102,031)	(137,144,643)
	(138,359,195)	(183,102,031)
	4,474	(4,596)
	10	10

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: 21 MAY 2011

For and on Behalf of Board of Directors

(Salim Halwa)
Director

Sunita Bali

(Sunita Bali)
Director

Place: Mumbai

Dated: 21 MAY 2011



D B PROPERTIES PVT. LTD.

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) Cash Flow From Operating Activities:				
(Loss) before tax		44,742,836		(45,957,388)
Adjustments for:				
Depreciation	13,012		-	
Recovery of Financial Charges in respect of unsecured loan	-		41,923,461	
Share of (Profit)/ Loss in Partnership Firm (net)	(44,888,342)	(44,875,330)	3,976,692	45,900,153
Operating Income before Working Capital Changes		(132,494)		(57,235)
Working Capital Changes:				
inventories	(33,906,600)		-	
Advances	(143,529,701)		327,375,000	
Current Liabilities	110,193,014	(67,243,287)	10,354	327,385,354
Cash used in Operations		(67,375,781)		327,328,119
Income Tax paid		-		-
Net Cash Flow From Operating Activities		(67,375,781)		327,328,119
(B) Cash Flow From Investing Activities:				
Capital Contribution in a Partnership Firm	209,925,808		115,000,000	
Purchase of Fixed Assets	(118,147)		-	
Loans Granted	10,125,000		(125,000)	
Net Cash used in Investing Activities		219,932,661		114,875,000
(C) Cash Flow From Financing Activities:				
Borrowings (Net)	(152,459,783)		(442,248,980)	
Net Cash Generated from Financing Activities		(152,459,783)		(442,248,980)
Net Increase/(Decrease) in Cash and Cash Equivalents		97,097		(45,861)
Add: Cash and Cash Equivalents (Opening)		66,217		112,078
Cash and Cash Equivalents (Closing)		163,314		66,217
(D) Cash and Cash Equivalents includes:				
Cash on hand		24,700		875
Bank Balances		138,614		65,342
		163,314		66,217

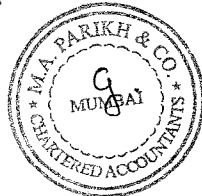
In terms of our report of even date attached

For M. A. PARIKH & CO.
Chartered Accountants

C. Ghelani

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

Place: Mumbai
Dated: **21 MAY 2011**



For and on Behalf of Board of Directors

(Signature)
(Salim Bajwa)
Director

(Signature)
(Sunita Bali)
Director

Place: Mumbai
Dated: **21 MAY 2011**

D B PROPERTIES PVT. LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

As at 31.03.11 Rs.	As at 31.03.10 Rs.
50,100,000	50,100,000
50,100,000	50,100,000
100,000	100,000
100,000	100,000
1,561,900,000	1,704,259,783
	10,100,000
1,561,900,000	1,714,359,783

SCHEDULE: 1

SHARE CAPITAL:

AUTHORISED:

5,010,000 Equity Shares of Rs. 10/- each

TOTAL RUPEES

ISSUED, SUBSCRIBED & PAID UP:

10,000 (Previous Year:10,000) equity shares of Rs. 10/- each, fully paid up

(All the above shares are held by holding company

D B Realty Limited and its nominee, Previous Year: 10,000)

TOTAL RUPEES

SCHEDULE: 2

UNSECURED LOANS:

Holding Company

Company

TOTAL RUPEES



DB PROPERTIES PRIVATE LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

SCHEDULE : 3

FIXED ASSETS (AT COST LESS DEPRECIATION)

Particulars	Gross Block			Depreciation			Net Block	
	As at 01.04.10 Rs.	Additions Rs.	As at 31.03.11 Rs.	As at 01.04.10 Rs.	Provided For the Year Rs.	As at 31.03.11 Rs.	As at 31.03.11 Rs.	As at 31.03.10 Rs.
Office Equipments	-	118,147	118,147	-	13,012	13,012	105,135	-
Total Rupees	-	118,147	118,147	-	13,012	13,012	105,135	-
Previous Year	-	-	-	-	-	-	-	-

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D B PROPERTIES PVT. LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE: 4

INVESTMENT

Long Term:

In Capital of Partnership Firms:

M/s Suraksha DB Realty (Refer Note No.B-2-A in Schedule 11)

M/s Sneh developers (Refer Note No.B-2-B in Schedule 11)

In Capital of a Limited Liability Partnership:

D B Realty and Shreepati Infrastructure LLP

(Refer Note No.B-2-C in Schedule 11)

TOTAL RUPEES

As at 31.03.11 Rs.	As at 31.03.10 Rs.
958,526,039	1,123,573,905
9,800	-
600	-
958,536,439	1,123,573,905
33,906,600	-
33,906,600	-
24,700	875
138,614	65,342
163,314	66,217
50,000,000	60,125,000
491,154,701	347,625,000
541,154,701	407,750,000
-	-
110,139,393	24,817
14,904	2,758
66,292	-
110,220,589	27,575
4,795	4,795
4,795	4,795

SCHEDULE: 5

INVENTORIES:

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

Transferrable Development Rights

TOTAL RUPEES

SCHEDULE: 6

CASH AND BANK BALANCES:

Cash on Hand

Balance with Scheduled Banks in Current Accounts

TOTAL RUPEES

SCHEDULE: 7

LOANS AND ADVANCES:

(Unsecured, Considered Good)

Loan (Refer Note No. B-3 in Schedule 11)

Advances recoverable in cash or in kind or for value to be received (Refer Note No. B-4 in Schedule 11)

TOTAL RUPEES

SCHEDULE: 8

CURRENT LIABILITIES:

Sundry Creditors

- Micro Enterprises and Small Enterprises (Refer Note No.B.6 of Schedule 11)

- Others

Other Liabilities

Amount due to Firm/LLP

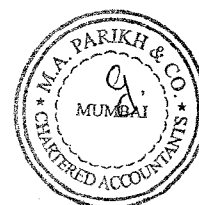
TOTAL RUPEES

SCHEDULE: 9

PROVISIONS:

Income Tax (Net of Provision made thereagainst)

TOTAL RUPEES



D B PROPERTIES PVT. LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE: 10

ESTABLISHMENT EXPENSES

Legal & Professional Charges

Printing & Stationery

Audit Fees (including Service Tax)

Recovery of Financial Charges in respect of unsecured loan:

- Interest

- Other Charges

Miscellaneous Expenses

sales & Publicity

TOTAL RUPEES

	For the Year Ended 31.03.11 Rs.	For the Year Ended 31.03.10 Rs.
	23,279	8,454
	-	6,634
	27,575	28,127
	-	41,923,461
	-	-
	50,352	14,020
	31,288	-
	132,494	41,980,696



SCHEDULE- 11

NOTES TO ACCOUNTS

A 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 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 Investment:

Investment in Partnership Firms / Limited Liability Partnership represents balance standing to the Capital Account of the Company in respective books of account. The balance in the Capital Account includes adjustment made on account of Company's share of profit/ (loss), as the case may be.

4 Inventory:

Transferrable Development Rights (TDR) is valued at lower of cost or net realisable value.

5 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.

6 Provisions 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.

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

↑ M



B 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 Disclosure of financial interest in the Partnership Firms / Limited Liability Partnership:

A. Suraksha DB Realty

(Amount in Rupees)				
Sr.No.	Name of the Partner	Partners Capital Account in the Firm as on 31st March 2011	Partners Capital Account in the Firm as on 31st March 2010	Share in Profit / Loss (%)
1	D B Properties Pvt. Ltd.	958,526,039	1,123,573,905	50.00%
2	Sejraj Financial Services Ltd.	274,891,048	311,854,204	14.50%
3	Vision Finstock Ltd.	76,187,364	159,650,520	14.50%
4	Prash Builders Pvt. Ltd.	330,778,514	509,494,634	9.50%
5	Sheji Builders Ltd.	219,438,382	398,097,002	9.50%
6	P.M. Builders Pvt. Ltd.	11,713,205	6,831,612	1.00%
7	J.P.M. Builders	41,147,054	40,400,819	1.00%

B. Sneh Developers

(Amount in Rupees)				
Sr.No.	Name of the Partner	Partners Capital Account in the Firm as on 31st March 2011	Partners Capital Account in the Firm as on 31st March 2010	Share in Profit / Loss (%)
1	DB Properties Pvt. Ltd.	9,800	-	48.00%
2	Nine Paradise Erectors Pvt. Ltd.	100	-	1.00%
3	Eterna Realty Pvt. Ltd.	100	-	1.00%
4	Maestro Logistics Pvt. Ltd.	-	-	33.00%
5	Hirji Parbat Gada	(493,013)	-	2.00%
6	Mihind Bhupat Kamble	(104)	-	15.00%

Figures in brackets represent debit balance.

Note : The balances are stated based on the unaudited accounts of the Firm.

C. DB Realty and Shreepati Infrastructure LLP

(Amount in Rupees)				
Sr.No.	Name of the Partner	Partners Fixed Capital Account in the LLP as on 31st March 2011	Partners Fixed Capital Account in the LLP as on 31st March 2010	Share in Profit / Loss (%)
1	DB Realty Limited	58,800	-	58.80%
2	Nine Paradise Erectors Pvt. Ltd.	600	-	0.60%
3	DB Properties Pvt. Ltd.	600	-	0.60%
4	Shreepati Infra Realty Ltd.	20,000	-	20.00%
5	Mr. Rajendra R. Chaturvedi	10,000	-	20.00%
6	Mr. Tapas R. Chaturvedi	10,000	-	10.00%

3 Loans and Advances:

Loan amount represent amount due from a company in which some of the directors of the Company are directors therein- Rs. 50,000,000/- as on 31st March, 2011 (Previous Year Rs.50,000,000/-). The management of the Company are taking adequate steps for recovery thereof and are of the opinion that the same is good for recovery.

4 The Company, alongwith Vision Finstock Limited (Vision), in the capacity as Assignee, had executed a Deed of Assignment dated 5th April 2010, with Housing Development and Infrastructure Limited (Assignor), whereby the Assignor has assigned to Assignee the right to participate and contest a suit relating to assets of a partnership firm, which is pending before the Hon. Bombay High Court, for an agreed consideration of Rs. 725,000,000/-, out of which Vision has contributed its share of Rs.362,500,000/-. Further, during the year, vide Deed of Assignment dated 20th July, 2010, the Company, alongwith Vision has acquired all the rights of sub-partners created by sub-Partnership Deed by a Partner of a Partnership Firm, in respect of which suit is pending, for an agreed consideration of Rs. 22,00,00,000/-, out of which Company's share is Rs. 11,00,00,000/-. In the event, suit is decided in the Assignee's favour, then, it shall become entitle to assets of the partnership firm. The assets of the firm, inter-alia includes land situated at Plot No.14 of Mahalaxmi Estate, Carmichael Road, Mumbai. Pending reaching finality in the matter, the aggregate amount of Rs. 491,154,701/- is carried forward in the accounts as an advance for purchase of land and the same shall be allocated to Project Work-in-Progress / Written off to the Profit & Loss Account as period cost, based on the outcome of the matter.

5 Current Assets, Loans & Advances are stated at a value expected to be realized in the ordinary course of business. Provisions have been made for all known liabilities and the same are adequate.

[Handwritten signature]



(Amount in Rupees)

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
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 Auditors.

7 **Related Party Disclosures:**

As per Accounting Standard 18 (AS-18) 'Related Party Disclosure', the disclosure of transactions with the related parties as defined in AS-18 is given below:

Sr. No.	Name of the Related Party and Relationship
1	<u>Holding Company</u> D B Realty Limited
2	<u>Enterprises on which Director(s) of the Company exercise significant influence (Associated Enterprises)</u> Vision Finstock Ltd. Siddhivinayak Realtors Pvt. Ltd. D B Airport Infra. Pvt. Ltd. Dynamix Balwas Realty Ventures Pvt. Ltd.
3	<u>Jointly Controlled Entity</u> Dynamix Realty
4	<u>Enterprise on which the Company exercise Joint Control</u> Suraksha DB Realty (Jointly Controlled Enterprise) Sneh Developers (Jointly Controlled Enterprise) D B Realty and Shreepati Infrastructure LLP (Jointly Controlled Enterprise)



Transactions with Related Parties and outstanding balance as of year-end:-

(Amount in Rupees)

Particulars	Holding Company	Associated Enterprises	Jointly Controlled Enterprise	Jointly Controlled Entity
Loan Taken				
Opening Balance	1,513,175,000	-	-	-
	(1,454,675,000)	(83,500,000)	(-)	(-)
Taken during the year	158,131,288	-	-	-
	(258,500,000)	(-)	(-)	(-)
Repaid during the year	300,491,071	-	-	-
	(200,000,000)	(83,500,000)	(-)	(-)
Closing Balance	1,370,815,217	-	-	-
	(1,513,175,000)	(-)	(-)	(-)
Loan/advances Granted				
Opening Balance	-	50,000,000	-	-
	(-)	(60,000,000)	(-)	(-)
Granted during the year	-	3,306,991	-	-
	(-)	(-)	(-)	(-)
Repaid during the year	-	-	-	-
	(-)	(10,000,000)	(-)	(-)
Closing Balance	-	53,306,991	-	-
	(-)	(50,000,000)	(-)	(-)
Recovery of Financial Charges in respect of unsecured loan				
Opening Balance	191,084,783	-	-	-
	(149,161,322)	(-)	(-)	(-)
Recovery for the year	-	-	-	-
	(41,923,461)	(-)	(-)	(-)
Outstanding Balance as of year end	191,084,783	-	-	-
	(191,084,783)	(-)	(-)	(-)
Sharing of cost				
Transaction during the year	-	765,230	-	-
	(-)	(-)	(-)	(-)
Closing Balance as of year end	-	-	-	-
	(-)	(-)	(-)	(-)
Statutory obligation paid on behalf of company				
Opening Balance	-	(-)	(-)	(-)
	(-)	(-)	(-)	49,059
Paid during the year	-	(-)	(-)	(-)
	(-)	(-)	(-)	49,059
Repaid during the year	-	(-)	(-)	(-)
	(-)	(-)	(-)	(-)
Closing Balance	-	(-)	(-)	(-)
	(-)	(-)	(-)	(-)
Investment				
Opening Balance	-	-	1,123,573,905	-
	(-)	(-)	(1,242,550,597)	(-)
Contribution during the year	-	(-)	10,010,400	(-)
	(-)	(-)	(85,000,000)	(-)
Contribution Refunded during the year	-	(-)	219,936,208	(-)
	(-)	(-)	(200,000,000)	(-)
Share of (loss) in Partnership Firm	-	(-)	44,888,342	(-)
	(-)	(-)	(3,976,692)	(-)
Balance in Capital Account of the Firm	-	(-)	958,536,439	(-)
	(-)	(-)	(1,123,573,905)	(-)

Notes:

- (i) The aforesaid related parties are as identified by the Company and relied upon by the Auditors.
- (ii) Names of only those Related Parties are shown, with whom transactions have been entered into.
- (iii) Figures in bracket represent previous year's figures



8 **Earnings Per Share:**

The Profit considered in ascertaining the Company's Earnings Per Share comprises of Net Profit 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.

(Amount in Rupees)

Particulars	Current Year	Previous Year
Net Profit/Loss after Tax as per Profit & Loss Account	44,742,836	(45,957,388)
Weighted number of shares outstanding during the year	10,000	10,000
Basic & Diluted Earnings per Share	4,474	(4,596)
Face Value per Equity Share	10	10

9 No interest has been charged by the Holding Company on the Unsecured Loan granted.

10 **Quantitative Information**

Quantitative Information	Unit	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Opening Stock of TDR	Square Meter	-	-
Purchase of TDR	Square Meter	5,000	-
Sale of TDR	Square Meter	3,500	-
Closing Stock	Square Meter	1,500	-

11 **Deferred Tax:**

The Company will account for deferred tax when there is a reasonable / virtual certainty for recognition thereof in accordance with Accounting Standard - 22 dealing with "Accounting for taxes on income."

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

Signatures to Schedules 1 to 11

In terms of our report of even date attached

For M. A. PARIKH & CO.
Chartered Accountants

PARTNER

Name: Chintan Ghelani
Membership No. 132791

Place: Mumbai

Dated:

21 MAY 2011

For and on Behalf of Board of Directors

(Salim Halwa)
Director

(Sunita Bali)
Director

Place: Mumbai

Dated:

21 MAY 2011



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : 166819 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 : 1,562,000 Total Assets : 1,562,000

Sources of Funds

Paid-up Capital : 100 Reserves & Surplus : NIL
Secured Loans : NIL Unsecured Loans : 1,561,900

Application of Funds

Net Fixed Assets : NIL Investments : 958,536
Net Current Assets : 464,999 Miscellaneous Expenditure : NIL
Deferred Tax Assets : NIL Accumulated Losses : 138,359

VI. Performance of Company

Turnover : NIL Total Expenditure : 79,327
Loss Before Tax : 44,743 Loss After Tax : 44,743
Earning Per Share (In Rs.) : 4,474 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 M.A. PARIKH & CO.
Chartered Accountants

Partner
Name: Chintan Ghelani
Membership No. 132791

Place: Mumbai
Date: 21 MAY 2011



For and on Behalf of Board of Directors

(Salini Rawal)
Director

(Sunita Bali)
Director

21 MAY 2011