

D B PROPERTIES PRIVATE LIMITED

ANNUAL REPORT

2009-2010



NOTICE

NOTICE IS HEREBY GIVEN THAT the 3rd Annual General Meeting of the Members of D B Properties Private Limited will be held on Tuesday, 28-9-2010 at 12.30 P.M. at the Registered Office of the Company at DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063 to transact the following business:

AGENDA

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2010, Profit and Loss Account for the period ended on that date and the Reports of the Auditors thereon; and the Report of the Board of Directors
2. To appoint Auditors for the year 2010-2011 and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Asif Y. Balwa, who was appointed as Additional Director by the Board of Directors of the Company with effect from 10-04-2010 pursuant to the Provisions of Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under the section 257 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Mr. Rajiv Agarwal, who was appointed as Additional Director by the Board of Directors of the Company with effect from 04-05-2010 pursuant to the Provisions of Section of the Companies Act, 1956 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under the section 257 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

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DB PROPERTIES PRIVATE LIMITED

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

"RESOLVED THAT pursuant to section 293(1)(e) of the Companies Act, 1956 (the Act) consent of the Company be and is hereby granted to the Board of Directors to contribute to charitable and other funds not directly relating to the business of the Company or to the welfare of its employees, the amount in aggregate not exceeding Rs. 1,00,00,000/- in any financial year or 5% of the average net profits as determined in accordance with the provision of sections 349, 350 of the Act, during the three financial years immediately preceding, whichever is greater.

BY ORDER OF THE BOARD



RAJIV AGARWAL
DIRECTOR

MUMBAI,
DATE : 12-5-2010

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2) THE INSTRUMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 3) THE RELATIVE EXPLANATORY STATEMENT IN RESPECT OF ITEMS 3 to 5 IS ANNEXED HERETO.

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EXPLANATORY STATEMENT FORMING PART OF THE NOTICE DATED 12-5-2010

ITEM 3

Mr. Asif Balwa was appointed as Additional Director at Board Meeting held on 10-4-2010 and he holds his office up to the date of the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received a notice from a member proposing him as Director pursuant to the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the resolution for your acceptance.

None of the Directors other than Mr. Asif Balwa is in any way concerned or interested in the said resolution.

ITEM 4

Mr. Rajiv Agarwal was appointed as Additional Director at Board Meeting held on 4-5-2010 and he holds his office up to the date of the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received a notice from a member proposing him as Director pursuant to the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the resolution for your acceptance.

None of the Directors other than Mr. Rajiv Agarwal is in any way concerned or interested in the said resolution.

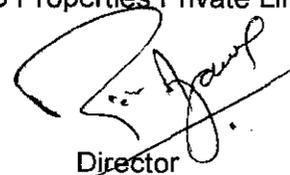
ITEM 5

As the provisions of Sections 293(1)(e) of the Companies Act, 1956 the Board of Directors of a public limited Company shall not, except with the consent of the members in a general meeting contribute to charitable and other funds not directly related to the Business of the Company or the welfare of its employees in excess of Rupees Fifty Thousand or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater. The members approval is required for enabling the Company and /or its Board of Directors to contribute sum not exceeding Rupees One Crore only during the financial year for charitable and other causes per financial year as and when it may be deemed fit.

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

None of the directors of the Company is interested or concerned in the proposed resolution.

By Order of the Board
For D B Properties Private Limited



Director

Mumbai
Date: 12-5-2010

D B PROPERTIES PRIVATE LIMITED



DIRECTORS' REPORT

Your Directors hereby present their Annual Report together with the Audited Accounts of the Company for the Year ended on 31-3-2010.

FINANCIAL RESULTS

During the year under review, the Company has incurred a loss of Rs. 4,59,57,388/- (Previous year – Loss Rs. 13,72,56,499/-) comprising of Rs.4,19,80,696/- towards Establishment Expenses and other expenses and Rs. 39,76,692 towards share of loss from the Partnership Firm, Suraksha DB Realty (Previous year- Share of Profit from the firm Rs. 1,25,50,597) . The loss for the year together with the previous years' loss of Rs. 13,71,44,643/- totaling to Rs. 18,31,02,031/- has been carried to the Balance Sheet.

DIVIDEND

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

STATUS OF THE COMPANY:

The Company is a Wholly Owned Subsidiary Company of D B Realty Limited which has become a "public company "w.e.f. 23rd September, 2009. Therefore, the Company has become a Private Company which is a Subsidiary Company 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.

FIXED DEPOSIT

During the year ended 31-3-2010, the Company has not accepted any fixed deposit.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Accounts for the year ended on 31-3-2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the Accounts for the financial year ended on 31-3-2010 on a going concern basis.

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D B PROPERTIES PRIVATE LIMITED

DIRECTORS:

Mr. Shahid Balwa and Mr. Vinod K. Goenka ceased to be Directors by resignation on 10-04-2010 and 4-05-2010 and the Board Places on record its appreciation for the services rendered by them during their tenure of Directorship.

Mr. Asif Balwa and Mr. Rajiv Agarwal were appointed as Additional Directors with effect from 10-04-2010 and 4-05-2010 respectively and they hold their offices up to the date of the annual general meeting pursuant to Section 260 of the Companies Act, 1956 The Company has received Notices in writing from members proposing their appointments as Directors subject to retirement by rotation.

PARTICULARS OF EMPLOYEES

The Company did not employ during the year any employee whose particulars are required to be furnished pursuant to Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder.

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

Our Company is not covered by the Schedule of Industries which are required to furnish the information in Form-A, pursuant to Section 217(1)(e) of the Companies Act, 1956 read (with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

The Company has neither imported any technology nor carried on the business of export or import and therefore the disclosure requirements against technology absorption are not applicable. There is no inflow and outflow of foreign exchange during the year.

AUDITORS

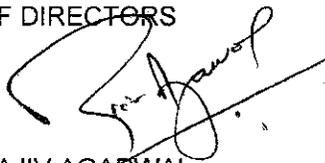
M/s. M.A. Parikh & Company, Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

You are requested to appoint the Auditors for the year 2010-2011 and fix their remuneration.

ON BEHALF OF THE BOARD OF DIRECTORS



ASIF BALWA
DIRECTOR



RAJIV AGARWAL
DIRECTOR

MUMBAI,
DATE: 12-05-2010

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, 2010 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, 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 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 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) On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2010 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, 2010;
- (ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For M.A.Parikh & Co.
Chartered Accountants
Firm registration number: 107556W




Dhaval B. Selwadia
Partner
Membership No. 100023

Mumbai, Dated: 12 MAY 2010

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 4 of our report of even date)

1. **Fixed Assets**
The Company does not have any Fixed Assets. Therefore, the requirements of Clause 4(i) of the Order are not applicable.
2. **Inventories**
The Company has neither acquired any inventory during the year nor it holds any inventory. Therefore, the requirements of Clause 4(ii) of the Order are not applicable.
3. **Loans**
 - (a) The Company had granted unsecured loan to a company covered in the register maintained under section 301 of the Companies Act, 1956. The said loan is without interest and is repayable on demand. The maximum balance outstanding at any time during the year is Rs. 60,000,000/- and year-end balance of the said loan was Rs. 50,000,000/-. According to the information and explanations given to us, the other term and condition of the said loan is prima facie not prejudicial to the interest of the Company. Since the loan is repayable on demand, the question of overdue amount does not arise.
 - (b) The Company has taken unsecured loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The said loans are with / without interest, wherever applicable and are repayable on demand. Loans with interest, represents borrowings made on behest of the Company and consequently the amount of interest cost on such borrowings is recovered from the Company. The maximum balance outstanding at any time during the year is Rs. 1,628,175,000/- and the year end balance of the said loans was Rs. 1,513,175,000/-. According to the information and explanations given to us, the basis of recovery of interest and the other term and condition of the said loans is prima facie not prejudicial to the interest of the Company. Since the loans are repayable on demand, the question of repayment being regular does not arise.
4. The Company's activities for the year neither involve purchase of inventory / fixed assets nor sale of goods / services. Therefore, the requirements of Clause 4(iv) of the Order, with respect to adequacy of internal control system for the said activities, are not applicable.
5. In our opinion and according to the information and explanations given to us, there were no particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, that were required to be entered in the register required to be maintained under that Section. Therefore, the requirements of Clause 4(v) of the Order are not applicable.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.



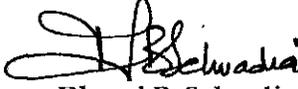
7. The Company's paid-up capital and reserves at the commencement of the financial year concerned did not exceed Rs. 50 lakhs. Further, the Company's average annual turnover for the three consecutive preceding financial years did not exceed Rs. 5 crores. Therefore, the requirements of Clause 4(vii), with respect to internal audit system, are not applicable.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the activities carried on by the Company.
9. **Statutory Dues**
 - (a) According to the information and explanations given to us and according to the books and records as produced before us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Income Tax and Other applicable Statutory Dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues were in arrears as at March 31, 2010 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 / Customs duty / Excise duty / Cess and hence, the requirements of disclosure with respect to the amounts involved and the forums where the disputes are pending are not applicable.
10. The Company, as upto the end of the financial year under report, is registered for a period of less than five years from the date of its incorporation and consequently, the requirements of Clause 4(x) of the Order, with respect to position of accumulated losses and incurrance of cash losses, are not applicable.
11. The Company has neither taken any loans from banks or financial institutions nor issued any debentures. Therefore, the requirements of Clause 4(xi) of the Order are not applicable.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the requirements of Clause 4(xii) of the Order are not applicable.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the requirements of Clause 4(xiii) of the Order are not applicable.
14. According to the information and explanations given to us, 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. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, no fraud on or by the Company has been noticed or reported during the year.

For M.A.Parikh & Co.
Chartered Accountants
Firm registration number: 107556W




Dhaval B. Selwadia
Partner
Membership No. 100023

Mumbai, Dated:- 12 MAY 2010

D B PROPERTIES PVT. LTD.

BALANCE SHEET AS AT 31ST MARCH, 2010

Schedules	Rs.	As at 31.03.2010	As at 31.03.2009
		Rs.	Rs.
SOURCES OF FUNDS:			
Shareholders Funds:			
1	Share Capital	100,000	100,000
Loan Funds:			
2	Unsecured Loans	1,714,359,783	2,114,685,302
	TOTAL RUPEES	1,714,459,783	2,114,785,302
APPLICATION OF FUNDS			
3	Investment	1,123,573,905	1,242,550,597
Current Assets, Loans & Advances:			
4	Cash and Bank Balances	66,217	112,078
5	Loans and Advances	407,750,000	735,000,000
		407,816,217	735,112,078
Less: Current Liabilities & Provisions:			
6	Current Liabilities	27,575	17,221
7	Provisions	4,795	4,795
		32,370	22,016
	Net Current Assets	407,783,847	735,090,062
	Deficit as per annexed Profit and Loss Account	183,102,031	137,144,643
	TOTAL RUPEES	1,714,459,783	2,114,785,302

Significant Accounting Policies and Notes to Accounts

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In terms of our report of even date attached

For M. A. PARIKH & CO.
Chartered Accountants

D. B. Selwadia

PARTNER

NAME: DHAVAL B. SELWADIA

Membership No - 100023

Place: Mumbai

Dated: 12 MAY 2010



For and on Behalf of Board of Directors

[Signature]

Directors

D B PROPERTIES PVT. LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

INCOME:

Share of Profit from the Partnership Firm

TOTAL RUPEES

EXPENDITURE:

Establishment Expenses

Share of Loss from the Partnership Firm

TOTAL RUPEES

(Loss) for the year

Balance brought forward from last year

Balance carried to Balance Sheet

Basic and Diluted Earnings Per Equity Share

Face Value per Equity Share

Schedules	For the Year Ended 31.03.10 Rs.	For the Year Ended 31.03.09 Rs.
	-	12,550,597
	-	12,550,597
8	41,980,696	149,807,096
	3,976,692	-
	45,957,388	149,807,096
	(45,957,388)	(137,256,499)
	(137,144,643)	111,856
	(183,102,031)	(137,144,643)
	(4,596)	(13,726)
	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

Dhaval B. Selwadia

PARTNER

NAME: DHAVAL B. SELWADIA

Membership No-100023

Place: Mumbai

Dated:

22 MAY 2010



For and on Behalf of Board of Directors

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} Directors

D B PROPERTIES PVT. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the Year Ended 31.03.10		For the Year Ended 31.03.09	
	Rs.	Rs.	Rs.	Rs.
(A) Cash Flow From Operating Activities:				
(Loss) before tax		(45,957,388)		(137,256,499)
Adjustments for:				
Recovery of Financial Charges in respect of unsecured loan	41,923,461		149,161,322	
Share of (Profit)/ Loss in Partnership Firm	3,976,692	45,900,153	(12,550,597)	136,610,725
Operating Income before Working Capital Changes		(57,235)		(645,774)
Working Capital Changes:				
Advances	317,250,000		2,520,000,000	
Current Liabilities	10,354	317,260,354	6,421	2,520,006,421
Cash used in Operations		317,203,119		2,519,360,647
Income Tax paid				(193,503)
Net Cash Flow From Operating Activities		317,203,119		2,519,167,144
(B) Cash Flow From Investing Activities:				
Capital Contribution in a Partnership Firm	115,000,000		(1,230,000,000)	
Loans Granted	10,000,000		(10,475,000)	
Net Cash used in Investing Activities		125,000,000		(1,240,475,000)
(C) Cash Flow From Financing Activities:				
Borrowings (Net)	(442,248,980)		(1,289,476,020)	
Net Cash Generated from Financing Activities		(442,248,980)		(1,289,476,020)
Net Increase/(Decrease) in Cash and Cash Equivalents		(45,861)		(10,783,876)
Add: Cash and Cash Equivalents (Opening)		112,078		10,895,954
Cash and Cash Equivalents (Closing)		66,217		112,078
(D) Cash and Cash Equivalents includes:				
Cash on hand		875		6,133
Bank Balances		65,342		105,945
		66,217		112,078

In terms of our report of even date attached

For M.A. PARIKH & CO.
Chartered Accountants

Dhaval B. Selwadia

Partner

NAME: DHAVAL B. SELWADIA

Membership No. 100023

Place: Mumbai

Date:

12 MAY 2010



For and on Behalf of Directors

[Signature]

DIRECTORS

D B PROPERTIES PVT. LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

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

INSECURED LOANS:

Holding Company

Company

TOTAL RUPEES

SCHEDULE: 3

INVESTMENT

Long Term:

In Capital of a Partnership Firm:

M/s Suraksha DB Realty (Refer Note No.B.3 in Schedule 9)

TOTAL RUPEES

SCHEDULE: 4

CASH AND BANK BALANCES:

Cash on Hand

Balance with Scheduled Banks in Current Accounts

TOTAL RUPEES

SCHEDULE: 5

LOANS AND ADVANCES:

(Unsecured, Considered Good)

Loan

Advances recoverable in cash or in kind or for value to be
received (Refer Note No.B.5 in Schedule 9)

TOTAL RUPEES

As at 31.03.10 Rs.	As at 31.03.09 Rs.
50,100,000	50,100,000
50,100,000	50,100,000
100,000	100,000
100,000	100,000
1,704,259,783	1,603,836,322
10,100,000	510,848,980
1,714,359,783	2,114,685,302
1,127,550,597	1,242,550,597
1,127,550,597	1,242,550,597
875	6,133
65,342	105,945
66,217	112,078
60,125,000	60,000,000
347,625,000	675,000,000
407,750,000	735,000,000



D B PROPERTIES PVT. LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE: 6

CURRENT LIABILITIES:

Sundry Creditors

- Micro Enterprises and Small Enterprises (Refer Note No.B.6 of Schedule 9)

- Others

Other Liabilities

TOTAL RUPEES

SCHEDULE: 7

PROVISIONS:

Income Tax (Net of Provision made thereagainst)

TOTAL RUPEES

SCHEDULE: 8

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

TOTAL RUPEES

As at 31.03.10 Rs.	As at 31.03.09 Rs.
-	-
24,817	17,221
2,758	-
27,575	17,221
4,795	4,795
4,795	4,795
For the Year Ended 31.03.10 Rs.	For the Year Ended 31.03.09 Rs.
8,454	578,829
6,634	2,288
28,127	18,343
41,923,461	138,866,608
-	10,294,714
14,020	46,314
41,980,696	149,807,096



SCHEDULE- 9

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 the mandatory Accounting Standards prescribed by the Central Government, in consultation with the National Advisory Committee, Accounting Standards, under the Companies (Accounting Standards) Rules, 2006 referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 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 Firm represents balance standing to the Capital Account of the Company in the Firm's 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 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 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.

5 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.

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



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 Firm:

(Amount in Rupees)

Sr.No.	Name of the Partner	Partners Capital Account in the Firm as on 31st March 2010	Partners Capital Account in the Firm as on 31st March 2009	Share in Profit / Loss (%)
1	D B Properties Pvt. Ltd.	1,12,35,73,905	1,24,25,50,597	50
2	Seiraj Financial Services Ltd.	31,18,54,204	31,30,07,445	14.5
3	Vision Finstock Ltd.	15,96,50,520	60,83,03,761	14.5
4	Prash Builders Pvt. Ltd.	50,94,94,634	54,02,50,205	9.5
5	Sheji Builders Ltd.	39,80,97,002	39,88,52,573	9.5
6	P.M. Builders Pvt. Ltd.	68,31,612	(33,18,854)	1
7	J.P.M. Builders	4,04,00,819	4,04,80,353	1

3 Loans and Advances:

Loan amount includes 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, 2010 (Previous Year Rs.60,000,000/-)

4 The Company, alongwith Vision Finstock Limited (Vision), in the capacity as Assignee, has 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 Bombay High Court, for an agreed consideration of Rs. 725,000,000/-. As upto year end, the Company has advanced Rs. 675,000,000/-, out of which Vision has contributed its share of Rs.337,500,000/-. 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 amount advanced to the Assignor and stamp duty paid aggregating to Rs. 347,625,000/- 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.

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

(Amount in Rupees)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
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 Disclosure:

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> D B Airport Infra. Pvt. Ltd. Dynamix Balwas Realty Ventures Pvt. Ltd.
3	<u>Enterprise on which the Company exercise Joint Control</u> Suraksha DB Realty (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
Loan Taken			
Opening Balance	1,454,675,000	83,500,000	-
	(-)	(1,657,500,000)	(-)
Taken during the year	258,500,000	-	-
	(1,454,675,000)	(520,000,000)	(-)
Repaid during the year	200,000,000	83,500,000	-
	(-)	(2,094,000,000)	(-)
Closing Balance	1,513,175,000	-	-
	(1,454,675,000)	(83,500,000)	(-)
Loan Granted			
Opening Balance	-	60,000,000	-
	(49,525,000)	(-)	(-)
Granted during the year	-	-	-
	(1,404,475,000)	(60,000,000)	(-)
Repaid during the year	-	10,000,000	-
	(1,454,000,000)	(-)	(-)
Closing Balance	-	50,000,000	-
	(-)	(60,000,000)	(-)
Recovery of Financial Charges in respect of unsecured loan and reimbursement			
Transaction during the year	41,923,461	-	-
	(149,161,322)	(-)	(-)
Outstanding Balance as of year end	191,084,783	-	-
	(149,161,322)	(-)	(-)
Investment			
Opening Balance	-	-	1,242,550,597
	(-)	(-)	(-)
Contribution during the year	-	-	85,000,000
	(-)	(-)	(1,230,000,000)
Contribution Refunded during the year	-	-	200,000,000
	(-)	(-)	(-)
Share of (loss) in Partnership Firm	-	-	-
	(-)	(-)	(12,550,597)
Balance in Capital Account of the Firm	-	-	1,127,550,597
	(-)	(-)	(1,242,550,597)

Notes:

- (i) The aforesaid related parties are identified by the Company and relied upon by the Auditors.
(ii) 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	(45,957,388)	(137,256,499)
Weighted number of shares outstanding during the year	10,000	10,000
Basic & Diluted Earnings per Share	(4,596)	(13,726)
Face Value per Equity Share	10	10

9 Part of the unsecured loan granted by the holding company includes amounts advanced by it by borrowing funds at interest on Company's behalf. Accordingly, interest cost and other financial charges attributable to such borrowings have been recovered from the Company as upto the date of repayment of the said borrowings by the holding company. The total amount of such interest and other financial charges recovered as upto 31st March, 2010 is Rs. 191,084,783/- (Previous Year Rs.149,161,322/-) and is included in unsecured loan from the holding company. The Company is of the view that since the interest on the borrowings made by the holding company has suffered deduction of tax at source by the holding company, the recovery of part of such interest cost, being in the nature of reimbursement, is not subject to deduction of tax at source and accordingly, no tax has been deducted at source on such recovery.

10 **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."

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

Signatures to Schedules 1 to 9

In terms of our report of even date attached

For M.A.PARIKH & CO.
Chartered Accountants



PARTNER

NAME: DHAVAL B

Membership No. 1000

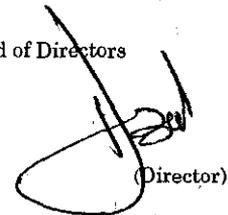
Place: Mumbai

Dated: 12 MAY 2010



For and on behalf of Board of Directors


(Director)


(Director)

D B PROPERTIES PVT. LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : 166819 State Code : 11
Balance Sheet Date : 31.03.2010

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 : 1,714,460 Total Assets : 1,714,460

Sources of Funds

Paid-up Capital : 100 Reserves & Surplus : NIL
Secured Loans : NIL Unsecured Loans : 1,714,360

Application of Funds

Net Fixed Assets : NIL Investments : 1,127,551
Net Current Assets : 407,784 Miscellaneous Expenditure : NIL
Deferred Tax Assets : NIL Accumulated Losses : 179,125

VI Performance of Company

Turnover : NIL Total Expenditure : 41,981
Loss Before Tax : (41,981) Loss After Tax : (41,981)
Earning Per Share (In Rs.) : (4,198) Dividend Rate % : NA

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

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

For and Behalf of Board of Directors

DIRECTORS

