

**D B REALTY LIMITED GROUP**  
 REGD. OFFICE : DB HOUSE, GEN A.K.VAIDYA MARG, GOREGAON (EAST), MUMBAI - 400063  
 CIN L70200MH2007PLC166818

**Statement of Consolidated Annual Financial Results for the quarter and year ended March 31, 2020**

(Rs. in Lacs other than EPS)

PARTICULARS	Quarter Ended			Year Ended	
	Mar-20	Dec-19	Mar-19	Mar-20	Mar-19
	Unaudited (Refer Note. 16)	Unaudited	Unaudited (Refer Note 2(b))	Audited	Audited
1 Revenue from operations	(155.20)	2,636.01	32,481.96	16,918.71	36,521.04
2 Other Income	9,884.77	511.71	2,439.24	11,719.70	9,545.97
3 Total Income (1+2)	9,729.57	3,147.72	34,921.20	28,638.41	46,067.01
4 Expenses					
a. Project Expenses / Cost to fulfill contracts with customers	(13,667.34)	6,923.75	40,643.51	5,784.97	49,236.15
b. Changes in inventories of finished goods and work-in-progress	14,206.63	(4,061.09)	(32,373.13)	2,769.28	(16,540.61)
c. Employee Benefits Expenses	120.84	313.20	336.98	1,092.52	1,431.08
d. Depreciation and Amortisation	28.14	29.87	36.42	118.54	190.87
e. Finance Costs	12,867.74	4,332.61	7,035.27	25,375.06	16,030.25
f. Other Expenses	6,738.29	10,517.78	2,590.51	30,397.49	10,205.59
Total Expenses (a+b+c+d+e+f)	20,294.30	18,056.12	18,269.56	65,537.86	60,553.33
5 Profit/(Loss) before Exceptional Items and tax (3-4)	(10,564.73)	(14,908.40)	16,651.64	(36,899.45)	(14,486.32)
6 Exceptional Items (Refer Note 11)	-	-	12,900.00	2,000.00	12,900.00
7 Profit/(Loss) before tax (5-6)	(10,564.73)	(14,908.40)	3,751.64	(38,899.45)	(27,386.32)
8 Tax Expenses					
(a) Current tax	(0.24)	(7.35)	(32.75)	(15.69)	(12.82)
(b) Deferred tax	836.38	(36.62)	(6,362.51)	(1,227.18)	4,976.59
(c) Prior Period Tax Adjustment	(2,820.79)	0.02	49.96	(2,820.77)	(49.96)
Total Tax expense (a+b+c)	(1,984.65)	(43.95)	(6,345.30)	(4,063.64)	4,913.81
9 Profit/(Loss) for the period (7+8)	(12,549.38)	(14,952.35)	10,096.94	(42,963.09)	(22,472.51)
10 Share of profit/(loss) of joint venture and associates	(2,130.04)	(60.37)	(2,000.88)	(449.03)	(2,242.30)
11 Profit/(Loss) after tax (9+10)	(14,679.42)	(15,012.72)	8,096.06	(43,412.12)	(24,714.81)
12 Other Comprehensive Income					
(a) Items that will not be reclassified to profit or loss	(12,929.17)	(15,407.55)	1,548.23	(29,150.18)	3,262.91
(b) Income tax relating to items that will not be reclassified to profit or loss	2,580.03	3,057.72	(306.51)	5,819.26	(645.87)
(c) Items that will be reclassified to profit or loss	-	-	-	-	-
Total Other Comprehensive Income (a+b+c)	(10,349.14)	(12,349.83)	1,241.72	(23,330.92)	2,617.04
13 Total Comprehensive Income for the period (11+12)	(25,028.56)	(27,362.55)	9,337.78	(66,743.04)	(22,097.77)
Profit after tax					
Attributable to :					
Owner of equity	(13,576.34)	(13,082.55)	6,594.52	(41,303.10)	(26,515.89)
Non controlling interest	(1,103.08)	(1,930.17)	1,501.54	(2,109.02)	1,801.08
Total	(14,679.42)	(15,012.72)	8,096.06	(43,412.12)	(24,714.81)
Other Comprehensive Income					
Attributable to :					
Owner of equity	(10,351.86)	(12,349.77)	1,238.83	(23,333.54)	2,614.15
Non controlling interest	2.72	(0.06)	2.89	2.62	2.89
Total	(10,349.14)	(12,349.83)	1,241.72	(23,330.92)	2,617.04
Total Comprehensive Income					
Attributable to :					
Owner of equity	(23,928.20)	(25,432.32)	7,833.35	(64,636.64)	(23,901.74)
Non controlling interest	(1,100.36)	(1,930.23)	1,504.43	(2,106.40)	1,803.97
Total	(25,028.56)	(27,362.55)	9,337.78	(66,743.04)	(22,097.77)
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
15 Other Equity (excluding Revaluation Reserve)				135,013.69	199,650.33
16 Basic and Diluted EPS (Rs.) (Not Annualised)					
Basic	(5.58)	(5.38)	2.71	(16.98)	(10.90)
Diluted	(5.58)	(5.38)	2.71	(16.98)	(10.90)



17	Items exceeding 10% of total Expenses					
	Provision for impairment of goodwill	4,338.24	4,517.05	-	13,147.21	-
	Compensation for Cancelled Flats/dispute	1,198.24	-	159.78	1,198.24	159.78
	Advertisement and Publicity	113.83	(293.21)	1,193.27	527.31	1,246.75
	Inventory written off	-	-	2,793.53	-	2,793.53
	Amortisation of Cost of Assignment of Rights	1,997.18	-	290.24	1,997.18	1,160.97
	Liquidated Damages	-	-	500.00	-	500.00
	Provision for doubtful debts, loans and advances	1,178.75	4,704.87	1,378.48	7,454.45	2,686.76

Notes:-

2 (a) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on July 30, 2020. The Statutory Auditors have carried out Limited Review of the Consolidated Annual Financial Results of the Company as per the requirements of SEBI (Listing and Other Disclosure requirements) Regulations, 2015, as amended.

(b) The group is submitting the quarterly consolidated financial results from current year onwards in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with circular no. CIR/CFD/CMD1/44/2019 dated 29th March, 2019 and accordingly the consolidated reported figures for quarter ended March 31, 2019 have been approved by Parent's Board of Directors and are not subjected to limited review/audit by auditors

3 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 March 31, 2020.

4 The group has investments in certain associates, joint venture and other parties aggregating Rs. 56,589.88 lacs and loans and receivables outstanding aggregating Rs. 43,535.44 lacs as at March 31, 2020. While such entities have incurred significant losses and/or have negative net worth as at March 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.

5 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 1,369.22 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.

6 The Parent company is regularly coordinating with one of the financial institution for loan of Rs. 2,400.71 lacs (including overdue interest) which is subject to Independent confirmation and is in the process of obtaining confirmation as on March 31, 2020. However, the parent company has made adequate provision for interest as per terms and conditions.

7 During previous year, Real Gem Buildtech Private Limited (a wholly owned subsidiary company/ (WOS) 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.



8 In one of the Joint venture, based on existing term of Redeemable Optionally Cummulative Convertible Preference Share (ROCCPS) and Compulsorily convertible preference share (CCPS), as per Ind AS 32, these shares are financial liabilities of the joint venture as the tenure of these shares are expired.

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. 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.

AS on March 31 ,2020 there was a pending dispute in the Honable National Company Law Tribunal (NCLT) between the share holder and also certain other disputes among the shareholders and the joint venture. Considering this the joint venture was not able to ascertain the liability against these shares and continued to disclose the same as equity. In view of the above, the accounting implications arising due to conversion / redemption (as applicable) was agreed to be carried out in the year of settlement between the respective shareholders in relation to the amounts reported under the heads Paid up Share Capital and Securities Premium.

Under the aforesaid circumstances, the classification of the said shares has been continued to be part of 'Equity' in said Joint venture. However, all the disputes between the shareholders have been settled post 31st March, 2020 and the tenure of these shares have also been extended with consent of the shareholders .

9 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.

10 The Group has principal debt repayment obligations (including interest thereon) aggregating Rs. 112,964.4337 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 Annual 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 During the year, following omission is observed which relates to earlier years. As per the requirement of Ind As-8 "Accounting Policies, Changes in Accounting Estimates and Errors", impacts of these errors are given in the comparative financial statement and the financial preceding prior to the previous financial year. Impact of such transactions and other details are as described hereunder:

In one of the subsidiary company, deferred tax assets of Rs 251.53 lacs related to IndAS 115 implementation was omitted to recognize. The same have been recognised through retained earnings of Rs. 166.00 lacs and non controlling interest of Rs. 85.53 lacs

In one of the subsidiary company, loss of Rs. 1,251.46 lacs from discontinued operation has been omitted to recognised in asset pretaining to disposal group and recognised in previous years other expenses. As a restatement of comperative figures, the same has been reduced from other expenses of previous year.

Corresponding impact has been given in consolidated financial results of the group through retained earnings/comparitive figures.

13 "Effective April 1, 2019, the group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method. Accordingly, comparatives figures have not been restated. There is no impact on retained earnings, as there were no lease contract which were non-cancellable having tenure more than one year on the date of initial application and subsequently till March 31, 2020. Hence, there is no impact on current financial results due to change in accounting policies on account of adoption of Ind AS 116.

14 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.



- 15 During the year, two of the subsidiary companies has given donation of Rs 2,000 lacs to Prudent Electoral Trust (for political parties). In Previous year, As per the terms of the Agreement, in one of the subsidiary company, Security Deposit had become refundable which could not be fully repaid and whereby developer made claim for interest which has not been accepted by the said subsidiary. To settle the disputes amongst the parties a sole arbitrator was appointed and an interim order has been passed, whereby the said subsidiary was asked to pay compensation of Rs. 12,900.00 Lacs. The same is disclosed under "exceptional Item".
- 16 The figures of the quarter ended March 31, 2020 are the balancing figures between audited figures for the full financial year and published year to date reviewed figures up to third quarter of the financial year.
- 17 Figures for the previous quarters/ year are re-classified/re-arranged/re-grouped wherever required.

Dated:- July 30, 2020  
Place:- Mumbai

For D B Realty Limited

  
Shahid Balya  
Vice Chairman & Managing Director  
DIN 00016839



(Rs in Lacs)

	Particulars	As on 31st March 2020	As on 31st March 2019
		Audited	Audited
I.	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	3,192.32	3,302.54
	(b) Other Intangible Assets	13.07	23.06
	(c) Investment Property	141.73	468.34
	(d) Goodwill on Consolidation	17,824.12	30,971.33
	(e) Intangible assets under development	-	-
	(f) Investment in subsidiaries, associates and joint venture	35,689.22	33,620.06
	(g) Financial Assets		
	(i) Investments	1,03,931.12	1,30,785.50
	(ii) Loans	5,636.02	4,306.41
	(iii) Others	7,579.50	6,764.91
	(h) Deferred tax assets (net)	28,606.18	24,015.61
	(i) Income Tax Assets (net)	1,258.60	1,180.93
	(j) Other non-current assets	6,038.18	6,720.67
		<b>2,09,910.06</b>	<b>2,42,159.36</b>
2	<b>Current assets</b>		
	(a) Inventories	2,21,641.39	2,24,410.68
	(b) Financial Assets		
	(i) Investments	11,331.87	9,720.90
	(ii) Trade receivables	8,399.92	9,019.43
	(iii) Cash and cash equivalents	757.32	363.19
	(iv) Bank balance other than (iii) above	457.70	601.41
	(v) Loans	89,848.17	86,471.99
	(vi) Other Financial Assets	4,284.07	3,609.69
	(c) Other current assets	20,111.10	21,812.31
	(d) Assets held for sale (Refer Note No. 7)	1,07,556.41	1,00,101.58
		<b>4,64,387.95</b>	<b>4,56,111.18</b>
	<b>TOTAL</b>	<b>6,74,298.01</b>	<b>6,98,270.54</b>
II.	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	(a) Equity Share capital	24,325.88	24,325.88
	(b) Other Equity	1,35,013.69	1,99,650.33
	Equity Attributable to Owners of the Parent	1,59,339.57	2,23,976.21
	Non Controlling Interest	(17,013.59)	(14,906.48)
		<b>1,42,325.98</b>	<b>2,09,069.73</b>
2	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Long-term Borrowings	1,28,312.87	1,32,466.63
	(ii) Trade Payable (other than payable to Micro and small enterprise)	438.56	589.37
	(iii) Other financial liabilities	14,229.45	9,755.64
	(b) Long-term provisions	324.84	321.41
	(c) Other non-current liabilities	1,000.00	1,000.00
		<b>1,44,305.72</b>	<b>1,44,133.05</b>
3	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Short Term Borrowings	24,794.97	27,093.97
	(ii) Trade and other payables		
	- Total outstanding dues to Micro and Small Enterprises	318.90	160.71
	- Total outstanding dues to others	14,519.07	16,381.75
	(iii) Other financial liabilities	1,76,557.38	1,44,156.54
	(b) Other current liabilities	53,735.21	52,351.62
	(c) Short-term provisions	4,035.90	1,493.13
	(d) Liabilities pertaining to Disposal Group (Refer Note No 7)	1,13,704.88	1,03,430.04
		<b>3,87,666.31</b>	<b>3,45,067.76</b>
	<b>TOTAL</b>	<b>6,74,298.01</b>	<b>6,98,270.54</b>



Note 1(a) CONSOLIDATED CASH FLOW FOR YEAR ENDED MARCH 31, 2020

Particulars	(Rs. In lacs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. CASH INFLOW/ (OUTFLOW) FROM THE OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS</b>	(38,899.45)	(27,386.32)
Adjustments for:		
Depreciation and amortisation expense	118.54	195.73
Interest Expenses	25,375.06	16,030.25
Interest Income	(57.17)	(52.79)
Dividend Income	(4.96)	(0.02)
Loss/(Profit) on sale of Fixed Assets	25.50	(1.68)
Loss on Fair Valuation of Investment	2,667.40	605.22
Provision for Impairment of Property, Plant and Equipment	1,154.92	-
Interest Income on Financial Assets/Liabilities measured at amortised cost	(3,022.96)	(2,365.35)
Fair value gain on investment valued at FVTPL	-	(201.05)
Unrealised foreign exchange gain/ (loss)	26.40	8.14
Sundry Credit balance written back	(547.88)	(1,941.11)
Provision for Impairment of Goodwill	13,147.21	-
(Reversal)/ Provision for doubtful debts	(136.23)	(4,469.94)
Provision for doubtful advances	7,454.45	2,686.76
Sundry balance written off	125.63	77.88
Inventory written off	-	2,793.53
Amortisation of Cost of Assignment of Rights	1,997.18	1,160.97
<b>OPERATING PROFIT BEFORE CHANGE IN OPERATING ASSETS AND LIABILITIES</b>	<b>9,423.64</b>	<b>(12,859.78)</b>
Adjustments for:		
(Increase)/ Decrease in Inventories	7,210.04	65,451.66
(Increase)/ Decrease in Trade Receivable	(78.58)	10,832.46
(Increase)/ Decrease in Other Current Financial Assets	(717.27)	(2,464.86)
(Increase)/ Decrease in Other Non Current Assets	678.59	(339.69)
(Increase)/ Decrease in Other Current Assets	(395.98)	(3,235.34)
(Increase)/ Decrease in Other non-current Financial Assets	(825.49)	9,865.93
Increase/ (Decrease) in Other non-current Financial liabilities	473.82	(1,647.69)
Increase/ (Decrease) in Trade Payable	(1,881.69)	(3,197.24)
Increase/ (Decrease) in Other Financial Liabilities	3,477.03	(20,460.30)
Increase/ (Decrease) in Other current liabilities	1,383.59	(65,989.27)
Increase/ (Decrease) in Provision	2,583.13	27.31
(Increase)/ Decrease Assets held for sale and pertaining to Disposal Group	(5,993.08)	(98,340.67)
Increase/ (Decrease) Liabilities pertaining to Disposal Group	10,274.81	1,03,252.69
<b>Cash Generated used in Operations</b>	<b>25,612.56</b>	<b>(19,104.79)</b>
Tax Paid / (Refunded)	(2,912.61)	(380.55)
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>22,699.95</b>	<b>(19,485.34)</b>
<b>B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES</b>		
Loans and Advances taken/ (given)	(9,731.27)	(3,488.77)
(Investment)/ Proceed from maturity of Deposits	143.71	(109.86)
(Purchase)/Proceeds from sale of fixed assets net	(852.14)	401.00
Purchase of Investment Net	(5,582.78)	(514.00)
Interest Received	55.78	88.99
Dividend Income	4.96	0.02
<b>NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES</b>	<b>(15,961.74)</b>	<b>(3,622.62)</b>
<b>C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		
Interest Paid	(16,181.56)	(19,062.70)
Proceeds/(Repayment) in short term borrowing	(1,980.72)	829.04
Proceeds/(Repayment) from long term borrowing	11,906.45	51,039.37
Change in Minority Interest	(0.71)	(204.27)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>(6,256.54)</b>	<b>32,601.44</b>
Net Change in cash and cash equivalents	481.67	9,493.48
Opening Cash and Cash Equivalent	241.87	(9,251.61)
Closing Cash and Cash Equivalent	723.54	241.87
<b>Components of cash and cash equivalents:</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
a. Balances with banks in current accounts	743.78	348.55
b. Cash on hand	13.54	14.64
<b>Total</b>	<b>757.32</b>	<b>363.19</b>
Less: Book overdraft (considered as cash and cash equivalent for cash flow)	(33.78)	(121.32)
<b>Cash and cash equivalents as at the year ended</b>	<b>723.54</b>	<b>241.87</b>



# HARIBHAKTI & CO. LLP

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of D B Realty Limited

Report on the Audit of the Consolidated Financial Results

### Qualified Opinion

We have audited the accompanying Consolidated Annual Financial Results of D B Realty Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures for the year ended March 31, 2020 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, associates and joint ventures, except for the possible effects of the matters described in Basis for Qualified Opinion section of our report, the aforesaid Statement:

(i) includes the Annual Financial Results of the following entities:

Sr. No.	Name of the Entity	Relationship
1.	D B Realty Limited	Holding Company
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
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	Joint Venture
22.	Shiva Realtors Suburban Private Limited	Associate



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23.	Shiva Buildcon Private Limited	Associate
24.	Shiva Multitrade Private Limited	Associate
25.	Horizontal Realty and Aviation Private Limited (Consol)	Step down Subsidiary
26.	Turf Estate Realty Private Limited	Step down Subsidiary
	<b>Partnership Firms/ LLP's/Association of Persons</b>	
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	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

- (ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income and other financial information of the Group, its associates and joint ventures for the year ended March 31, 2020.

## Basis for Qualified Opinion

- a. As stated in Note 3 to the Statement regarding non recognition/ re-measurement 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 absence of measurement of financial guarantees at fair value, we are unable to comment on the consequential impact on the consolidated loss for the year ended March 31, 2020, if any.





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- b. As stated in Note 4 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. 43,535.44 lakhs and investments aggregating Rs. 56,589.88 lakhs respectively as on March 31, 2020 to certain Associates, Joint Ventures and other parties which have incurred significant losses and/or have negative net worth. We are unable to comment on the consequential impact on the consolidated loss for the year ended March 31, 2020, if any.
- c. As stated in Note 5 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 Holding Company 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 6 to the Statement, regarding the loan from financial institution aggregating Rs. 2,400.71 lakhs (including overdue interest thereon) which is subject to independent confirmation as at March 31, 2020. In the absence of independent confirmation, we are unable to comment on the consequential impact on the consolidated loss for the year ended March 31, 2020, if any.
- e. As stated in Note 7 to the Statement, regarding non impairment of goodwill as on March 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 year ended March 31, 2020, if any."
- f. As stated in Note 8 to the Statement, regarding measurement 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, at issued 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 settlement between shareholders on conversion/ redemption terms and valuation of these shares, we are unable to comment on the effects on the consolidated loss for the year ended March 31, 2020, if any.
- g. As stated in Note 9 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 would have been computed and provided for, share of loss of associate would have been increased to that extent. In absence of computation and evaluation of liability to pay interest by the said associate company, we are unable to comment on the effects on the consolidated loss for the year ended March 31, 2020, if any.



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We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 10 to the Statement in respect of the Group, its associates and joint ventures, which indicates that there is no progress in the development of projects undertaken since last several years and they are also incurring cash losses during last three years and defaults in various debt and other obligations. For the year ended March 31, 2020, the Group, including its associates and joint ventures has incurred a consolidated net loss of Rs 43,412.12 lakhs and has accumulated losses of Rs 97,274.72 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 opinion is not modified in respect of this matter.

## Emphasis of Matter

We draw attention to the following matters:

- a. 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 lockdown and other 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. 5,560.81 lakhs as on March 31, 2020, given to various parties for acquisition of development rights, as explained by the Management, the Holding Company is in 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 return on investments of Rs. 66,655.09 lakhs in preference shares in a subsidiary company as on March 31, 2020, as explained by the Management, such investments are considered strategic and long term in nature and the current market value and future prospects of such investments are significantly in excess of Holding Company's investment in the subsidiary company. The said subsidiary has not been consolidated in the Statement.



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- d. As regards status of inventory consisting of projects having aggregate value of Rs. 29,005.80 lakhs of the Holding Company as on March 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.
- e. As regards certain allegations made by the Enforcement Directorate against the Holding 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.
- f. As regards attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002, by which the Holding Company's assets amounting to Rs. 1,529.07 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. 1,369.22 lakhs in earlier years. The impact of the matter, if any, of its outcome is currently unascertainable.
- g. The statutory auditors of the partnership firms, where the Holding Company is one of the partner, have reported the following Emphasis of Matters on their respective audited financial statements for the year ended March 31, 2020:
- As regards recoverability of Trade Receivables of Rs. 4,930.33 lakhs as on March 31, 2020 which are attached under the Prevention of Money Laundering Act, 2002 are good for recovery and non-provision of expected credit losses is on account of the undertaking given by Holding Company 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 the Holding 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.
  - 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. 102.34 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. 176.02 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.
  - 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.



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- h. In case of a subsidiary company, with regards to status of the project, including the agreement(s)/arrangement(s) with Society & 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.
- i. In case of a subsidiary company, with regards to change in basis of capitalization of borrowing cost, there is impact of Rs. 2,977.99 lakhs to the value of project work in progress.
- j. In case of a subsidiary company, with regards to pending petition before Hon'ble High Court of Bombay filed by said subsidiary, for alleged wrongful claim of offsite infrastructure charges of Rs. 1,209.09 lakhs by the authorities. The same has been provided for and charged to project work in progress.
- k. 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.
- l. In case of a step down subsidiary company, the Management's decision of acquiring equity shares of Milan Theatres Private Limited and providing for permanent diminution in value thereof.
- m. In case of a step down subsidiary company, as regards recoverability aspect of trade receivables and granting of loans which includes loan to a third party which are subject to confirmation and also to the opinion of the Management that all the loans and trade receivables are good for recovery.
- n. In case of a step down subsidiary company, non-provision of disputed service tax demand of Rs. 1,843.77 lakhs as on March 31, 2020.
- o. In case of a joint venture, advance aggregating Rs. 6,100.87 lakhs as at March 31, 2020, given to various parties for acquisition of tenancy rights. As explained by the Management, the joint venture is in process of obtaining tenancy rights from remaining unsettled tenants and necessary approvals with regard to project development.
- p. In case of certain subsidiary companies, project cost carried in inventory aggregating Rs. 139,411.62 lakhs as on March 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.
- q. In case of a subsidiary company, the financial information are signed by only one member of the entity and that, the present arrangement between the partners is under reconsideration.
- r. In case of a subsidiary company, with regards to disputed income tax demands of Rs. 2,812.51 lakhs is depended on final outcome.
- s. In case of a subsidiary company, with regards to acquisition of certain debts by way of assignment from Yes Bank Limited and Suraksha Asset Reconstruction Private Limited amounting to Rs. 32,451.07 lakhs and Rs. 23,000.00 lakhs as on March 31, 2020, respectively, 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. Further, during the earlier year, the subsidiary has reversed existing provision for expected credit losses.



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- t. 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.
- u. In case of a subsidiary company, with regards to the accounting, disclosures and financial implications for the proposed transfer of all the assets and liabilities pertaining to Identified Project Undertaking, being "DB Crown" Project, on a going concern basis as Slump Sale KPDL and adjustment of the profit / loss relating to the said Project Undertaking, being carried out by the said subsidiary in trust for KDPL;
- v. In case of two subsidiary companies, with regards to donation made to prudent electoral trust of political parties for Rs. 2,000 lakhs.

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

Our opinion is not modified in respect of these matters.

## Board of Directors' Responsibility for the Consolidated Financial Results

This Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the consolidated net loss and other comprehensive income and other financial information of the Group including its associates and joint ventures in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group and its associates and joint ventures or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.



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## Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and joint ventures to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



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We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

## Other Matters

- a) The Statement includes the audited financial statements of Twenty five (25) subsidiaries (including four step down subsidiaries) whose financial statements reflect total assets of Rs. 502,790.92 lakhs as at March 31, 2020, total revenues of Rs. 49.27 lakhs and Rs. 16,819.08 lakhs and total net loss after tax (including other comprehensive income) of Rs. 5,923.65 lakhs and Rs. 16,573.52 lakhs for the quarter and year ended March 31, 2020 respectively and net cash inflows amounting to Rs. 402.99 lakhs for the year ended March 31, 2020, as considered in the Statement, which have been audited by their respective independent auditors. The Statement also includes Group's share of net loss after tax (including other comprehensive income) of Rs. 2,128.17 lakhs and Rs. 431.20 lakhs for the quarter and year ended March 31, 2020 respectively, as considered in the Statement, in respect of seven associates and nine joint ventures (including three step down joint ventures), whose financial statements have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of the such auditors and the procedures performed by us are as stated in section above.
- b) The Statement includes Group's share of net loss after tax of Rs. 0.01 lakhs and Rs. 0.12 lakhs for the quarter and year ended March 31, 2020 respectively, as considered in the Statement, in respect of five step down joint ventures, whose financial statements have not been audited by us. These unaudited financial statements have been furnished to us by the Board of Directors and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint ventures is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors.



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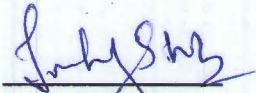
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- c) The Statement includes the results for the quarter ended March 31, 2020, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Snehal Shah

Partner

Membership No.: 48539

UDIN: 20048539

Mumbai

July 30, 2020

