DB REALTY
THE NEXT LEVEL

Date: November 12, 2021

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

Dear Sir,

Sub: <u>Outcome of the Board Meeting-Submission of Unaudited standalone and consolidated Financial Results for the second quarter and half year ended 30th September, 2021</u>

(The meeting of the Board of Directors of the Company commenced at 4.45 p.m and concluded at 6.10 p.m)

We are enclosing herewith the Unaudited standalone and consolidated Financial Results for the second quarter and half year ended 30th September, 2021 approved at the Board Meeting held today along with Limited Review Report given by Statutory Auditors of the Company.

In addition to above, at the recommendation of Nomination and Remuneration Committee, the Board also approved the re-appointment of Mr. Shahid Balwa (DIN: 00016839) as the Executive Vice Chairman cum Managing Director of the Company for a period of three (3) years with effect from 10th December, 2021., subject to the approval of shareholders .

The above is for your information and record.

Thanking You,

Yours faithfully,

For D B Realty Limited

Jignesh Shah
Company Secretary

D B Realty Limited Mumbai

D B REALTY LIMITED

REGD. OFFICE : DB CENTRAL, MAULANA AZAD ROAD, RANGWALA COMPOUND, JACOB CIRCLE, MUMBAI - 400011

CIN L70200MH2007PLC166818

Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2021

(Rs. in Lacs other than EPS)

Sr.No	PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
		30th Sep 21	30th Jun 21	30th Sep 20	30th Sep 21	30th Sep 20	31st Mar 21
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	264.62	4.62	4.62	269.24	9.24	18.48
2	Other Income	1,566.82	579.03	2,720.72	2,145.85	5,615.02	14,758.15
3	**Total Income**	**1,831.44**	**583.65**	**2,725.34**	**2,415.09**	**5,624.26**	**14,776.63**
4	**Expenses**						
	a. Project Expenses	251.59	230.01	219.17	481.59	389.24	813.73
	b. Changes in Inventories of finished goods, work-in progress and stock-in-trade	(251.59)	(230.01)	(219.17)	(481.59)	(389.24)	(813.73)
	c. Employee Benefits Expenses	27.88	43.93	50.13	71.81	95.23	193.11
	d. Depreciation and Amortisation	5.26	7.78	7.82	13.04	17.04	77.89
	e. Finance Costs	3,787.09	3,098.03	3,488.44	6,885.13	7,306.25	15,972.72
	f. Other Expenses	22,311.05	658.53	567.16	22,969.58	5,276.97	5,809.43
	Total Expenses (a+b+c+d+e+f)	**26,131.28**	**3,808.28**	**4,113.55**	**29,939.56**	**12,695.49**	**22,053.15**
5	**Profit (Loss) before Exceptional Items (3-4)**	**(24,299.84)**	**(3,224.63)**	**(1,388.21)**	**(27,524.47)**	**(7,071.23)**	**(7,276.52)**
6	Exceptional Items (Profit on sale of Investment in joint venture company)	-	-	-	-	-	18,067.75
7	**Profit/ (Loss) before tax (5+6)**	**(24,299.84)**	**(3,224.63)**	**(1,388.21)**	**(27,524.47)**	**(7,071.23)**	**10,791.23**
8	Tax Expenses						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	327.37	118.10	447.17	445.47	736.17	1,764.21
	(c) (Excess) / short provision of tax for the earlier years	(163.42)	3.68	126.38	(159.73)	(58.25)	121.07
	Total Tax expense	**163.95**	**121.78**	**573.55**	**285.74**	**677.92**	**1,885.28**
9	**Profit / (Loss) after tax (7-8)**	**(24,463.80)**	**(3,346.41)**	**(1,961.76)**	**(27,810.21)**	**(7,749.15)**	**8,905.95**
10	**Other Comprehensive Income**						
	(a) Items that will not be reclassified to profit or loss	0.62	0.62	(317.58)	1.23	(7,063.12)	(6,420.12)
	(b) Income tax relating to Items that will not be reclassified to profit or loss	(0.14)	(0.14)	66.03	(0.28)	1,469.07	1,335.34
	(c) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(d) Income tax relating to Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income	**0.48**	**0.48**	**(251.55)**	**0.95**	**(5,594.05)**	**(5,084.78)**
11	**Total Comprehensive Income for the period**	**(24,463.32)**	**(3,345.92)**	**(2,213.31)**	**(27,809.26)**	**(13,343.20)**	**3,821.17**
12	Paid up Equity Share Capital (Face value of Rs. 10 per Equity Share)	24,325.88	24,325.88	24,325.88	24,325.88	24,325.88	24,325.88
13	Other Equity (Excluding Revaluation Reserve)						219,727.88
14	**Basic and Diluted EPS (Rs.) (Not Annualised)**						
	Basic	(10.06)	(1.38)	(0.81)	(11.43)	(3.19)	3.66
	Diluted	(10.06)	(1.38)	(0.81)	(11.43)	(3.19)	3.66
15	**Items exceeding 10% of total Expenses included in other expense**						
	Share of Loss from Investment in Partnership Firms & LLP (Net)	652.99	609.15	*	1,262.13	*	*
	Provision for allowance for bad and doubtful Advance	*	*	420.49	*	1,082.41	1,560.63
	Provision for Impairment of investments	19,366.23	*	*	19,366.23	2,541.76	2,541.76
	Loss on Sale of Equity Shares in associate	982.89	*	*	982.89	*	*
	Compensation Expense	*	*	*	*	1,325.00	1,325.00

* represents nil or respective items do not exceeds 10% of total expenses.

Note 1 **Statement of Assets and Liabilities (Standalone) as at September 30, 2021**

(Rs in Lacs)

	Particulars	As on September 30, 2021	As on March 31, 2021
		Unaudited	Audited
I.	**ASSETS**		
1	**Non-current assets**		
	(a) Property, Plant and Equipment	103.94	135.64
	(b) Investment Properties	138.40	139.51
	(c) Intangible assets	-	2.96
	(d) Financial Assets		
	(i) Investment in subsidiaries, associates and joint venture	86,334.37	101,108.36
	(ii) Investment others	65,408.57	65,408.57
	(iii) Loans	3,174.50	6,393.78
	(iv) Other Financial Assets	8,639.38	8,020.98
	(e) Deferred tax assets (net)	18,406.80	18,852.55
	(g) Non current tax asset (net)	32.71	-
	(f) Other non-current assets	1,491.14	1,463.64
		183,729.81	**201,525.99**
2	**Current assets**		
	(a) Inventories	30,177.33	29,695.73
	(b) Financial Assets		
	(i) Investments	30,325.72	45,854.56
	(ii) Cash and cash equivalents	2,566.90	44.51
	(iii) Bank balance other than (ii) above	1,919.72	10.77
	(iv) Loans	116,886.52	69,580.06
	(v) Other Financial Assets	6,525.37	28,248.90
	(c) Other current assets	1,183.66	1,239.13
		189,585.22	**174,673.66**
	TOTAL	**373,315.03**	**376,199.65**
II.	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity Share capital	24,325.88	24,325.88
	(b) Other Equity	191,918.61	219,727.88
		216,244.49	**244,053.76**
2	**Non-current liabilities**		
	(a) Financial Liabilities		
	(i) Long-term Borrowings	4,555.61	4,323.37
	(ii) Other financial liabilities	5.53	5.53
	(b) Income Liabilities (Net)	-	127.65
	(c) Long-term provisions	18.52	45.32
		4,579.66	**4,501.87**
3	**Current liabilities**		
	(a) Financial Liabilities		
	(i) Short Term Borrowings	132,776.10	107,891.50
	(ii) Trade and other payables		
	- Total outstanding dues to Micro and Small Enterprises	18.46	51.04
	- Total outstanding dues to others	1,917.53	2,028.07
	(iii) Other financial liabilities	17,453.91	17,370.92
	(b) Other current liabilities	294.09	240.23
	(c) Short-term provisions	30.78	62.26
		152,490.87	**127,644.02**
	TOTAL	**373,315.03**	**376,199.65**

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Note 1 (a) **Standalone Statement of Cash flows for the Half year ended on September 30, 2021**

(Rs in lacs)

Particulars	For the Half year ended September 30, 2021	For the Half year ended September 30, 2020
	Unaudited	Unaudited
A. CASH FLOWS FROM THE OPERATING ACTIVITIES		
NET PROFIT/ (LOSS) BEFORE TAX	(27,524.47)	(7,071.23)
Adjustments for:		
Depreciation and amortisation expense	13.04	17.04
Interest Expense	6,885.13	7,306.25
Unrealised foreign exchange gain/ (loss)	2.02	(4.47)
Interest Income	(2,119.94)	(1,810.20)
Provision for impairment in value of investment	19,366.23	2,541.76
Fair value loss on financial instruments (net)	1,191.72	(3,804.81)
Share of (Profit)/loss from partnership firms (net)	1,262.13	212.28
(Profit)/ Loss on disposal of property, plant and equipment and investment property (net)	15.42	-
Loss on sale of investment in associates	982.89	-
Written back of provision in trade receivables	(21.93)	1.46
Provision for doubtful advances	3.80	1,082.41
Operating Profit / (Loss) Before Working Capital Changes	**56.04**	**(1,529.51)**
Adjustments for:		
(Increase)/ Decrease in Inventories	(481.59)	(387.27)
(Increase)/ Decrease in Trade Receivables	22.48	227.19
Increase/ (Decrease) in Non-Current Financial Assets	1.00	465.90
(Increase)/ Decrease in Current Financial Assets	21,719.73	(0.03)
Increase/ (Decrease) in Non-Current Assets- Others	(27.50)	(470.27)
(Increase)/ Decrease in Current Assets- Other	55.48	171.28
Increase/ (Decrease) in Trade Payable	(155.07)	3.01
Increase/ (Decrease) in Other Financial Liabilities	89.54	1,297.02
Increase/ (Decrease) in Other current liabilities	53.45	(66.57)
Increase/ (Decrease) in Provisions	(57.04)	2.02
Cash (Used in) / Generated From Operations	**21,276.53**	**(287.23)**
Income-tax paid /(refund) (net)	(0.62)	521.65
Net Cash flow/ (Outflow) From Operating Activities	**21,275.90**	**234.42**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Sale/ (Purchase) of investments (net)	360.00	(1,458.72)
Interest Received	20.80	0.34
Redemption/(Increase) of Fixed Deposits (other than cash and cash equivalent)	(1,908.95)	(0.32)
Proceeds from sale of Investment Properties/ Tangible Property, Plant and Equipment	7.32	(0.09)
Loans and advances to related parties and others (Net)	(35,474.15)	(135.84)
Net Cash Inflow / (Outflow) From Investing Activities	**(36,994.99)**	**(1,594.63)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Paid	(670.80)	(3.68)
Net Proceeds from /(Repayment of) unsecured borrowing	25,814.37	1,381.74
Repayment of Secured borrowing	(6,902.10)	-
Net Cash Inflow/(Outflow) From Financing Activities	**18,241.48**	**1,378.06**
Net increase/(decrease) in cash and cash equivalents	2,522.39	17.85
Cash and cash equivalents at the beginning of the period	44.51	48.54
Cash and cash equivalents at the end of the period	**2,566.90**	**66.39**

Components of cash and cash equivalents:		
a. Balances with banks in current accounts	497.30	56.71
b. Fixed deposits with maturity less than three months	2,068.61	-
c. Cash on hand	0.99	9.68
Cash and cash equivalents at the end of the period	**2,566.90**	**66.39**

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Notes:-

2	The unaudited standalone financial results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on November 12, 2021. The Statutory Auditors have carried out a limited review of the standalone financial results for the quarter and half year ended September 30, 2021.
3	The above unaudited standalone financial results have been prepared in accordance with the guidelines issued by the Securities and Exchange Board of India ('SEBI'), and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013.
4	The Company carries out its business ventures through various entities. The funds required for projects in those entities are secured through financial guarantees of the Company. The bankers/ financial institutions provide a restrictive covenants while lending, not to charge guarantee commission for the financial guarantees provided by the Company. As per Ind AS 109 - "Financial Instruments", there has to be fair valuation of the financial guarantees and subsequent measurements thereof as per expected credit loss method. However, considering the restrictive covenants and its model of execution of the projects through such entities, the Management is of the opinion that there cannot be fair valuation of the financial guarantees issued aggregating Rs. 402,552.00 lacs as on September 30, 2021. Further, the loans taken by these entities have also been secured by charge on the underlying assets of the said entities. Some of the entities have defaulted in the repayment obligations of principal amounts aggregating to Rs 78,019.00 lakhs as on September 30, 2021, however as per management, in view of value of primary / underlying assets provided as security to the lenders being greater than the outstanding loans obligation, the liability will not devolve on the Company in spite of the guarantee provided by the Company.
5	The Company has investments in certain subsidiaries, associates, joint venture and other parties aggregating Rs. 152,726.75 lacs and loans and advances/ deposits outstanding aggregating Rs. 132,279.84 lacs as at September 30, 2021. While such entities have incurred significant losses and/or have negative net worth as at September 30, 2021 and/or have pending legal disputes with respect to the underlying projects/properties of respective entity, the underlying projects in such entities are in the early stages of real estate development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values. The Company considers its investments and loans in such entities as strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the Company's investments in such entities and for expected credit losses in respect of loans and advances advanced to such entities, which are considered good and fully recoverable.
6	Note on "Control" of the Company in Marine Drive Hospitality and Realty Private Limited (MDHRPL): a) Total 2,470,600 numbers of Redeemable optionally cumulative convertible preference shares ("ROCCPS") Series A and 29,415 numbers of ROCCPS Series C of MDHRPL held by the Company amounting to Rs. 556.83 lacs has been attached by an attachment order issued by adjudicating authority under Prevention of Money Laundering Act (PMLA) and therefore, all the rights of the Company as a shareholder have been suspended till the time attachment continues. Therefore, the Company is of the view that the aforesaid shares can not be considered while applying the test of "Control" on MDHRPL. b) The Company is presently holding 92,600 numbers of cumulative convertible preference shares ("CCCPS") - Series C. The CCCPS - Series C which shall be convertible, in part or full in the ratio of 1:100 viz. 100 (One Hundred) fully paid up new Equity shares of Rs. 10/- each against 1 (one) CCCPS - Series C of Rs. 10/- each held by the Company. As per existing terms, the latest date of conversion of the aforesaid CCCPS - Series C is July 2021. However, this being strategic investment, the Company has decided not to exercise the option of conversion. c) In addition to the above, the Company is presently holding (i) 1,88,215 numbers of ROCCPS - Series C and (ii) 74,443 numbers of Cumulative Redeemable Convertible Preference Shares, which are having option of either redemption or conversion on different dates up to March 2021 and March 2022, respectively. As on date, the Management has decided not to opt for conversion of aforesaid shares. d) The Company has not nominated any director on the Board of MDHRPL. On the basis of the above facts, the Management is not having effective control over MDHRPL. In view of the same, accounts of MDHRPL along with its subsidiaries, associates and joint ventures are not consolidated as per Ind AS 110. Further, equity instruments of MDHRPL are measured at fair value through other comprehensive income based on irrevocable designation at inception.
7	The Company has recognized net deferred tax asset on changes in fair value of financial instrument aggregating to Rs 16,048.39 lakhs in the earlier years. In the opinion of the management, there is a reasonable certainty as regards utilization/reversal (consequent to potential increase in fair value in future) of the said deferred tax assets. The Company has not recognised deferred tax assets on unabsorbed depreciation and carry forward losses on prudence basis. No provision for tax is required to be made in absence of taxable profit.
8	The Company has incurred a net loss (including other comprehensive income) of Rs. 24,463.32 lacs and Rs. 27,809.26 lacs for the quarter and half year ended September 30, 2021 respectively and has an accumulated loss of Rs. 51,560.61 lacs (including other comprehensive income) as of that date and also had debt repayment obligations (including interest thereon) aggregating Rs. 132,776.10 Lacs within next twelve months. The Company has also incurred net cash losses for several years and no significant progress in development of projects undertaken in last several years due to sluggish demand in the real estate sector and it has defaulted in various debt obligations, employee benefits and trade payables. These could result in significant uncertainty on its ability to meet these debt obligations and continue as going concern. The Management is addressing this issue robustly and the Company has generally met its debt obligations, employee benefits and trade payables with some delays. The management is confident that they will be able to arrange sufficient liquidity by restructuring of the existing loans terms, monetization of non-core assets and mobilisation of additional funds. Accordingly, the standalone unaudited financial results are prepared on a going concern basis.
9	The management has evaluated and considered the possible effects that may result from the pandemic on the recoverability/ carrying value of the assets including the value of its Inventories, investments and loans. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets including the value of its Inventories, loans and investments as Company's projects and its investment/ loans granted to projects which are various stages of development. Since the situation is rapidly evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these Standalone Unaudited financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.
10	The installment as per the settlement letter with one of the lender which was due subsequent to quarter end has not been paid and the Company is in discussion with the lender and has sought extension of the repayment dates. The response from the lender is awaited.

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11	Subsequent to the quarter-end, the Company's and KMP's premises were searched by the Income Tax department and certain documents [including back-up of the accounting software] have been taken by the department. In view of ongoing proceedings, the Company is not in a position to ascertain the possible liability, if any.
12	Subsequent to quarter end, Company purchased the 15,02,645 equity shares of Neelkamal Realtors Tower Private Limited (NRTPL) for an amount of Rs. 1,906.22 lacs. On account of such acquisition of equity shares, the said entity shall now become wholly owned subsidiary company of the Company.
13	Based on the guiding principles given in Ind AS 108 "Operating Segments" prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, the Company is mainly engaged in the business of real estate development viz. construction of residential / commercial properties in India. As the Company's business falls within a single primary business segment, the disclosure requirements of Ind AS 108 in this regard are not applicable.
14	In respect of real estate projects (Construction work in progress) aggregating to Rs. 30,177.33 lacs stage of completion, projections of cost and revenues expected from project and realization of the construction work in progress / advances have been determined based on management estimates which is being relied upon by the auditors. In respect of real estate project (Construction work in progress) which are at initial preparatory stage [i.e. acquisition of land / development rights], realization of the construction work in progress and advances for project / compensation have been determined based on management estimates of commercial feasibility and management expectation of future economic benefits from the project. These estimates are reviewed periodically by management and revised whenever required. The consequential effect of such revision is considered in the year of revision and in the balance future period of the project. These estimates are dynamic in nature and are dependent upon various factors like eligibility of the tenants, changes in the area, approval and other factors. Changes in these estimates can have significant impact on the financial results of the Company and its comparability with the previous year however quantification of the impact due to change in said estimates cannot be quantified. This being a technical matter has been relied upon by the auditors.
15	Following are the major litigation updates of Company: a. As regards certain allegations made by the Enforcement Directorate against the Company and its two Key Managerial Persons, in a matter relating to Prevention of Money Laundering Act, 2002, this matter is sub-judice. There is no new development in this matter from the last quarter ended June 30, 2021. b. As regards attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002, by which the Company's assets aggregating to Rs.714.08 lakhs have been attached on August 30, 2011. Consequently, the adjudicating authority has taken over the bank balance of Rs.68.93 lakhs, two flats having written down value of Rs. 88.32 lakhs as on September 30, 2021 and Investment in Redeemable Optionally Convertible Cumulative Preference Shares - Series A and Series C of a subsidiary company of Rs.556.83 lakhs in earlier years. The impact, if any, of its outcome is currently unascertainable. There is no new development in this matter from the last quarter ended June 30, 2021. c. The Company is a party to various legal proceedings in normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow. The Company does not expect any financial liability in above matters.
16	Figures for the previous period/ year are re-classified/re-arranged/re-grouped wherever necessary including on account of amendment in division II of schedule III of Companies Act 2013 to conform current period presentation.

For D B Realty Limited

SHAHID USMAN BALWA
Digitally signed by SHAHID USMAN BALWA
Date: 2021.11.12 16:55:11 +05'30'

D B Realty Limited Mumbai

Shahid Balwa
Vice Chairman & Managing Director
DIN 00016839

Dated:- November 12, 2021
Place:- Mumbai

Limited Review Report on the quarterly and half yearly unaudited standalone financial results of D B Realty Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors
D B Realty Limited

1. We have reviewed the accompanying unaudited standalone financial results ("the Statement") of D B Realty Limited ('the Company') for the quarter and half year ended September 30, 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Management responsibility

2. This Statement is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Auditor's responsibility

3. Our responsibility is to express a conclusion on the Statement based on our review.

   We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement are free from material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus, provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion

4. As stated in Note 4 to the Statement regarding the non-remeasurement of financial guarantees totaling to Rs.402,552.00 lakhs issued to banks/ financial institutions on behalf of various entities at fair value as required under Ind AS 109 – Financial Instruments. In the absence of measurement of these financial guarantees at fair value, we are unable to comment on the consequential impact on the loss for the quarter and half year ended September 30, 2021 and consequently on the total equity as at 30th September 2021. Further, the loans taken by these entities have also been secured by charge on the underlying assets of the said entities. Some of the entities have defaulted in the repayment obligations of principal amounts aggregating to Rs 78,019.00 lakhs as on September 30, 2021, however as per management, in view of value of primary / underlying assets provided as security being greater than the loans outstanding, the liability will not devolve on the Company inspite of the guarantee provided by the Company.

5. Further to what is stated in Note 5 to the Statement and considering the non-evaluation of impairment provision in accordance with Ind AS 109 – Financial Instruments and Ind AS 36 – Impairment of Assets, towards expected credit losses in respect of the loans and advances/deposits totaling to Rs. 132,279.84 lakhs and towards diminution in the value on the Company's investments totaling to Rs. 152,726.75 lakhs respectively as on September 30, 2021, that were invested in /advanced to certain subsidiaries and other parties which have incurred significant losses and/or have negative net worth as at September 30, 2021 and/or have pending legal disputes with respect to the underlying projects/properties of respective entity. We are unable to comment on the consequential impact of the impairment provision on the loss for the quarter and half year ended September 30, 2021 and consequently on the total equity as at 30th September 2021.

6. As stated in limited review /audit report of earlier auditor regarding the recognition and measurement of its investments in equity instruments of one of its subsidiary company, Marine Drive Hospitality and Realty Private Limited ("MDHRPL"), at fair value through other comprehensive income which the Management has not considered as a subsidiary based on its irrevocable designation at inception. Had MDHRPL been treated as a subsidiary, then as per the Company's accounting policy, it would have been measured at cost, subject to impairment of investment, (such impairment provision being charge to profit & loss account).

The cumulative impact of the above qualifications on the quarter ended and half year ended financial results have not been ascertained by the management and hence cannot be quantified.

The above matters were also mentioned in the audit report on standalone financial statements for the financial year 2020-21 dated June 30, 2021 and the limited review report for the quarter ended June 2021 dated August 12, 2021 which have been audited / reviewed by erstwhile auditor.

Qualified conclusion

7. Based on our review as stated in paragraph 3 above, based on the consideration of the review reports of the other auditors referred to in paragraph 17 below and subject to effects of the matters described in basis of qualified conclusion above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, have not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Material uncertainty related to going concern

8. We draw attention to Note 8 to the Statement, which indicates that for the quarter and half year ended September 30, 2021, the Company has incurred a net loss (including other comprehensive income) of Rs. 24,463.32 lakhs and Rs. 27,809.26 lakhs respectively and has an accumulated loss of Rs. 36,356.91 lakhs (including other comprehensive income) as of that date. There is no progress in the development of projects undertaken since last several years and the Company has also incurred cash losses before exceptional items during last three years as well as there have been defaults in repayment of various debts and other obligations (including statutory dues). The Company has debt repayment obligations (including interest thereon) aggregating Rs. 1,32,776.10 lakhs within the next twelve months. The said assumption of going concern is dependent upon the Company's ability to raise funds through monetization of its non-core assets, mobilization of additional funds, progress of various projects undertaken through subsidiaries, joint ventures and associates, and other strategic initiative to meet its obligations. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. However, based on the mitigating factors as mentioned above, the Statement has been prepared on a going concern basis.

Emphasis of matters

9. As stated in Note 9 to the Statement, which explains the uncertainties and the Management’s evaluation of the financial impact on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent on future economic developments and circumstances as they evolve.

10. As regards old security deposits aggregating to Rs. 3,322.09 lakhs as on September 30, 2021, given to various parties in accordance with agreements/ arrangement, for acquisition of development rights, as explained by the Management, the Company is in the process of obtaining necessary approvals with regard to these properties and that their current market values are significantly in excess of their carrying values and are expected to achieve adequate profitability on substantial completion of such projects.

11. As stated in Note 14 of statement in respect of real estate projects (construction work in progress) aggregating to Rs 30,177.33 lakhs wherein (a) stage of completion, (b) projections of cost and revenues expected from projects and (c) realization of the construction work in progress / advances have been determined based on management estimates. In respect of real estate project (Construction work in progress) which are at initial preparatory stage [i.e. acquisition of land / development rights], realization of the construction work in progress and advances for project / compensation have been determined based on management estimates of commercial feasibility and management expectation of future economic benefits from the project. These estimates are dynamic in nature and are dependent upon various factors such as eligibility of the tenants, changes in the saleable area, acquisition of new Floor Space Index (FSI) and other factors. Changes in these estimates can have significant impact on the financial results of the company for the year and also future periods however quantification of the impact due to change in said estimates is not practical. Being a technical matter, this has been relied upon by us.

12. The installment as per the settlement letter with one of the lender which was due subsequent to quarter end has not been paid and the company is in discussion with the lender and has sought extension of the repayment dates (refer note 10 of the statement). The response from the lender is awaited.

13. The Company has recognized net deferred tax assets on changes in fair value of financial instruments aggregating to Rs 16,048.39 lakhs in the earlier years. In the opinion of the management, there is a reasonable certainty as regards utilization/reversal (consequent to potential increase in fair value in future) of the said deferred tax assets. We have relied upon the management explanation as regards the same (refer note 7 of statement).

14. As regards certain allegations made by the Enforcement Directorate against the Company and its two Key Managerial Persons, in a matter relating to Prevention of Money Laundering Act, 2002, this matter is sub-judice and the impact, if any, of the outcome is unascertainable at this stage (refer note 15 (a) of statement).

15. As regards attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002, by which the Company's assets aggregating to Rs.714.08 lakhs have been attached on August 30, 2011. Consequently, the adjudicating authority has taken over the bank balance of Rs.68.93 lakhs, two flats having written down value of Rs. 88.32 lakhs as on September 30, 2021 and Investment in Redeemable Optionally Convertible Cumulative Preference Shares – Series A and Series C of a subsidiary company of Rs.556.83 lakhs in earlier years. The impact, if any, of its outcome is currently unascertainable (refer note 15 (b) of statement).

16. As stated in note 11 to the statement, subsequent to current quarter end, Income tax authorities carried out search operation at premises of the Company and KMP's. Certain documents [including back-up of accounting software] was taken by the department. In view of ongoing proceedings, the company is not in a position to ascertain the possible liability, if any.

17. Following are the Emphasis of Matters in their respective unaudited financial results for the quarter and half year ended September 30, 2021 of the partnership firms and association of person (where Company is a partner), which have been reviewed by us or respective auditors:

    i. As regards recoverability of Trade Receivables of Rs.4,930.33 lakhs as on September 30, 2021 which are attached under the Prevention of Money Laundering Act, 2002 are good for recovery and non-provision of expected credit losses on account of the undertaking given by the Company that it will bear the loss if the said trade receivables become bad.

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

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

iii. As regards pending dispute towards liability of property tax of the Firm with Municipal Corporation of Greater Mumbai / Slum Rehabilitation Authority for unpaid amount of Rs.102.35 lakhs and adjustment of amount paid under protest of Rs.33.74 lakhs for the period on or after April 2012.

iv. As regards, the view of the management with respect to utilization of balance of goods and service tax of Rs.117.15 lakhs, which will be depended on future GST output liability.

v. As regards provision of Rs.2,997.60 lakhs being made towards cost to be incurred for rectification of defects, if any, on 12 buildings which are yet to be handed over to Slum Rehabilitation Authority (SRA) and certain buildings which are already handed over. Further, after considering the revised time frame for completing the work and handing over the buildings to the SRA, provision for delayed charges of Rs.647.95 lakhs has been accounted as at September 30, 2021.

vi. 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.

vii. 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.

viii. In respect of one of the joint venture (for which limited review is not carried for the quarter and half year ended September 2021 by its auditors) there was an emphasis of matter in last audited report as regards disputed income tax demand of Rs.2,812.51 lakhs and the members' commitment to reimburse interest / penalty of Rs.5,584.91 lakhs that could devolve if the matter is decided against the said partnership firm. As explained to us there is no development with respect to the said matter.

18. The company is a party to various legal proceedings in normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow. We have relied upon the representation from the in-house legal team as regards the same (refer note 15(c) of the statement).

Observations made by us in the above paragraph (10) and (17) and their impact on the Statement have not been disclosed in notes to the statement. The above matters (except para 12, 13, 16, 18) were included in emphasis of matters by the erstwhile auditors in their limited review report dated August 12, 2021 for the quarter ended June 2021 and audit report dated June 30, 2021 for the financial year 2020-21. Our conclusion is not modified in respect of the above matters.

Other matters

19. Share of loss (net) from investment in two partnership firms aggregating to Rs. 30.74 lakhs and Rs. 37.24 lakhs for the quarter and half year ended September 30, 2021, respectively, included in the Statement, are based on the unaudited financial results of such entities. These unaudited financial results have been reviewed by the auditors of these entities, whose reports have been furnished to us by the Management and our review report on the Statement is based solely on such review reports of the other auditors. Our report on the Statement is not modified in respect of the above matter.

20. The Statement also includes share of profit (net) from investment in two limited liability partnerships and two association of person aggregating Rs.0.15 lakhs and Rs. 0.14 lakhs for the quarter and half year ended September 30, 2021, respectively, which are based on the financial results of such entities. These financial results have not been reviewed/audited by their auditors and have been furnished to us by the Management. According to the information and explanations given to us by the Management, these financial results are not material to the Company. Our report on the Statement is not modified in respect of the above matter.

21. The Statement includes unaudited financial results for the comparative periods, for the quarter ended June 30, 2021, quarter and half year ended September 30, 2020, quarter and audited financial results for the year ended March 31, 2021 which are based on the financial results which were reviewed / audited by erstwhile auditor of the Company. The erstwhile auditors had issued modified limited review report dated August 12, 2021, November 09, 2020 and modified audit report dated June 30, 2021. (Also see basis of qualified conclusion paragraph for modifications made by the erstwhile auditors).

For N. A. Shah Associates LLP

Chartered Accountants
Firm's Registration No. 116560W/W100149

MILAN NAVIN MODY

Digitally signed by MILAN NAVIN MODY
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Date: 2021.11.12 17:26:46 +05'30'

Milan Mody
Partner
Membership number: 103286
UDIN: 21103286AAAAIY6518

Place: Mumbai
Date: November 12, 2021

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

Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2021

(Rs. In Lacs other than EPS)

	PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
		30th Sep 21	30th Jun 21	30th Sep 20	30th Sep 21	30th Sep 20	31st Mar 21
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	879.85	694.98	776.76	1,574.83	903.11	2,455.77
2	Other Income	1,572.99	562.76	2,521.55	2,135.75	5,283.08	10,701.36
3	Total Income (1+2)	2,452.84	1,257.74	3,298.31	3,710.58	6,186.19	13,157.13
4	Expenses						
	a. Project Expenses	58.72	4,497.00	3,302.00	4,555.71	5,785.98	20,679.27
	b. Changes in inventories of finished goods and work-in-progress	(1,271.98)	(2,381.41)	(2,651.31)	(3,653.39)	(4,469.79)	(22,398.31)
	c. Employee Benefits Expenses	189.30	185.08	261.37	374.38	481.81	864.82
	d. Depreciation and Amortisation	18.54	21.11	21.63	39.65	44.46	132.43
	e. Finance Costs	19,083.07	6,656.87	6,834.43	25,739.94	14,854.12	33,380.68
	f. Other Expenses	12,238.57	173.55	590.51	12,412.12	7,079.70	12,175.81
	Total Expenses (a+b+c+d+e+f)	30,316.23	9,152.20	8,358.63	39,468.41	23,776.28	44,834.70
5	**Profit/(Loss) before share of loss of joint venture and associate, exceptional Items and tax (3-4)**	(27,863.38)	(7,894.46)	(5,060.32)	(35,757.83)	(17,590.09)	(31,677.57)
6	Share of (loss) of joint venture and associates	(1,261.13)	(1,183.57)	(730.07)	(2,444.70)	(698.58)	(2,072.65)
7	**Profit/(Loss) before exceptional Items and tax (5+6)**	(29,124.51)	(9,078.03)	(5,790.39)	(38,202.53)	(18,288.67)	(33,750.22)
8	Exceptional Items (Profit on sale of Investment in joint venture company)	-	-	-	-	-	17,567.63
9	**Profit/(Loss) before tax for the period / year (7+8)**	(29,124.51)	(9,078.03)	(5,790.39)	(38,202.53)	(18,288.67)	(16,182.58)
10	Tax Expenses						
	(a) Current tax	0.05	-	-	0.05	-	1.31
	(b) Deferred tax	6,248.58	536.85	125.97	6,785.43	110.69	379.89
	(c) (Excess) / short provision of tax for earlier years	(163.47)	3.74	126.38	(159.73)	(58.25)	121.07
	Total Tax expense (a+b+c)	6,085.16	540.58	252.35	6,625.75	52.44	502.27
11	**Profit/(Loss) for the period / year (9-10)**	(35,209.67)	(9,618.61)	(6,042.74)	(44,828.28)	(18,341.11)	(16,684.86)
12	Other Comprehensive Income						
	(a) Items that will not be reclassified to profit or loss	5.49	14.32	(318.80)	19.82	(7,351.34)	(6,524.38)
	(b) Income tax relating to items that will not be reclassified to profit or loss	(0.14)	(0.14)	65.16	(0.28)	1,467.75	1,336.79
	(c) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(d) Income tax relating to Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income (a+b+c)	5.35	14.18	(253.64)	19.53	(5,883.59)	(5,187.59)
13	**Total Comprehensive Income for the period (11+12)**	(35,204.32)	(9,604.43)	(6,296.38)	(44,808.74)	(24,224.70)	(21,872.45)
	Profit after tax						
	Attributable to :						
	Owner of equity	(35,250.32)	(9,238.14)	(5,879.86)	(44,488.46)	(17,549.19)	(16,973.13)
	Non controlling interest	40.65	(380.47)	(162.88)	(339.82)	(791.91)	288.27
	Total	(35,209.67)	(9,618.61)	(6,042.74)	(44,828.28)	(18,341.10)	(16,684.86)
	Other Comprehensive Income						
	Attributable to :						
	Owner of equity	5.35	14.18	(253.64)	19.53	(5,883.59)	(5,189.47)
	Non controlling interest	-	-	-	-	-	1.88
	Total	5.35	14.18	(253.64)	19.53	(5,883.59)	(5,187.59)
	Total Comprehensive Income						
	Attributable to :						
	Owner of equity	(35,244.97)	(9,223.96)	(6,133.50)	(44,468.92)	(23,432.78)	(22,162.60)
	Non controlling interest	40.65	(380.47)	(162.88)	(339.82)	(791.91)	290.15
	Total	(35,204.32)	(9,604.43)	(6,296.38)	(44,808.74)	(24,224.70)	(21,872.45)
14	Paid up Equity Share Capital (Face value of Rs. 10 per Equity Share)	24,325.88	24,325.88	24,325.88	24,325.88	24,325.88	24,325.88
15	Other Equity (excluding Revaluation Reserve)						109,253.85
16	**Basic and Diluted EPS (Rs.) (Not Annualised)**						
	Basic	(14.49)	(3.80)	(2.42)	(18.29)	(7.21)	(6.98)
	Diluted	(14.49)	(3.80)	(2.42)	(18.29)	(7.21)	(6.98)
17	**Items exceeding 10% of total Expenses**						
	Provision for impairement of goodwill	8,000.00	*	*	8,000.00	*	3,126.72
	Sundry Balance written off	*	*	*	*	*	3,891.98
	Loss on sale of investment in associate	2,815.40	*	*	2,815.40	*	*
	Provision for doubtful debts, loans and advances	*	*	*	*	5,329.03	*

* represents nil or respective items do not exceeds 10% of total expenses.

D B Realty Limited
Mumbai

Note 1 **Statement of Assets and Liabilities (Consolidated) as at September 30, 2021**

(Rs in Lacs)

	Particulars	As on 30th September 2021	As on 31st March 2021
		Unaudited	Audited
I.	ASSETS		
1	**Non-current assets**		
	(a) Property, Plant and Equipment	400.41	458.60
	(b) Other Intangible Assets	0.25	3.26
	(c) Investment Property	138.40	139.51
	(d) Goodwill on Consolidation	6,697.39	14,697.39
	(e) Financial Assets		
	(i) Investments		
	- In Associates and Joint Ventures	56,425.77	61,461.51
	- In Others	66,395.42	66,376.82
	(ii) Loans	3,310.63	6,522.93
	(iii)Others financial assets	9,037.28	8,404.31
	(f) Deferred tax assets (net)	23,988.63	30,774.35
	(g) Income Tax Assets (net)	552.18	693.44
	(h) Other non-current assets	5,730.94	5,538.11
		172,677.29	**195,070.24**
2	**Current assets**		
	(a) Inventories	241,796.29	238,142.92
	(b) Financial Assets		
	(i) Investments	7,897.76	11,541.47
	(ii) Trade receivables	7,378.45	7,461.46
	(iii) Cash and cash equivalents	5,242.52	1,514.64
	(iv) Bank balance other than (iii) above	2,483.45	523.24
	(v) Loans	103,466.82	118,133.48
	(vi) Other Financial Assets	5,742.64	10,680.10
	(c) Other current assets	18,288.13	17,156.31
	(d) Assets held for sale (Refer Note No. 7)	141,965.64	133,705.68
		534,261.70	**538,859.29**
	TOTAL	**706,938.99**	**733,929.52**
II.	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity Share capital	24,325.88	24,325.88
	(b) Other Equity	64,784.90	109,253.84
	Equity Attributable to Owners of the Parent	89,110.78	133,579.73
	Non Controlling Interest	(12,339.55)	(11,999.73)
		76,771.22	**121,580.00**
2	**Non-current liabilities**		
	(a) Financial Liabilities		
	(i) Long-term Borrowings	119,619.73	152,380.11
	(ii) Trade Payable (other than payable to micro and small enterprise)	413.41	348.53
	(iii) Other financial liabilities	6,739.37	6,079.65
	(b) Long-term provisions	319.47	243.56
	(c) Other non-current liabilities	-	1,000.00
		127,091.97	**160,051.85**
3	**Current liabilities**		
	(a) Financial Liabilities		
	(i) Short Term Borrowings	194,455.54	142,735.64
	(ii) Trade and other payables		
	- Total outstanding dues to micro and small enterprises	270.61	222.75
	- Total outstanding dues to others	10,692.15	11,935.75
	(iii) Other financial liabilities	91,836.76	98,962.28
	(b) Other current liabilities	49,966.90	54,332.90
	(c) Short-term provisions	2,870.69	3,013.54
	(d) Liabilities pertaining to Disposal Group (Refer Note No 7)	152,983.11	141,094.81
		503,075.77	**452,297.67**
	TOTAL	**706,938.99**	**733,929.52**

D B Realty Limited
Mumbai

Note 1(a) Consolidated Cash Flow For Half Year Ended September 30, 2021

(Rs. in lacs)

Particulars	For the Half Year ended September 30, 2021	For the Half Year ended September 30, 2020
A. CASH INFLOW/ (OUTFLOW) FROM THE OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND BEFORE EXCEPTIONAL ITEMS	(35,757.83)	(17,590.09)
Adjustments for:		
Depreciation and amortisation expense	39.65	44.46
Interest Expenses	25,739.94	14,854.12
Interest Income	(2,094.75)	(58.80)
Dividend Income	-	(2.48)
Loss/(Profit) on sale of Property, Plant and Equipment	15.42	-
Loss on sale of Investment	4,007.12	-
Interest Income on Financial Assets/Liabilities measured at amortised cost	-	(1,450.82)
Fair value gain on investment valued at Fair value	-	(3,769.61)
Unrealised foreign exchange gain/ (loss)	1.22	(6.02)
Provision for Impairement of Goodwill	8,000.00	-
(Rversal)/ Provision for doubtful debts/Advances	(36.16)	5,329.03
Sundry balance written off	0.40	-
OPERATING PROFIT BEFORE CHANGE IN OPERATING ASSETS AND LIABILITIES	(84.99)	(2,650.21)
Adjustments for:		
(Increase)/ Decrease in Inventories	(3,653.37)	(547.23)
(Increase)/ Decrease in Trade Receivable	118.79	162.21
(Increase)/ Decrease in Other Current Financial Assets	4,944.49	(760.59)
(Increase)/ Decrease in Other Non Current Assets	(192.85)	(1,440.93)
(Increase)/ Decrease in Other Current Assets	(1,131.82)	486.11
(Increase)/ Decrease in Other non- current Financial Assets	(632.96)	454.51
Increase/ (Decrease) in Other non-current Financial liabilities	(340.29)	(209.76)
Increase/ (Decrease) in Trade Payable	(1,132.07)	(2.14)
Increase/ (Decrease) in Other Financial Liabilities	(7,068.33)	(334.81)
Increase/ (Decrease) in Other current liabilities	(4,366.00)	366.74
Increase/ (Decrease) in Provision	(65.71)	(151.16)
(Increase)/ Decrease Assets held for sale and pertaining to Disposal Group	(8,259.96)	(5,618.61)
Increase/ (Decrease) Liabilities pertaining to Disposal Group	11,888.29	5,639.25
Cash Generated / (used) in Operations	(9,976.78)	(4,606.62)
Income Tax Paid / (Refunded) (net)	(300.95)	(615.78)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	(9,675.83)	(3,990.84)
B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES		
Loans and Advances taken/ (given)	23,577.31	(494.97)
Redemption/(Increase) of fixed desposits (Other than cash and cash equivalent)	(1,960.21)	(7.25)
(Purchase)/Proceeds from sale of fixed assets net	7.24	1.94
Sale/ (Purchase) of Investment Net	(1,465.66)	(7,162.54)
Interest Received	33.05	2.41
Dividend Income	-	2.48
NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES	20,191.75	(7,657.94)
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		
Interest Paid	(16,695.75)	(11,825.33)
Proceeds/(Repayment) in short term borrowings	62,665.53	11,268.26
Proceeds/(Repayment) in long term borrowings	(52,750.22)	12,226.18
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(6,780.44)	11,669.11
Net Change in cash and cash equivalents	3,735.49	20.32
Opening Cash and Cash Equivalent	1,247.52	723.54
Closing Cash and Cash Equivalent	4,983.01	743.86

Components of cash and cash equivalents:	For the Half Year ended September 30, 2021	For the Half Year ended September 30, 2020
a. Balances with banks in current accounts	3,151.58	685.18
b. Cash on hand	22.34	61.36
c. Fixed Deposit having maturity less than 3 months	2,068.61	-
Total	5,242.53	746.54
Less: Book overdraft (considered as cash and cash equivalent for cash flow)	(259.52)	(2.68)
Cash and cash equivalents as at the period end	4,983.01	743.86

D B Realty Limited Mumbai

Notes:-

2	The unaudited consolidated financial results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors of the Parent Company at its meeting held on November 12, 2021. The Statutory Auditors have carried out a limited review of the consolidated financial results for the quarter and half year ended September 30, 2021.
3	The above unaudited consolidated financial results have been prepared in accordance with the guidelines issued by the Securities and Exchange Board of India ('SEBI'), and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013.
4	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. 223,300.00 lacs as on September 30, 2021. Further, the loans taken by these entities have also been secured by charge on the underlying assets of the said entities. Some of the entities have defaulted in the repayment obligations of principal amounts aggregating to Rs 65,929.00 lacs as on September 30, 2021, however as per management, in view of value of primary / underlying assets provided as security to the lenders being greater than the outstanding loans obligation, the liability will not devolve on the Parent Company inspite of the guarantee provided by the Parent Company.
5	The group has investments in certain associates, joint venture and other parties aggregating Rs. 126,361.12 lacs and loans and receivables outstanding aggregating Rs. 58,308.25 lacs as at September 30, 2021. While such entities have incurred significant losses and/or have negative net worth as at September 30, 2021 and/or have pending legal disputes with respect to the underlying projects/properties of respective entity, 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.
6	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 556.83 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.
7	Real Gem Buildtech Private Limited (a wholly owned subsidiary company of the Company, hereinafter referred to as "WOS") has during the year ended 31st March, 2019 filed a Scheme with National Company Law Tribunal (NCLT) 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"). NCLT approval for the same is awaited. 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	The installment in the parent company as per the settlement letter with one of the lender which was due subsequent to quarter end has not been paid and the holding company is in discussion with the lender and has sought extension of the repayment dates. The response from the lender is awaited.
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 the lender for the 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.

D B Realty Limited Mumbai

10	The Group incurred a net loss (including other comprehensive income) of Rs. 35,204.32 lacs and Rs. 44,808.74 respectively for the quarter and half year ended September 30, 2021 and has an accumulated loss of Rs. 178,829.79 lacs (including other comprehensive income) as of that date and also has debt repayment obligations (including interest thereon) aggregating Rs. 194,455.54 Lacs within next twelve months. The group has also incurred net cash losses in the earlier 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 unaudited Consolidated Financial Results are prepared on a going concern basis.
11	In respect of real estate projects (Construction work in progress) aggregating to Rs. 227,921.57 lacs stage of completion, projections of cost and revenues expected from project and realization of the construction work in progress / advances have been determined based on management estimates which is being relied upon by the auditors. In respect of real estate project (Construction work in progress) which are at initial preparatory stage [i.e. acquisition of land / development rights], realization of the construction work in progress and advances for project / compensation have been determined based on management estimates of commercial feasibility and management expectation of future economic benefits from the project. These estimates are reviewed periodically by management and revised whenever required. The consequential effect of such revision is considered in the year of revision and in the balance future period of the project. These estimates are dynamic in nature and are dependent upon various factors like eligibility of the tenants, changes in the area, approval and other factors. Changes in these estimates can have significant impact on the financial results of the group and its comparability with the previous year however quantification of the impact due to change in said estimates cannot be quantified. This being a technical matter has been relied upon by the auditors.
12	The group has recognized net deferred tax asset of Rs. 23,988.63 lacs mainly on changes in fair value of financial instrument and brought forward losses in the earlier years. In the opinion of the management, there is a reasonable certainty as regards utilization/reversal (consequent to potential increase in fair value in future and taxable profits) of the said deferred tax assets.
13	Following are the major litigation updates of group: a. As regards certain allegations made by the Enforcement Directorate against the parent Company and its two Key Managerial Persons, in a matter relating to Prevention of Money Laundering Act, 2002, this matter is sub-judice. There is no new development in this matter from the last quarter ended June 30, 2021. b. As regards attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002, by which the Parent Company's assets aggregating to Rs.714.08 lacs have been attached on August 30, 2011. Consequently, the adjudicating authority has taken over the bank balance of Rs.68.93 lacs, two flats having written down value of Rs. 88.32 lacs as on September 30, 2021 and Investment in Redeemable Optionally Convertible Cumulative Preference Shares - Series A and Series C of a subsidiary company of Rs.556.83 lacs in earlier years. The impact, if any, of its outcome is currently unascertainable. There is no new development in this matter from the last quarter ended June 30, 2021. c. On account of lockdown, the MIG (Bandra) Realtors and Builders Private Limited (a wholly owned subsidiary company of the Company, hereinafter referred to as "WOS-1") invoked the force majeure provision in the Development Agreement which it entered into with Middle Income Group Co-Operative Society Limited (hereinafter referred to as "MIG society") and offered to pay hardship compensation at reduced rate. In view of such action by WOS-1, MIG society terminated the Development Agreement, against which WOS-1 invoked Arbitration. The Hon' High Court of Bombay passed status quo order subject to inter-alia payment of hardship compensation. The primary issue in the arbitration proceedings was whether MIG society could terminate the Development Agreement with WOS-1, in view of the alleged breaches claimed by MIG society and disputed by WOS-1. Other issues relates to monetary claims. Construction was stopped on account of lockdown and the work has not recommenced till date. The sole arbitrator passed an interim order with certain stipulations to be complied with by 30th June, 2021, which inter-alia included furnishing of specified amounts of bank guarantees, fixed deposits with joint name of MIG society towards payment of liquidated damages/hardship compensation amongst others. If these conditions are not complied with the stay against MIG society shall stand vacated. As the matter stands, WOS-1 has filed a petition against the interim order before the Hon' High Court of Bombay, which is subjudice. d. The group is a party to various legal proceedings in normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow.
14	The group 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 group 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 to projects which are various stages of development. 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 consolidated unaudited financial results. The group will continue to closely monitor material changes in markets and future economic conditions.
15	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.
16	Subsequent to the quarter-end, the premises of the group and that of their KMP's were searched by the Income Tax department and certain documents [including back-up of the accounting software] have been taken by the department. In view of ongoing proceedings, the group is not in a position to ascertain the possible liability, if any.
17	Subsequent to quarter end, the holding company purchased the 15,02,645 equity shares of Neelkamal Realtors Tower Private Limited (NRTPL) for an amount of Rs. 1,906.22 lacs. On account of such acquisition of equity shares, the said entity shall now become wholly owned subsidiary company of the holding company.
18	During the quarter ended September 30, 2021, one of the jointly controlled entity had received advance from customers for an amount of Rs. 62,552.00 lakhs. The same is not recognised as revenue in the entity as project has not achieved the Percentage of Completion Method (POCM) milestone.
19	Figures for the previous quarter/ year are re-classified/re-arranged/re-grouped wherever necessary including on account of amendment in division II of schedule III of Companies Act 2013 to conform current period presentation.

For D B Realty Limited

SHAHID USMAN BALWA
Digitally signed by SHAHID USMAN BALWA
Date: 2021.11.12 16:56:03 +05'30'

Shahid Balwa
Vice Chairman & Managing Director
DIN 00016839

D B Realty Limited
Mumbai

Dated:- November 12, 2021
Place:- Mumbai

Limited Review Report on the quarterly and half yearly unaudited consolidated financial results of D B Realty Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors
D B Realty Limited

1. We have reviewed the accompanying unaudited consolidated financial results ("the Statement") of D B Realty Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net loss after tax and total comprehensive income of its associates and joint ventures for the quarter and half year ended September 30, 2021, attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Management responsibility for the Statement

2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Auditor's responsibility

3. Our responsibility is to express a conclusion on the Statement based on our review.

   We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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

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

Sr. No.	Name of the Entity	Relationship
Companies		
1.	D B Realty Limited	Parent
2.	DB Man Realty Limited	Subsidiary
3.	Esteem Properties Private Limited	Subsidiary
4.	Goregoan Hotel and Realty Private Limited	Subsidiary
5.	Neelkamal Realtors Suburban Private Limited	Subsidiary
6.	NeelKamal Shantinagar Properties Private Limited	Subsidiary
7.	Real Gem Buildtech Private Limited	Subsidiary
8.	Saifee Bucket Factory Private Limited	Subsidiary
9.	N.A. Estate Private Limited	Subsidiary
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 (up to 14th July, 2021)
20.	D B Hi-Sky Construction Private Limited	Associate
21.	Shiva Realtors Suburban Private Limited	Associate
22.	Shiva Buildcon Private Limited	Associate
23.	Shiva Multitrade Private Limited	Associate
24.	Horizontal Realty and Aviation Private Limited (along with Milan Theatres Private Limited, subsidiary company)	Step down Subsidiary
25.	Turf Estate Realty Private Limited	Step down Joint Venture
26.	Pandora Projects Private Limited	Step down Joint Venture
Partnership Firms/ LLP's/Association of Persons		
27.	Mira Real Estate Developers	Subsidiary
28.	Conwood –DB Joint Venture (AOP)	Subsidiary
29.	ECC - DB Joint Venture (AOP)	Subsidiary
30.	Turf Estate Joint Venture (AOP)	Subsidiary
31.	Innovation Erectors LLP	Subsidiary
32.	Turf Estate Joint Venture LLP	Joint Venture
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.	Sneh Developers	Step down Joint Venture
38.	Evergreen Industrial Estate	Step down Joint Venture
39.	Shree Shantinagar Venture	Step down subsidiary

40.	Suraksha DB Realty	Step down Joint Venture
41.	Lokhandwala DB Realty LLP	Step down Joint Venture
42.	OM Metal Consortium	Step down Joint Venture
43.	Ahmednagar Warehousing Developers and Builders LLP	Step down Joint Venture
44.	Solapur Warehousing Developers and Builders LLP	Step down Joint Venture
45.	Aurangabad Warehousing Developers Builders LLP	Step down Joint Venture
46.	Latur Warehousing Developers and Builders LLP	Step down Joint Venture
47.	Saswad Warehousing Developers and Builders LLP	Step down Joint Venture

Basis of Qualified Conclusion

5. As stated in Note 4 to the Statement regarding the non-measurement of financial guarantees totaling to Rs. 223,300.00 lakhs issued to banks/ financial institutions on behalf of various entities at fair value as required under Ind AS 109 – Financial Instruments. In the absence of measurement of these financial guarantees at fair value, we are unable to comment on the consequential impact on the loss for the quarter and half year ended September 30, 2021 and consequently on the total equity as at 30th September 2021. Further, the loans taken by these entities have also been secured by a charge on the underlying assets of the said entities. Some of the entities have defaulted in the repayment obligations of principal amounts aggregating to Rs 65,929.00 lakhs as on September 30, 2021 however as per management, in view of value of primary / underlying assets provided as security being greater than the loans outstanding, the liability will not devolve on the Company inspite of the guarantee provided by the Company.

6. Further to what is stated in Note 5 to the Statement and considering the non-evaluation of impairment provision in accordance with Ind AS 109 – Financial Instruments and Ind AS 36 – Impairment of Assets, towards expected credit losses in respect of the loans and advances totaling to Rs. 58,308.25 lakhs and towards diminution in the value on the Group's investments totaling to Rs. 126,361.12 lakhs respectively as on September 30, 2021, that were invested in / advanced to certain associates, joint ventures and other parties which have incurred significant losses and/or have negative net worth as at September 30, 2021 and/or have pending legal disputes with respect to the underlying properties of respective entity. We are unable to comment on the consequential impact of the impairment provision on the loss for the quarter and half year ended September 30, 2021 and consequently on the total equity as at September 30, 2021.

7. As stated in limited review / audit report of earlier auditor regarding the financial statements of one of the subsidiary Company and its subsidiaries / associates / joint ventures have not been consolidated in the Statement, since the management has not considered them as a subsidiary based on its irrevocable designation as Investments at fair value through other comprehensive income, at inception. The Parent controls the subsidiary company in terms of Ind AS 110 – Consolidated Financial Statements. In absence of the availability of the consolidated financial statements of such subsidiary Company, we are unable to comment on the consequential impact of consolidation of the said subsidiary Company on the Statement, if any (Also refer Note 6 to the Statement).

8. As stated in Note 9 to the Statement, regarding the non-recognition of interest liability (including overdue interest and penalty) on borrowings as per terms and conditions in the books of one of the associate company. Had the same been computed and provided for, the share of the loss of associate would have been increased to that extent. In the absence of computation and evaluation of the interest liability payable by the said associate company, we are unable to comment on the consequential impact of the same on the consolidated loss for the quarter and year ended September 30, 2021, if any.

The cumulative impact of the above qualifications on the on the quarter ended and half year ended consolidated financial results has not been ascertained by the management and hence cannot be quantified.

The above matters were also mentioned in the audit report on consolidated financial statements for the financial year 2020-21 dated June 30, 2021 and the limited review report for the quarter ended June 2021 dated August 12, 2021 which have been audited / reviewed by erstwhile auditor.

Qualified conclusion

9. Based on our review as stated in paragraph 3 above, based on the consideration of the review reports of the other auditors referred to in paragraph 19 below and subject to the effects of the matters described in basis of qualified conclusion above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Material uncertainty related to going concern

10. We draw attention to Note 10 to the Statement in respect of the Group (including its associates and joint ventures), which indicates that for the quarter and year ended September 30, 2021, the Group (including its associates and joint ventures) has incurred a consolidated net loss (including other comprehensive income) of Rs. 35,204.32 lakhs and Rs. 44,808.74 lakhs and has an accumulated loss of Rs. 178,829.79 lakhs, respectively, as of that date. The Group has debt repayment obligations (including interest thereon) aggregating Rs. 194,455.54 Lacs within next twelve months. There is no significant progress in the development of various projects undertaken since last several years and they are also incurring cash losses since last several years, litigations involved in various projects/ development activities and there have been defaults in repayment of various debt and other obligations. 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, progress of various project undertaken by the group entities and , joint ventures and associates 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 conclusion / opinion was not modified in respect of above matter in quarter and year ended September 30, 2021, earlier quarters / years also.

Emphasis of matters

11. As stated in Note 14 to the Statement, which explains the uncertainties and the Management's evaluation of the financial impact on the Group 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.

12. As regards security deposits aggregating Rs. 3,322.09 lakhs as on September 30, 2021, given to various parties in accordance with agreements / arrangement, for acquisition of development rights, as explained by the Management, the Parent is in the process of obtaining necessary approvals with regard to these properties and that their current market values are significantly in excess of their carrying values and are expected to achieve adequate profitability on substantial completion of such projects.

13. As stated in Note 11 of statements in respect of real estate projects (construction work in progress) aggregating to Rs. 227,921.57 lakhs wherein (a) stage of completion, (b) projections of cost and revenues expected from projects and (c) realization of the construction work in progress / advances have been determined based on management estimates. In respect of real estate project (Construction work in progress) which are at initial preparatory stage [i.e. acquisition of land / development rights], realization of the construction work in progress and advances for project / compensation have been determined based on management estimates of commercial feasibility and management expectation of future economic benefits from the project. These estimates are dynamic in nature and are dependent upon various factors such as eligibility of the tenants, changes in the saleable area, acquisition of new Floor Space Index (FSI) and other factors. Changes in these estimates can have significant impact on the consolidated financial results of the Group for the year and also future periods however quantification of the impact due to change in said estimates is not practical. Being a technical matter this has been relied upon by us.

14. The installment as per the settlement letter from one of the lender which was due subsequent to quarter end has not been paid and the Parent Company is in discussion with the lender and sought for extension of the repayment dates (refer note 8 of the statement). The response from the lender is awaited.

15. The group has recognized net deferred tax assets of Rs 23,988.63 lakhs mainly on changes in fair value of financial instruments aggregating and brought forward losses in the earlier years. In the opinion of the management, there is a reasonable certainty as regards utilization/reversal (consequent to potential increase in fair value in future and taxable profits) of the said deferred tax assets. We have relied upon the management explanation as regards the same (refer note 12 of statement).

16. As regards certain allegations made by the Enforcement Directorate against the Parent and its two Key Managerial Persons, in a matter relating to Prevention of Money Laundering Act, 2002, this matter is sub-judice and the impact, if any, of the outcome is unascertainable at this stage (refer note 13(a) of the statement).

17. As regards attachment order issued by adjudicating authority under Prevention of Money Laundering Act, 2002, by which the Parent's assets aggregating to Rs.714.08 lakhs have been attached on August 30, 2011. Consequently, the adjudicating authority has taken over the bank balance of Rs.68.93 lakhs, two flats having written down value of Rs. 88.32 lakhsas on September 30, 2021 and Investment in Redeemable Optionally Convertible Cumulative Preference Shares – Series A and Series C of a subsidiary company of Rs.556.83 lakhs in earlier years. The impact, if any, of its outcome is currently unascertainable at this stage (refer note 13(b) of the statement).

18. As stated in note 16 to the statement, subsequent to current quarter end, Income tax authorities carried out search operation at premises of the Group and KMP's. Certain documents [including back-up of accounting software] was taken by the department. In view of ongoing proceedings, the Group is not in a position to ascertain the possible liability, if any.

19. Following are the Emphasis of Matters in their respective unaudited financial results for the quarter and half year ended September 30, 2021 of the partnership firms and association of person (where Parent is one of the partner), which have been reviewed by us or respective auditors:

    i. As regards recoverability of Trade Receivables of Rs.4,930.33 lakhs as on September 30, 2021 which are attached under the Prevention of Money Laundering Act, 2002 are good for recovery and non-provision of expected credit losses on account of the undertaking given by the Parent that it will bear the loss if the said trade receivables become bad.

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

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

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

    iv. As regards, view of the management with respect to utilization of balance of goods and service tax of Rs.117.15 lakhs, which will be depended on future GST output liability.

    v. As regards provision of Rs.2,997.60 lakhs being made towards cost to be incurred for rectification of defects, if any, on 12 buildings which are yet to be handed over to Slum Rehabilitation Authority (SRA) and certain buildings which are already handed over. Further, after considering the revised time frame for completing the work and handing over the buildings to the SRA, provision for delayed charges of Rs.647.95 lakhs has been accounted as at September 30, 2021.

vi. 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.

vii. 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.

viii. In respect of one of the joint venture (for which limited review is not carried for the quarter and half year ended September 2021 by its auditors) there was an emphasis of matter in last audited report as regards disputed income tax demand of Rs.2,812.51 lakhs and the members' commitment to reimburse interest / penalty of Rs.5,584.91 lakhs that could devolve if the matter is decided against the said partnership firm. As explained to us there is no development with respect to the said matter.

20. In case of a subsidiary company, with regards to status of the project, including the agreements/arrangements with Society and Joint Venture Partner and disputes with the said parties. 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 (also refer note 13(c) of statement).

21. In case of a joint venture, advances totaling to Rs.16,376.30 lakhs as at September 30, 2021, were given to various parties for acquisition of tenancy rights. As explained by the Management of such joint venture, the joint venture is in process of obtaining tenancy rights from remaining unsettled tenants and necessary approvals with regard to project development.

22. In case of certain subsidiary companies, project cost carried in inventory totaling to Rs.148,866.03 lakhs as on September 30, 2021 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.

23. In case of a subsidiary company, with regards to acquisition of certain debts by way of assignment from a Bank and an ARC Company amounting Rs.42,559.11 lakhs as on September 30, 2021, 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 as the said financial assets do not satisfy the criteria to measure the same at amortised cost or at FVTOCI. In view of the same, the impairment loss provided by applying the expected credit loss model is reversed in the earlier year(s).

24. In case of a subsidiary company, with regards to the status of the amounts due to one company aggregating to Rs.2,000.00 lakhs as on September 30, 2021 for which terms & condition are pending for execution by one of the subsidiary companies.

25. In case of two subsidiaries, with regards to the memorandum of understanding entered into with a party for acquiring part of the rights in leasehold land for development thereof, including advances granted aggregating to Rs. 1,640.00 lakhs / to be granted and the implications if it is not able to complete its obligations within the agreed timelines.

26. 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 to KDPL and adjustment of the profit / loss relating to the said Project Undertaking, being carried out by the said subsidiary in trust for KDPL. NCLT approval for the same is awaited.

27. In case of a subsidiary company, with regards to trade advances of Rs 20.92 lakhs granted to certain parties which are outstanding for more than three years and on which no provision for doubtful advances was created on account of management assessment that these are good and fully recoverable.

28. In case of a subsidiary company, as regards charges created on 345 units under construction forming part of the subsidiary's project in respect of borrowings made by subsidiary's joint venture partner, with whom the subsidiary company proposes to rescind the agreement and against whom insolvency and bankruptcy proceedings have been initiated by the Hon'ble National Company Law Tribunal and as regards status of the agreements entered into with the entity and settlement of accounts with it.

29. In case of a subsidiary company, as regards its management opinion with respect to claims on amounts refundable on cancellation of flats of Rs. 1,299.69 lakhs and realization of debts from customers of Rs.29,263.04 lakhs.

30. In case of a subsidiary company, as regards liability towards the approval cost of Rs. 14,148.18 lakhs based on the offer letters from MHADA and claim of interest thereon.

31. In case of a subsidiary company, there is a non-provision of interest on disputed property tax matters of Rs.2,886.72 lakhs as on September 30, 2021.

32. The Group, its associate and joint ventures are party to various legal proceedings in normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of the operations or cash flow. We have relied upon the representation from the in-house legal team as regards the same (refer note 13(d) of the statement).

33. In respect of certain subsidiary companies and associates for which Ind AS financial results for the quarter and half year ended September 30, 2021 have neither been reviewed by us nor by respective auditors of those entities and have been furnished to us by the Management of the Parent. As on March 31, 2021, the respective auditors of the said entities have drawn attention to following matters, for which the management of the Parent has informed that there has been no update/ change in the status of the matters.

i. In case of a step down subsidiary company, as regards recoverability aspect of loans of Rs.743.02 lakhs which includes loan to a third party which are subject to confirmation and also to the opinion of the Management of such step down subsidiary company, that all the loans are good for recovery.

ii. In case of a step down subsidiary company, non-provision of disputed service tax demand of Rs.1,843.77 lakhs as on September 30, 2021.

iii. 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.

iv. In case of a step down subsidiary company, as regards certain Trade Payable, Contractors' Retention Money and Mobilisation Advance in its financial statements is subject to confirmation.

Observation made by us in the above paragraphs 12, 19, 21 to 25, 27 to 31 and 33 and their impact on the Statement, have not been disclosed in the notes to the Statement. The above matters (except para 14, 15, 18 and 32) were included in emphasis of matters by the erstwhile auditors in their limited review report dated August 12, 2021 for the quarter ended June 2021 and audit report dated June 30, 2021 for the financial year 2020-21. Our conclusion is not modified in respect of the above matters.

34. We did not review the interim financial results of seven subsidiaries (including one step down subsidiary) included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs. 455.97 lakhs and Rs. 1,208.13 lakhs, total net loss after tax of Rs. 13,359.91 lakhs and Rs. 16,771.74 lakhs and total comprehensive loss of Rs. 13,345.74 lakhs and Rs. 16,753.15 lakhs, for the quarter and half year ended September 30, 2021, respectively, and cash flows (net) of Rs. (427.08 lakhs) for the period from April 01, 2021 to September 2021, as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also includes the Group's share of net loss after tax of Rs. 1,060.49 lakhs and Rs. 1,641.54 lakhs and total comprehensive loss of Rs. 1,060.48 lakhs and Rs. 1,641.52 lakhs for the quarter ended and half year ended September 30, 2021, respectively, as considered in the unaudited consolidated financial results, in respect of one associate and three joint ventures (including one step down joint ventures), whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

35. The unaudited consolidated financial results includes the interim financial results of sixteen subsidiaries (including two step down subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs.1.12 lakhs and Rs. 204.29 lakhs, total net loss of Rs. 7,134.68 lakhs and Rs. 9,044.38 lakhs and total comprehensive loss of Rs. 7,134.68 lakhs and Rs. 9,044.38 lakhs for the quarter and year ended September 30, 2021, and cash flows (net) of Rs. 1,658.76 lakhs for the period from April 01, 2021 to September 2021, as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also includes the Group's share of net profit after tax of Rs.43.99 lakhs and Rs. 87.98 lakhs and total comprehensive profit of Rs.43.99 lakhs and Rs. 87.98 lakhs for the quarter and year ended September 30, 2021,respectively, as considered in the unaudited consolidated financial results, in respect of seventeen associates and joint ventures (including eleven step down joint ventures), based on their interim financial results which have not been reviewed by their auditors. According to the information and explanation given to us by the Management, these interim financial results are not material to the Group including its associates and joint ventures.

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

36. The Statement includes unaudited consolidated financial results for the comparative periods, for the quarter ended June 30, 2021, quarter and half year ended September 30, 2020 and audited financial results for the year ended March 31, 2021 which are based on the financial results which were reviewed / audited by erstwhile auditor of the Company. The erstwhile auditors had issued modified limited review report dated August 12, 2021, November 09, 2020 and modified audit report dated June 30, 2021. (Also see basis of qualified conclusion paragraph for modifications made by the erstwhile auditors).

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

For N. A. Shah Associates LLP

Chartered Accountants
Firm's Registration No. 116560W/W100149

MILAN
NAVIN MODY

Digitally signed by MILAN NAVIN MODY
DN: c=IN, o=Personal, title=7027, pseudonym=c14c7df51e8efaf846ab7b462457ab0088b67cd4, 2.5.4.20=0e3e9555c7d43306842716cf5b463cb460b64f9658d8d8e453272ccde090e68f, postalCode=400028, st=MAHARASHTRA, serialNumber=b53fc37c6a6ccc5435460835a4d6b0fe9c18f4b228ea4b35b24166dbb248fbc3, cn=MILAN NAVIN MODY
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Milan Mody
Partner
Membership number: 103286
UDIN: 21103286AAAAIZ5786

Place: Mumbai
Date: November 12, 2021