



319-320, REX CHAMBERS, W. H. MARG, BALLARD ESTATE, MUMBAI - 400 001.
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INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
FLAXO REAL ESTATE PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of FLAXO REAL ESTATE PRIVATE LIMITED, which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

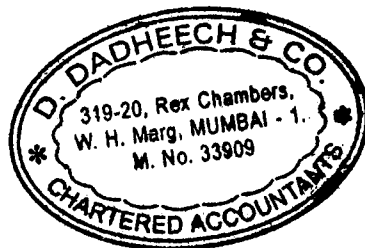
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014; and
- b) in the case of the Statement of Profit and Loss Account, of the **Loss** for the year ended on that date

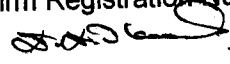
Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraph 4 of Companies (Auditor's Report) Order 2003, issued by the Central Government in terms of section 227(4A) of the Companies Act 1956, since in our opinion and according to the information and explanations given to us, the said order is not applicable to the Company.
2. As required by section 227 (3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : Mumbai
Date : 23/05/2014



For D. Dadheech & Co.
Chartered Accountants
Firm Registration Number: 101981W


Devesh H. Dadheech
Proprietor
Membership No.: 33909

FLAXO REAL ESTATE PRIVATE LIMITED
BALANCE SHEET AS ON 31ST MARCH 2014

(Rs In Lakhs)

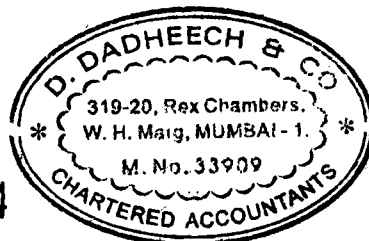
Particulars	Note No.	31-Mar-14	31-Mar-13
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	1	1.00	1.00
Reserve & Surplus	2	(4.70)	(2.94)
Non-Current Liabilities			
Long Term Borrowings	3	4,439.43	3,942.44
Current Liabilities			
Trade payables	4	2.28	1.80
Other Current Liabilities	5	561.67	514.38
TOTAL		4,999.69	4,456.68
ASSETS			
Current assets			
Inventories	6	4,999.03	4,441.36
Cash & Cash Equivalents	7	0.65	15.31
TOTAL		4,999.69	4,456.68

As per our report of even date
For and on behalf of
D. Dadheech & Co.
Chartered Accountants

(Signature)

Devesh Dadheech
Proprietor
Membership No. 33909
FR No. 101981W

Mumbai
Date: 23 MAY 2014



For and on behalf of Board of Directors

(Signature)
Bharat Sanghavi

Director

(Signature)
Shardul Doshi

Director

FLAXO REAL ESTATE PRIVATE LIMITED

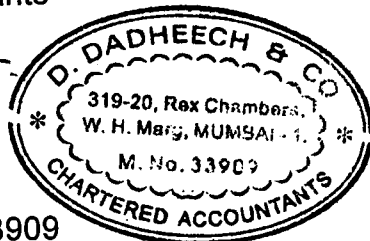
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(Rs In Lakhs)

Particulars	Note No.	Year Ended 31-Mar-14	Year Ended 31-Mar-13
INCOME:			
Income From Operation		-	-
Total Revenue		-	-
EXPENSES:			
Filing Fees		0.04	0.03
Professional Fees		0.29	1.15
Miscellaneous Expenses		1.10	0.47
Interest on WCT Late Payment		0.05	-
Audit Fees		0.28	0.13
Total Expenses		1.76	1.79
Profit before tax		(1.76)	(1.79)
Tax expense: Current tax		-	-
Profit after tax		(1.76)	(1.79)
Earning Per equity share: Basic & Diluted (Refer Note 6 of (II) note No. 8)		(17.59)	(17.86)
SIGNIFICANT ACCOUNTING POLICIES (For notes forming part of accounts Note No. 8)			

As per our report of even date
For and on behalf of
D. Dadheech & Co.
Chartered Accountants

Devesh Dadheech
Proprietor
Membership No. 33909
FR No. 101981W



For and on behalf of Board of Directors

Bharat Sanghavi
Bharat Sanghavi

Director

Shardul Doshi
Shardul Doshi

Director

Mumbai
Date : 23 MAY 2014

FLAXO REAL ESTATE PRIVATE LIMITED

(Rs In Lakhs)

Note No. 1 : Share Capital

Particulars	31-Mar-14	31-Mar-13
Authorised		
10,000 (P.Y. 10000) Equity Shares of Rs.10/- each	1.00	1.00
Issued, Subscribed and Paid up		
10,000 (P.Y. 10000) Equity Shares of Rs.10/- each (Wholly owned subsidiary of Peninsula Holdings & Investments Private Limited)	1.00	1.00
Terms /rights attached to Equity shares		
The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend.		
Share Holder holding more than 5% of share capital (i) 100% of share capital held by Peninsula Holdings and Investments Private Limited		
	1.00	1.00

Note No. 2 : Reserve & Surplus

Particulars	31-Mar-14	31-Mar-13
Profit & Loss Account		
Opening Balance	(2.94)	(1.15)
Add : Profit /(Loss) of current year	(1.76)	(1.79)
Closing Balance of Reserve and surplus	(4.70)	(2.94)

Note No. 3 : Long Term Borrowings

Particulars	31-Mar-14	31-Mar-13
Unsecured Loan		
Loan from Ultimate Holding Company (Peninsula Land Limited)	4,439.43	3,942.44
Terms of Loan		
(i) Loan Repayable		
Loan is repayable from cash flow of project		
	4,439.43	3,942.44

FLAXO REAL ESTATE PRIVATE LIMITED

Note No. 4 : Current Liabilities

(Rs In Lakhs)

Particulars	31-Mar-14	31-Mar-13
Trade Payables	-	-
MSMED	2.28	1.80
Others		
	2.28	1.80

Note No. 5 : Other Current Liabilities

Particulars	31-Mar-14	31-Mar-13
Other Current Liabilities	47.87	0.58
Statutory Liabilities	513.80	513.80
Trade Advances		
	561.67	514.38

Note No. 6 : Cash and Cash Equivalents

Particulars	31-Mar-14	31-Mar-13
Cash on hand	0.09	1.16
Balance with banks in current Accounts	0.57	14.16
	0.65	15.31

Note No. 7 : Inventories (Valued at Cost)

Particulars	31-Mar-14	31-Mar-13
Inventories (Work in progress Realty Stock) (Refer Para 8 Part II of Note 9)	4,999.03	4,441.36
	4,999.03	4,441.36

FLAXO REAL ESTATE PRIVATE LIMITED

NOTE NO. 8

Notes forming part of accounts I Significant Accounting Policy

1 Accounting Convention:

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act 1956.

2 Company has been Incorporated on 14th December 2010.

3 Fixed assets
There are no fixed assets.

4 Depreciation/Amortisation
Since there are no Fixed assets, there is no depreciation.

5 Miscellaneous Expenditure:
The Company has written off the entire preliminary expenses to be in line with AS 26.

6 Investments
The Company does not have any Investments.

II. NOTES TO ACCOUNTS:

1 Based on the information available with the Company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31st 2014 Hence, the information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not disclosed.

2 In the opinion of the directors, current assets, have the value at which they are stated in the balance sheet, if realized in the ordinary course of business. Sundry creditors are subject to confirmation.

3 Contingent Liabilities:
The Company does not have any Contingent liabilities.

4 Cash on Hand at the end of the year is physically verified by the Management on which the Auditors have kept reliance.

5 In the opinion of the Board, the Current Assets are approximately of the value stated, if realised in the ordinary course of business

6 Earning Per Share

Sr. No.	Particular	2013-2014	2012-2013
1	Profit /(Loss) After Tax (Rs In Lacs)	(1.76)	(1.79)
2	Weighted Average Number of Shares	10000	10000
3	Basic & Diluted Earning Per Share (In Rs)	(17.59)	(17.86)

7 List of Related party and transaction during the year

- a. Ultimate Controlling Company
Peninsula Land Limited (PLL)
- b. Controlling Company
Peninsula Holdings and Investments Pvt Ltd. (PHIPL)
- c. Key Managerial Personnel
Bharat Sanghavi
Shardul Doshi
Nandan Piramal

(Rs In Lakhs)

Details of Transaction are as follows		2013-2014	2012-2013
	Balance as on 1st April 2013	3942.44	4,241.98
a	Loan Received from		
	PLL Ultimate controlling Company	71.11	196.00
	PLL- Reimbursements of Expenses	1.45	4.99
b	Interest payable to PLL	478.38	-
c	Loan repaid to - PLL		
	PLL Ultimate controlling Company	6.10	500.53
	PLL Ultimate controlling Company- TDS paid	47.84	-
	Balance Payable as on 31st March 2014	4,439.44	3,942.44
	PLL		

(Rs In Lakhs)

8 Details of Work In Progress		31-Mar-14	31-Mar-13
	Particulars		
	Opening Balance	4,441.36	4,247.36
	<u>Addition during the year:</u>		
	Development expenses	79.29	92.88
	Finance Cost	478.38	101.12
	Total	4,999.03	4,441.36

9 The Company is registered with MCA under CIN No. U70102MH2010PTC210969

10 Previous year figures have been regrouped where ever necessary.

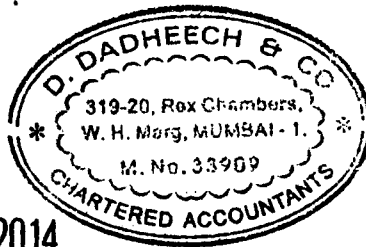
As per our report of even date
For and on behalf of
D. Dadheech & Co.
Chartered Accountants

Devesh Dadheech

Devesh Dadheech
Proprietor
Membership No. 33909
FR No. 101981W

Mumbai
Date:

23 MAY 2014



For and on behalf of Board of Directors

Bharat Sanghavi

Bharat Sanghavi Director

Shardul Doshi

Shardul Doshi Director

FLAXO REAL ESTATE PRIVATE LIMITED

Rs in Lakhs

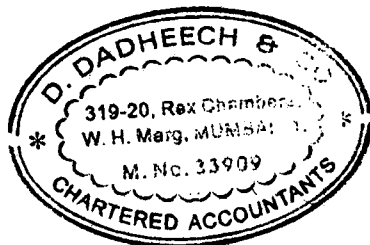
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

		For the Year Ended 2013-2014		For the Year Ended 2012-2013	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit (Loss) Before Tax and Extra Ordinary Items		(1.76)		(1.79)
	Adjustments for:				
	Operating Profit Before Working Capital Changes		(1.76)		(1.79)
	Adjustments for:				
	Less:				
	(Increase) /Decrease in Loans & Advances	(557.67)		(194.00)	
	(Increase) /Decrease in Inventories	47.77		507.85	
	Increase/(Decrease) in Trade Payables				
	Cash Generated from Operations		(509.90)		313.84
	Net Cash From Operating Activities	(A)	(511.66)		312.06
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Net Cash From Investing Activities	(B)	-		-
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Long Term Borrowings from Ultimate Holding Company		497.00		(299.54)
	Net Cash Used in Financing Activities	(C)	497.00		(299.54)
	Net Increase in Cash and Cash Equivalents (A)+(B)+(C)		(14.66)		12.52
	Cash and Cash Equivalents at the beginning of the year		15.31		2.80
	Cash and Cash Equivalents at the end of the year		0.65		15.31

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the ICAI.
- Previous figures have been regrouped or rearranged or reclassified wherever necessary to confirm the current year's classifications.

As per our report of even date
For and on behalf of
D. Dadheech & Co.
Chartered Accountants

Devesh Dadheech
Proprietor
Membership No. 33909
FR No. 101981W



For and on behalf of Board of Directors

Bharat Sanghavi
Bharat Sanghavi Director

Shardul Doshi
Shardul Doshi Director

Mumbai
Date:

23 MAY 2014