

DRASHTI DEVELOPERS PRIVATE LIMITED

All Correspondence to:

Shapoorji Pallonji Centre, 41/44, Minoo Desai Marg, Colaba, Mumbai 400 005. • Tel: 6749 0000 Fax : 6633 8176

BOARD'S REPORT

To
The Members of,
Drashti Developers Private Limited

Your Directors have pleasure in presenting the 8th Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2015.

FINANCIAL HIGHLIGHTS:

The Company's financial performance for the financial year ended March 31, 2015, alongwith the previous year's figures, are summarised hereunder:

Particulars	(Amt in Rs.)	
	Current Year 2014-15	Previous Year 2013-14
Revenue From Operations	-	-
Other Income	45,71,576	-
Total Revenue	45,71,576	-
Less: Total Expenses	(33,40,303)	(2,57,81,904)
Profit /(Loss) Before Tax	12,31,273	(2,57,81,904)
Less: Tax expenses	Nil	Nil
Profit / (loss) after tax	12,31,273	(2,57,81,904)
Balance in Profit and Loss account brought forward	(2,82,00,779)	(24,18,875)
Add / Less: Profit / (loss) for the year	12,31,273	(2,57,81,904)
Profit and Loss account balance carried forward to the Balance Sheet	(2,69,69,506)	(2,82,00,779)

STATE OF COMPANY'S AFFAIRS:

During the year ended March 31, 2015, the Company has earned income in the form of dividend, interest and profit on sale of units of Mutual funds amounting to Rs. 45,71,576/- compared to nil revenue in the previous year. Profit after tax for the year ended March 31, 2015 is Rs. 12,31,273/- in comparison to loss of Rs. 2,57,81,904/- in the previous year.

DIVIDEND:

No dividend was declared for the financial year under review due to accumulated losses.

SHARE CAPITAL:

The Authorised share capital of the Company is Rs. 5,00,000/- comprising of 50,000 equity shares of Rs. 10/- each. The paid-up share capital is Rs. 5,00,000/- comprising of 50,000 equity shares of Rs. 10/- each fully paid-up. During the financial year ended March 31, 2015, the Company has not issued any shares or convertible instruments.

(Regd. Office : 70, Nagindas Master Road, Fort, Mumbai - 400 023. Phone : 2267 3924)

Corporate Identification No. : U70109MH2007PTC166942

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AMOUNT PROPOSED TO BE CARRIED TO RESERVES:

There were no transfer to reserves made during the financial year ended March 31, 2015.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT:

No material changes or commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.

PARTICULARS OF EMPLOYEES:

There are no employees in the Company who are covered by the provisions contained in Rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

HOLDING COMPANY:

Shapoorji Data Processing Private Limited is holding company of your Company.

Shapoorji Pallonji and Company Private Limited (Formerly known as Shapoorji Pallonji and Company Limited) is the ultimate holding company of your Company.

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

Since the operations of the Company are restricted to construction and property development, the provisions of Section 134(3)(m) of the Companies Act, 2013 relating to conservation of energy and technology absorption do not apply to our Company. There were no foreign exchange earnings and outgo during the year under review.

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY FOR THE COMPANY:

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, Competition, Business Risk, which, further includes financial risk, political risk, fidelity risk, legal risk and investment risk.

As a matter of practice, these risks are assessed and appropriate steps are taken by the management of the Company to mitigate the same.

DETAILS ABOUT POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR:

The Company had not taken or implemented any Corporate Social Responsibility initiatives as the provisions relating to Corporate Social Responsibility under the Companies Act, 2013 and rules made there under were not applicable to the Company for the financial year 2014-15.

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PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year ended March 31, 2015.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Companies Act, 2013 entered by the Company during the year under review with related party/(ies) are in the ordinary course of business and on arms' length basis. Hence, Section 188(1) is not applicable and consequently no particulars in form AOC-2 have to be furnished.

EXPLANATION OR COMMENTS BY THE BOARD ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS:

Auditor pointed out that accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial year. The Company has not incurred cash losses in the financial year, however it has incurred cash losses in the immediately preceding financial year.

The management is of the view that the erosion of the net worth is temporary in nature. The Company has made strategic investments in certain assets / projects, the proceeds of which when fructified, would result in turnaround of the Company.

EXTRACT OF ANNUAL RETURN:

An extract of the Annual Return in Form No. MGT - 9, as referred to in Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is furnished in **Annexure 1** and is attached to this Report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR ENDED MARCH 31, 2015:

The Company had 9 Board meetings during the financial year ended March 31, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 relating to Directors' Responsibility Statement, the Board hereby states that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profits of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

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(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEPOSITS:

The Company has neither accepted nor renewed any deposit(s) during the financial year ended March 31, 2015.

DIRECTORS:

The Board consists of Mr. Venkatesh Gopalkrishnan (DIN: 01252461) and Mr. Mohan Jacob (DIN: 06788995).

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS:

The provisions of Section 149(4) pertaining to the appointment of Independent Directors do not apply to the Company and hence no declaration under 149(6) was required during the financial year ended March 31, 2015.

STATUTORY AUDITORS:

The Auditors M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No.101248W/W-100022), were re-appointed as Statutory Auditors in the Annual General Meeting held for the financial year 2013-14 in terms of Section 139 of the Companies Act, 2013 to hold office till the ensuing Annual General Meeting. The Company has received a certificate from the said Auditors to the effect that their appointment at the ensuing Annual General Meeting, would be in accordance with the provisions of Section 141 of the Companies Act, 2013. Accordingly, the Board recommends their appointment as the Statutory Auditors of the Company in terms of Section 139 of the Companies Act, 2013.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate system of internal controls that are commensurate with its size and nature of business to safeguard and protect the Company from losses, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and ensuring timely reporting of financial statements.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company had not framed or implemented Vigil Mechanism/Whistle Blower Policy as the provisions relating to Vigil Mechanism under the Companies Act, 2013 were not applicable to the Company for the financial year-2014-15.

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ACKNOWLEDGEMENT:

Your Directors place on record their sincere thanks to bankers, business associates, consultants and various Government Authorities for their continued support extended to your Company's activities during the financial year ended March 31, 2015. Your Directors also acknowledge the shareholders and creditors gratefully, for their support and confidence reposed on your Company.

By Order of the Board of Directors

For DRASHTI DEVELOPERS PRIVATE LIMITED



VENKATESH GOPALKRISHNAN
(DIRECTOR)
DIN: 01252461



MOHAN JACOB
(DIRECTOR)
DIN: 06788995

4.

Registered Office:

70, Nagindas Master Road, Fort,
Mumbai – 400 023.
11th June, 2015.

B S R & Co. LLP

Chartered Accountants

1st Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 3989 6000
Fax +91 (22) 3090 2511

Independent Auditors' Report

To the Members of Drashti Developers Private Limited

Report on the financial statements

We have audited the accompanying financial statements of Drashti Developers Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2015 and the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

Independent Auditors' Report (Continued)

Drashti Developers Private Limited

Auditor's responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended as on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014



Independent Auditors' Report (*Continued*)

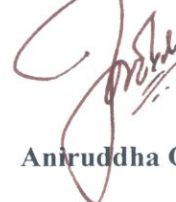
Drashti Developers Private Limited

Report on other legal and regulatory requirements (*Continued*)

- (e) on the basis of written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Aniruddha Godbole
Partner

Membership No: 105149

Mumbai
11 June 2015

Drashti Developers Private Limited

Annexure to the Independent Auditors' Report – 31 March 2015

(Referred to in our report of even date)

- (i) The Company does not have fixed assets. Accordingly, paragraph 3(i) of the Order is not applicable to the Company.
- (ii) The Company does not hold any physical inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii) of the Order is not applicable to the Company.
- (iv) The activities of the Company currently do not involve purchase of fixed assets, inventories and sale of goods and services. Accordingly, paragraph 3(iv) of the Order with respect to purchase inventories or sale of goods is not applicable to the Company. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Service tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities by the Company. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Provident fund, Employees' State Insurance, Sales tax, Wealth tax, duty of customs, duty of excise, Value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Service tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute.



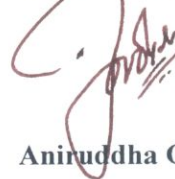
Drashti Developers Private Limited

Annexure to the Independent Auditors' Report – 31 March 2015 (Continued)

- (c) According to the information and explanations given to us, there are no dues of Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956.
- (viii) *The accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial year. The Company has not incurred cash losses in the financial year, however it has incurred cash losses in the immediately preceding financial year.*
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers and debenture holders. The Company did not have any outstanding dues to any financial institutions during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For BSR & Co. LLP
Chartered Accountants

Firm's Registration No: 101248 W/W-100022



Aniruddha Godbole
Partner

Membership No: 105149

Mumbai
11 June 2015

Drashti Developers Private Limited

Balance sheet

as at 31 March 2015

(Currency : Indian Rupees)

	Notes	2015	2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	500,000	500,000
Reserves and surplus	4	(26,969,506)	(28,200,779)
		<u>(26,469,506)</u>	<u>(27,700,779)</u>
Non-current liabilities			
Long-term borrowings	5	50,000,000	-
Current liabilities			
Short-term borrowings	6	1,275,100,000	532,700,000
Trade payables	7	744,381,200	37,959,138
Other current liabilities	8	117,426,312	27,140,330
		<u>2,136,907,512</u>	<u>597,799,468</u>
TOTAL		<u>2,160,438,006</u>	<u>570,098,689</u>
ASSETS			
Non-current assets			
Deferred tax assets, net	23	-	-
Long-term loans and advances	9	13,021	-
		<u>13,021</u>	<u>-</u>
Current assets			
Current investments	10	262,991,369	-
Inventories	11	1,892,817,689	554,539,226
Cash and bank balances	12	577,424	6,653,833
Short-term loans and advances	13	4,038,503	8,905,630
		<u>2,160,424,985</u>	<u>570,098,689</u>
TOTAL		<u>2,160,438,006</u>	<u>570,098,689</u>

Significant accounting policies

Notes to the financial statements

2
3 - 29

The notes referred above form an integral part of these financial statements.

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

11 June 2015

For and on behalf of the Board of Directors of

Drashti Developers Private Limited

CIN: U70109MH2007PTC166942

Venkatesh Gopalkrishnan

Director

DIN: 01252461

Mumbai

11 June 2015

Mohan Jacob

Director

DIN: 06788995



Drashti Developers Private Limited

Statement of Profit and Loss

for the year ended 31 March 2015

(Currency : Indian Rupees)

	Notes	2015	2014
Revenue			
Other income	14	4,571,576	-
Total revenue		<u>4,571,576</u>	<u>-</u>
Expenses			
Cost of material consumed	15	1,338,278,463	554,539,226
(Increase) in inventories of project work-in-progress	16	(1,338,278,463)	(554,539,226)
Finance costs	17	-	20,976,969
Other expenses	18	3,340,303	4,804,935
Total expenses		<u>3,340,303</u>	<u>25,781,904</u>
Profit / (loss) before tax		<u>1,231,273</u>	<u>(25,781,904)</u>
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
Profit / (loss) after tax		<u>1,231,273</u>	<u>(25,781,904)</u>
Basic and diluted earnings / (loss) per share (Rs)	22	<u>24.63</u>	<u>(515.64)</u>
(Face value of Rs 10 each)			
Significant accounting policies	2		
Notes to the financial statements	3 - 29		

The notes referred above form an integral part of these financial statements.

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

11 June 2015

For and on behalf of the Board of Directors of
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11 June 2015

Mohan Jacob

Director

DIN: 06788995



Drashti Developers Private Limited

Cash flow statement

for the year ended 31 March 2015

(Currency : Indian Rupees)

	2015	2014
A. Cash flows from operating activities		
Profit / (loss) before tax	1,231,273	(25,781,904)
Adjustment for :		
Profit on sale of mutual fund units	(72,827)	-
Finance costs	-	20,976,969
Dividend income	(4,368,542)	-
Interest income	(130,207)	-
Operating loss before working capital changes	(3,340,303)	(4,804,935)
Changes in working capital:		
(Increase) in loans and advances	4,867,127	(4,867,127)
(Increase) in inventories	(588,199,888)	(554,539,226)
Increase in trade payables and other liabilities	70,710,993	42,270,976
Cash flows generated from operations	(515,962,071)	(521,940,312)
Taxes paid, net	(13,021)	-
Net cash flows (used in) operating activities	A (515,975,092)	(521,940,312)
B. Cash flows from investing activities		
Purchase of investments	(1,392,618,542)	-
Proceeds from sale of investments	1,129,700,000	-
Interest received	130,207	-
Dividend received	4,368,542	-
Net cash flows (used in) investing activities	B (258,419,793)	-
C. Cash flows from financing activities		
Proceeds from short-term unsecured borrowings	1,932,500,000	528,600,000
(Repayment) of short-term unsecured borrowings	(1,190,100,000)	-
Proceeds from issue of compulsorily convertible debentures	50,000,000	-
Finance costs paid	(24,081,524)	(105,191)
Net cash flows generated from financing activities	C 768,318,476	528,494,809
Net (decrease) / increase in cash and cash equivalents	(A+B+C) (6,076,409)	6,554,497
Cash and cash equivalents at the beginning of the year	6,653,833	99,336
Cash and cash equivalents at the end of the year	577,424	6,653,833



Drashti Developers Private Limited

Cash flow statement (Continued)

for the year ended 31 March 2015

(Currency : Indian Rupees)

Notes :

1. The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 ('AS 3') on Cash Flow Statement prescribed in Companies (Accounting Standard) Rules, 2006.

	2015	2014
2. Components of cash and cash equivalents		
Cash in hand	25,807	5,016
Balance with banks:		
- in current accounts	551,617	6,648,817
	<u>577,424</u>	<u>6,653,833</u>

The notes referred above form an integral part of this cashflow statement.

As per our report of even date attached.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

11 June 2015

For and on behalf of the Board of Directors of

Drashti Developers Private Limited

CIN: U70109MH2007PTC166942



Venkatesh Gopalkrishnan

Director

DIN: 01252461

Mumbai

11 June 2015



Mohan Jacob

Director

DIN: 06788995



Drashti Developers Private Limited

Notes to the financial statements

for the year ended 31 March 2015

(Currency : Indian Rupees)

1 Background

Drashti Developers Private Limited ('the Company') was incorporated as a private limited company on November 11, 2007. The Company is a wholly owned subsidiary of Shapoorji Data Processing Private Limited and is engaged in real estate development.

The Company has entered into an agreement with KWIC on 27 November 2013 for sublease of 30.385 Acres of land along with residential building situated at Mouzas Balitkuri, Pakhuria and Khalia in the district of Howrah from Kolkata West International City Private Limited (KWICPL). Pursuant to the said agreement KWICPL will develop and handover the said land and building within a period of 8 years to the Company from the said date.

2. Significant accounting policies

2.1. Basis of preparation of financial statements

The accompanying financial statements have been prepared in compliance with the requirements under Section 133 of the Companies Act, 2013 (to the extent notified) ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, and other generally accepted accounting principles (GAAP) in India, to the extent applicable, under the historical cost convention, on the accrual basis of accounting. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006.

Going concern

As at 31 March 2015, the Company's paid-up capital and reserves were Rs 26,469,506 (2014: Rs 27,700,779) and correspondingly, the Company's accumulated losses aggregated Rs 26,969,506 (2014: Rs 28,200,779).

Based on the support letter received from the shareholders and the business plan adopted by the Board of directors, the Company's management believes that the Company will continue to operate as a going concern and meet all its liabilities as they fall due for payment and consequently will be in a position to continue in operation for the foreseeable future, to realise its assets and to discharge its liabilities in the normal course of business.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

2.2 Current / Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.



Drashti Developers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian Rupees)

2. Significant accounting policies (Continued)

2.3 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.4 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.5 Project work-in-progress

Direct expenses like cost of premium for leasehold land, site labour cost, material used for project construction, project management consultancy, costs for moving the plant and machinery to the site and general expenses incurred specifically for the respective project like insurance, design and technical assistance, and construction overheads are taken as the cost of project work-in-progress. Construction materials comprises building material, components, stores and spares.

Inventories are valued as lower of cost and net realizable value. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories which comprise of project work- in-progress is carried at the lower of cost and net realizable value. In determining the cost weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.6 Investments

Long-term investments are stated at cost. Provision is made to recognize a decline, other than temporary in value of long term investments and is determined separately for each individual investment. Current investments are stated at lower of cost and fair value, computed separately in respect of each category of investment.

2.7 Revenue recognition

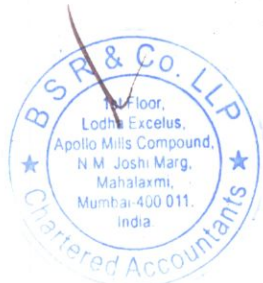
Interest income is recognized on the time proportionate basis.

Dividend income is recognised in the statement of profit and loss on the date the entity's right to receive the payments is established.

2.8 Taxation

Current tax

Current tax provision is made based on the results of 31 March 2015 in accordance with the Income-tax Act, 1961.



Drashti Developers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian Rupees)

2. Significant accounting policies (Continued)

2.8 Taxation (Continued)

Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

2.9 Earnings per share

The basic earnings per share (EPS) is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

2.10 Provisions and contingencies

A provision is recognised when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made.



Drashti Developers Private Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency : Indian Rupees)

3 Share capital

Authorised capital

50,000 (2014: 50,000) equity shares of Rs 10 each

2015

2014

500,000

500,000

500,000

500,000

Issued, subscribed and paid-up

50,000 (2014: 50,000) equity shares of Rs 10 each

500,000

500,000

500,000

500,000

A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

	2015		2014	
	Number	Amount	Number	Amount
Equity shares of Rs 10 each, fully paid-up				
Shares outstanding at the beginning and end of the year	50,000	500,000	50,000	500,000

B Rights, preferences and restrictions attached to shares:

Equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time after subject to of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

C Shares held by holding company

	2015		2014	
	No of shares	Rupees	No of shares	Rupees
Equity shares of Rs 10 each, fully paid-up are held by:				
Shapoorji Data Processing Private Limited	50,000	500,000	500,000	500,000

D Details of shareholders holding more than 5% shares is as set out below:

	2015		2014	
	Number	Percentage	Number	Percentage
Equity shares of Rs 10 each, fully paid-up are held by:				
Shapoorji Data Processing Private Limited	50,000	100	50,000	100

E Shares reserved for issue under options and contracts/ commitments for sale of shares / disinvestment:

	2015		2014	
	No of shares	Rupees	No of shares	Rupees
For compulsorily convertible debentures:				
Equity shares of INR 10 each, fully paid-up	*	50,000,000		

(Also refer to terms of debentures in note 5 below)

* The debentures will be converted into equity shares of face value Rs 10 each, fully paid-up, on completion of 12 years from date of issue i.e. 1 January 2027 or an earlier date as mutually agreed amongst parties, subject to certain conditions. Accordingly, the number and amount of equity shares will be determined only on completion of 12 years from date of issue. Also refer note 5 below.

Drashti Developers Private Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency : Indian Rupees)

	2015	2014
4 Reserves and surplus		
Deficit (Profit and loss balance)		
At the commencement of the year	(28,200,779)	(2,418,875)
Add: Profit / (loss) for the year	1,231,273	(25,781,904)
Total reserves and surplus	(26,969,506)	(28,200,779)
5 Long-term borrowings		
Unsecured		
Debentures	50,000,000	-
500,000 (2014: Nil) 14% Compulsorily convertible debentures of Rs 100 each		
	50,000,000	-
Note:		
The Company has issued 500,000, 14% compulsorily convertible debentures (CCDs) of INR 100 each on 1 January 2015. These debentures are unsecured. The debentures will be converted into equity shares of face value Rs 10 each, fully paid-up, on completion of 12 years from date of issue i.e. 1 January 2027 or an earlier date as mutually agreed amongst parties, subject to certain conditions. The interest payable on the CCDs shall be cumulative and payable only on securities conversion date.		
6 Short-term borrowings		
Unsecured		
Inter-corporate deposits *		
from related parties		
- Shapoorji Pallonji and Company Private Limited	275,100,000	532,600,000
(formerly known as Shapoorji Pallonji and Company Limited)		
from other parties		
- Bengal Shapoorji Housing Development Private Limited	1,000,000,000	-
- Skyscape Developers Private Limited	-	100,000
	1,275,100,000	532,700,000
Note:		
* The Company has obtained unsecured inter-corporate deposits carrying rate of interest @ 12% to 12.25% per annum. These inter-corporate deposits are repayable after one year.		
7 Trade payables		
Trade payables towards goods purchased and services received		
Micro and small enterprises (refer note 27)		
Others	744,381,200	37,959,138
	744,381,200	37,959,138
8 Other current liabilities		
Interest accrued but not due on borrowings	107,997,388	22,820,437
Other payables		
- Statutory dues payable *	9,072,761	3,997,150
- Accrual for expenses	356,163	322,743
	117,426,312	27,140,330

* Statutory dues payable are in the nature of income tax deducted at source.



Drashti Developers Private Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency : Indian Rupees)

	2015	2014
9 Long-term loans and advances (Unsecured, considered good)		
To other than related parties		
Advance tax including tax deducted at source (net of provision for tax Rs Nil; 2014: Rs Nil)	13,021	-
	<u>13,021</u>	<u>-</u>
10 Current investments (valued at lower of cost and fair value)		
Investments in mutual funds - (non-trade, quoted)		
77252.588 (2014: Nil) units of Reliance Liquid Fund - IP - Growth	262,322,826	-
437.316 (2014: Nil) units of Reliance Liquid Fund - IP - Daily Dividend	668,543	-
	<u>262,991,369</u>	<u>-</u>
Quoted current investments		
Aggregate book value	262,991,369	-
Aggregate market value	263,761,129	-
11 Inventories		
Premium for leasehold land	1,324,817,300	226,466,000
Material and contractual payments	17,000,000	-
Professional and technical fees	62,508,695	2,286,708
Finance costs	109,258,475	-
Other expenses	379,233,219	325,786,518
	<u>1,892,817,689</u>	<u>554,539,226</u>
12 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	25,807	5,016
Balances with banks		
- in current account	551,617	6,648,817
	<u>577,424</u>	<u>6,653,833</u>
13 Short-term loans and advances (Unsecured, considered good)		
Other loans and advances		
Receivable from Svadeshi Mill Company Limited (Refer note 24)	4,038,503	4,038,503
Service tax receivable	-	4,867,127
	<u>4,038,503</u>	<u>8,905,630</u>



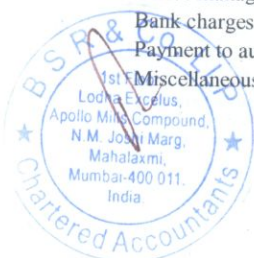
Drashti Developers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian Rupees)

	2015	2014
14 Other income		
Interest income	130,207	-
Dividend income	4,368,542	-
Profit on sale of mutual fund units	72,827	-
	<u>4,571,576</u>	<u>-</u>
15 Cost of materials consumed		
Premium for leasehold land	1,098,351,300	226,466,000
Material and contractual payments	17,000,000	-
Professional fees and technical fees	60,221,987	2,286,708
Finance costs (refer note 17)	109,258,475	-
Other expenses	53,446,701	325,786,518
	<u>1,338,278,463</u>	<u>554,539,226</u>
16 (Increase) in inventories of project work-in-progress		
Opening stock of construction materials	-	-
Opening stock of project work-in-progress	554,539,226	-
	<u>554,539,226</u>	<u>-</u>
Less: Closing stock of construction materials	-	-
Less: Closing stock of project work-in-progress	1,892,817,689	554,539,226
	<u>1,892,817,689</u>	<u>554,539,226</u>
	<u>(1,338,278,463)</u>	<u>(554,539,226)</u>
17 Finance costs		
Interest on long term borrowings		
- on compulsorily convertible debentures	1,726,027	-
Interest on short-term borrowings		
- on inter-corporate deposits	86,285,871	20,976,969
- on term loan	19,446,577	-
Other finance costs		
- loan processing charges	1,800,000	-
	<u>109,258,475</u>	<u>20,976,969</u>
Less: Transferred to project work-in-progress	<u>(109,258,475)</u>	<u>-</u>
	<u>-</u>	<u>20,976,969</u>
18 Other expenses		
Rates and taxes	19,000	2,500
Legal, professional and other fees	2,889,212	-
Filing fees and stamping charges	49,310	1,535
Office management expenses	-	4,783,339
Bank charges	1,089	506
Payment to auditors' (excluding service tax) (refer note 20)	300,000	8,000
Miscellaneous expenses	81,692	9,055
	<u>3,340,303</u>	<u>4,804,935</u>



Drashti Developers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian Rupees)

2015

2014

19 Capital commitment and contingencies

Capital commitment

NIL

NIL

Other commitments:

The Company has as per the agreement dated 27 November 2013 obtained sublease of 30.385 Acres of land along with residential building having area of 36 lakhs square feet from Kolkata West International City Private Limited (KWICPL). KWICPL agrees to Sublease above property to Drashti and grant all rights given by Kolkata Metropolitan Development Authority (KMDA) to KWICPL as per agreement dated 10 November 2006 for a day less upto which KWICPL is granted lease by KMDA.

KWICPL will develop and handover the said Land and Building within a period of 8 years or such extended as agreed and shall consume atleast the entire presently approved development potential by using Floor area ratio of 36,00,000 (thirty six lakh) square feet proposed to be constructed on the said property in pursuance of the sanctioned layout dated 12 June 2013.

In addition to the fixed consideration, Company will bear and pay all construction cost incurred by sub lessor, the charges paid to various authorities for construction and development of the said property and cost for development of related infrastructure and such other cost as may be related to the development of the property.

20 Payment to auditors' (including service tax)

	2015	2014
As auditor		
Statutory audit	300,000	8,000
Service tax	37,080	989
	337,080	8,989

21 Related party transactions

Parties where control exists

Ultimate Holding company

Shapoorji Pallonji and Company Private Limited
(formerly known as Shapoorji Pallonji and Company Limited)

Holding company

Shapoorji Data Processing Private Limited
(holds 100% of the Equity share capital as at 31 March 2015)

Transactions with related parties during the year	2015	2014
Unsecured loan taken		
Shapoorji Pallonji and Company Private Limited	332,500,000	528,500,000
Compulsorily convertible debentures issued		
Shapoorji Pallonji and Company Private Limited	50,000,000	-
Unsecured loan repaid		
Shapoorji Pallonji and Company Private Limited	590,000,000	-
Interest charge for the year		
Shapoorji Pallonji and Company Private Limited		
On inter-corporate deposits	62,858,528	20,973,747
On compulsorily convertible debentures	1,726,027	-
Balances with related parties		
Inter-corporate deposit taken		
Shapoorji Pallonji and Company Private Limited	275,100,000	532,600,000
Debentures issued		
Shapoorji Pallonji and Company Private Limited	50,000,000	-
Trade payables		
Shapoorji Pallonji and Company Private Limited	99,375,138	37,959,138
Interest accrued but not due		
Shapoorji Pallonji and Company Private Limited	85,361,772	22,817,537

Drashti Developers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian Rupees)

22 Earnings per share

		2015	2014
Profit / (loss) after tax attributable to equity shareholders	A	1,231,273	(25,781,904)
Basic and diluted earnings per share			
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning and at the end of the year		50,000	50,000
Weighted average number of equity shares outstanding during the year	B	50,000	50,000
Basic and diluted earnings / (loss) per share (Rs)	(A / B)	24.63	(515.64)
Face value per share (Rs)		10	10

Note:

14% compulsorily convertible debentures (CCDs) of INR 100 each have not been considered for the purposes of dilutive equity shares, since the number of equity shares will be determined on completion of 12 years from date of issue. Also refer note 3E.

23 Deferred tax assets, net

	2015	2014
Deferred tax assets:		
Unabsorbed business loss	8,780,498	-
Deferred tax assets *	8,780,498	-
Net deferred tax assets restricted to *	-	-

* Deferred tax assets are recognized only to the extent of deferred tax liability, as this amount is considered to be virtually certain of realisation. The deferred tax assets of Rs 87,80,498 (2014: Rs Nil) are not recognized, as they are not considered to be virtually certain of realization.

24 Short term loans and advances

M/s Bio Tech Envirocare Systems Ltd. ('the Assignor') via the Deed of Assignment dated 24th November 2008 has assigned all its outstanding's and claims against Svadeshi Mills Company Limited in favour of the Company. Pursuant to the said Deed, the Company paid a sum of Rs 40,38,503 towards the payment of settlement of entire outstanding and claims of M/s Bio- Tech Envirocare Systems Limited against The Svadeshi Mills Company Limited. The amount so paid is classified as 'Short- term loans and advances'.

The Svadeshi Mills Company Ltd. was declared to be a "Sick Industrial Undertaking" under the provisions of the SICA in a reference filed before Board for Industrial and Financial Reconstruction('BIFR'). BIFR by its order dated 05/02/2001 concluded that in the interest of public the company should be wound up. The Company was ordered to be wound up vide order dated 13th February, 2002, in Company Petition No.385 of 2002 and final winding up order was passed on 5th September, 2005.

The Company has also informed The Official Liquidator of The Svadeshi Mills Company Limited, regarding the discharge of dues to the Assignor and has requested the liquidator to replace the name of the Assignor with the name of the Company in the books of accounts of The Svadeshi Mills Company Limited. Taking into account that The Svadeshi Mills Company Limited has assets in form of immovable property which are capable of development, the management of the Company is of the opinion that the debt is good for recovery.

25 Segment reporting

The Company is engaged in real estate development and accordingly has only one reportable business and geographical segment. Hence, the financial statements are reflective of the information required by Accounting Standard 17 as prescribed in Companies (Accounting Standards) Rules, 2006.



Drashti Developers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian Rupees)

26 Other matters

Information with regard to other matters specified in Schedule III of the Act, is either nil or not applicable to the Company for the year.

27 Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Management, there are no outstanding dues to the Micro, Small and Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in following disclosure.

	2015	2014
Principal amount remaining unpaid to any supplier as at the year-end	-	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

28 Transfer pricing

The Company has developed a system of maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income tax Act, 1961. The Company's domestic transactions with related parties are at arms length as per the independent accountants report for the year ended 31 March 2014. Management is yet to carry out a detailed transfer pricing study /analysis for the year ended 31 March 2015 and expects to complete the same by the specified due date. Management believes that the Company's domestic transactions with related parties post 31 March 2014 covered by the transfer pricing regulations continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

29 Prior year comparatives

Figures for the previous year have been audited by a firm of chartered accountants other than B S R & Co. LLP. Other current liabilities amounting to INR 103,561,100 (2014: INR 37,959,138) have been reclassified from "Other current liabilities" to "Trade payables" and Service tax receivable amounting to INR 12,926,799 (2014: INR 4,867,127) have been from "Short-term loans and advances" to "Inventories".

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No: 105149

Mumbai

11 June 2015

For and on behalf of the Board of Directors of
Drashti Developers Private Limited
CIN: U70109MH2007PTC166942

Venkatesh Gopalkrishnan
Director
DIN: 01252461

Mumbai
11 June 2015

Mohan Jacob
Director
DIN: 06788995

