



JOYVILLE SHAPOORJI HOUSING PRIVATE LIMITED

CIN: U70109MH2007PTC166942

(formerly known as 'Drashti Developers Private Limited')

ANNUAL REPORT

F.Y. 2015 - 16

Registered Office:

SP Centre, 41/44,
Minoo Desai Marg,
Colaba, Mumbai – 400 005.
Tel: 6749 0000; Fax: 6633 8176;
Website: www.joyvillehomes.com



CORPORATE INFORMATION:

Board of Directors as on date

1. Mr. Venkatesh Gopalkrishnan (DIN: 01252461) – Managing Director
2. Ms. Ranjana Agarwal (DIN: 03340032) – Independent Director
3. Mr. Ashish Singh (DIN: 02311126)
4. Mr. Mukesh Tiwari ((DIN: 06599112)
5. Mr. Mayank Choudhary (DIN: 02624810)
6. Mr. Mohan Jacob (DIN: 06788995)

Chief Financial Officer

Mr. Gourav Bhutani

Company Secretary & Compliance Officer

Mr. Suraj Subraman

Auditors:

1. Statutory Auditor
M/s. BSR & Co. LLP, Chartered Accountants
2. Secretarial Auditor
M/s Sandeep P. Parekh & Co., Company Secretaries
3. Internal Auditor
M/s Sharp And Tannan Associates, Chartered Accountants

Debenture Trustee:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001.
T: (91) (22) 40807033

Registrar & Transfer Agent:

Universal Capital Securities Pvt. Ltd.
(formerly Mondkar Computers Pvt. Ltd.)
25, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai – 400 093.
Tel:+91 (22) 2820 7203-05

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NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Members of **Joyville Shapoorji Housing Private Limited** (formerly known as Drashti Developers Private Limited) will be held on Monday, 26th September, 2016 at SP Centre, 41/44 Minoo Desai Marg, Colaba, Mumbai - 400 005 at 11 a.m.(IST) to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2016 together with the Report of the Board of Directors and Auditors thereon.**
2. **To appoint Auditors and fix their remuneration:**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. B S R & Co. LLP, Chartered Accountants, (Firm’s Registration No. 101248W/W-100022), Mumbai as the Auditors of the Company be and is hereby ratified and that they shall hold the office till the conclusion of the 12th Annual General Meeting of the Company to be held in the year 2019, subject to ratification by the members at every Annual General Meeting of the company, at such remuneration plus service tax, out-of-pocket, travelling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

3. **To appoint Ms. Ranjana Agarwal (DIN: 03340032) as an Independent Director of the Company:**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED FURTHER THAT Ms. Ranjana Agarwal (DIN: 03340032), who was appointed as an Additional Independent Director with effect from December 3, 2015 on the Board of the Company in terms of Section 152, 161 of the Companies Act, 2013 read with Schedule IV to the Act, and Article 12.1 (b) of the Articles of Association of the Company, and who holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the company, who shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary be and are hereby severally authorized to sign, execute and arrange to file all necessary e-forms, returns and documents with the Registrar of Companies, Regional Director, Ministry of Corporate Affairs, Central Government and / or any other prescribed authority, as may be required under various provisions of the Companies Act, 2013 or any other enactments thereof and to do all such acts, things, deeds and matters which are incidental and ancillary for the purpose of giving full effect to the aforesaid resolution.”

4. **To appoint Mr. Mayank Choudhary (DIN: 02624810), nominee of Asian Development Bank (ADB) as a Director of the Company:**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED FURTHER THAT Mr. Mayank Choudhary (DIN: 02624810), who was appointed as an Additional Director with effect from March 31, 2016 on the Board of the Company in terms of Section 152, 161 of the Companies Act, 2013 and Article 12.1 (b) of the Articles of Association of the Company, and who holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the company, who shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary be and are hereby severally authorized to sign, execute and arrange to file all necessary e-forms, returns and documents with the Registrar of Companies, Regional Director, Ministry of Corporate Affairs, Central Government and / or any other prescribed authority, as may be required under various provisions of the Companies Act, 2013 or any other enactments thereof and to do all such acts, things, deeds and matters which are incidental and ancillary for the purpose of giving full effect to the aforesaid resolution.”

5. **To appoint Mr. Mukesh Tiwari (DIN: 06599112), nominee of Standard Chartered Real Estate Investment (Singapore) III Private Limited (“SCRE III”) as a Director of the Company:**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED FURTHER THAT Mr. Mukesh Tiwari (DIN: 06599112), who was appointed as an Additional Director with effect from 8th August, 2016 on the Board of the Company in terms of Section 152, 161 of the Companies Act, 2013 and Article 12.1 (b) of the Articles of Association of the Company, and who holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the company, who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary be and are hereby severally authorized to sign, execute and arrange to file all necessary e-forms, returns and documents with the Registrar of Companies, Regional Director, Ministry of Corporate Affairs, Central Government and / or any other prescribed authority, as may be required under various provisions of the Companies Act, 2013 or any other enactments thereof and to do all such acts, things, deeds and matters which are incidental and ancillary for the purpose of giving full effect to the aforesaid resolution.”

By Order of the Board of Directors

For Joyville Shapoorji Housing Private Limited
(formerly known as Drashti Developers Private Limited)

Suraj Subraman
Company Secretary
Email: cs-spre@shapoorji.com

Registered Office:
SP Centre, 41/44, Minoo Desai Marg,
Colaba, Mumbai - 400005
CIN: U70109MH2007PTC166942
Date: 9th September, 2016

NOTES:

- (1) A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll, to vote instead of himself / herself and the proxy need not be a Member of the company. The instrument appointing a proxy in order to be valid must be duly filled in all respects and should be deposited at the registered office of the Company not later than forty-eight hours before the time fixed of the meeting.
- (2) A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.

A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- (3) Corporate members intending to send their authorized representatives to attend the Annual General Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (4) A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting and details of Directors seeking appointment at the Annual General Meeting of the Company are provided in **Annexure A** of this Notice.
- (5) Route map to reach the venue is provided in **Annexure B** of this Notice.
- (6) The meeting is being called at a shorter notice. Request you to grant consent for the same.
- (7) All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting of the Company.
- (8) Members are requested to bring their attendance slip to the Meeting.
- (9) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

ANNEXURE A**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item No. 3

The Board of Directors of the Company had appointed Ms. Ranjana Agarwal (DIN: 03340032) as an Additional Independent Director of the Company on 3rd December, 2015 who holds office up to the date of this Annual General Meeting in terms of Section 152, 161 of the Companies Act, 2013.

Ms. Ranjana Agarwal is independent of the management and possesses appropriate skills, experience and knowledge and thus in the opinion of the Board, Ms. Ranjana Agarwal fulfills the conditions for her appointment as an Independent Director as specified under the Act and that her rich and varied experience in her domain of expertise shall foster increased effectiveness in the Board.

The Board accordingly recommends an ordinary resolution as mentioned at item no.3 of the accompanying Notice for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Ms. Ranjana Agarwal, is concerned or interested, financial or otherwise, in the passing of the resolution set out at item no.3.

Item No. 4:

The Board of Directors of the Company, in terms of Article 12.1(b) of the Articles of Association of the Company, had appointed Mr. Mayank Choudhary (DIN: 02624810), Nominee of Asian Development Bank (“ADB”), as an Additional Director of the Company on 31st March, 2016 who holds office up to the date of this Annual General Meeting in terms of Section 152, 161 of the Companies Act, 2013.

The Board accordingly recommends an ordinary resolution as mentioned at item no.4 of the accompanying Notice for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Mayank Choudhary, is concerned or interested, financial or otherwise, in the passing of the resolution set out at item no.4.

Item No. 5:

The Board of Directors of the Company, in terms of Article 12.1(b) of the Articles of Association of the Company, had appointed Mr. Mukesh Tiwari (DIN: 06599112), nominee of Standard Chartered Real Estate Investment (Singapore) III Private Limited (“SCRE III”) as an Additional Director of the Company on 8th August, 2016 who holds office up to the date of this Annual General Meeting in terms of Section 152, 161 of the Companies Act, 2013.

The Board accordingly recommends an ordinary resolution as mentioned at item no.5 of the accompanying Notice for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Mukesh Tiwari, is concerned or interested, financial or otherwise, in the passing of the resolution set out at item no.5.

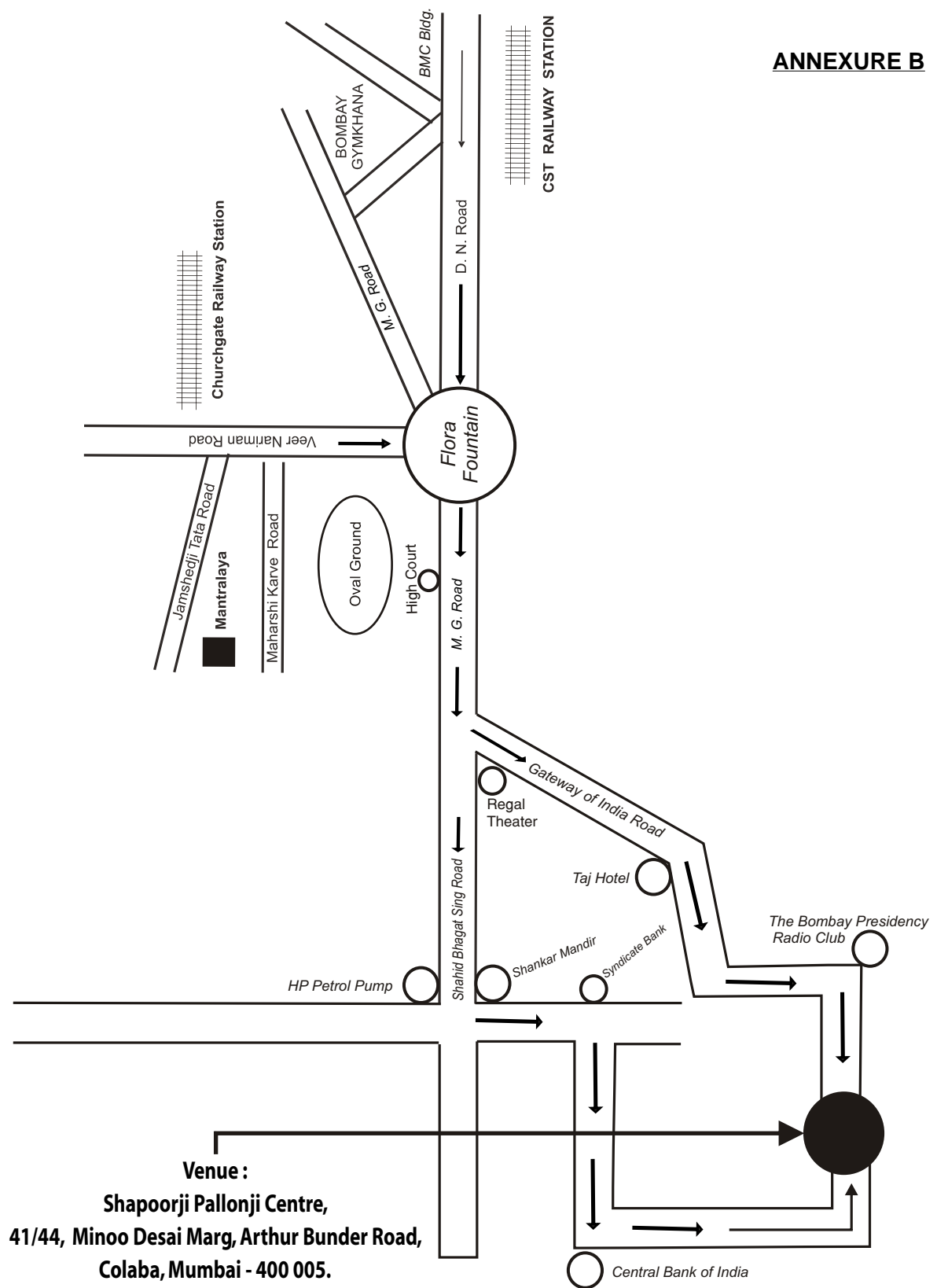
For Joyville Shapoorji Housing Private Limited
(formerly known as Drashti Developers Private Limited)

Suraj Subraman
Company Secretary
Email: cs-spre@shapoorji.com

Registered Office:
SP Centre, 41/44, Minoo Desai Marg,
Colaba, Mumbai – 400005
CIN: U70109MH2007PTC166942

Date: 9th September, 2016

ANNEXURE B



ATTENDANCE SLIP

Venue of the meeting : SP Centre, 41/44 Minoo Desai Marg, Colaba, Mumbai - 400 005

Date & Time : Monday, 26th September 2016 at 11 a.m

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

*Applicable for investors holding shares in Electronic form.

I certify that I am the registered shareholders/proxy for the registered shareholder of Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Private Limited) ("**the Company**").

I hereby record my presence at the 9th Annual General Meeting of the Company held on Monday, 26th September 2016 at 11 a.m.

*Applicable for shareholders holding shares in electronic form

Signature of Member / Proxy

Note:

Physical copy of the Annual Report for 2016 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form are sent in the permitted mode(s) to all members.

Form No. MGT 11
Proxy Form
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of Companies (Management and Administration) Rules, 2014]

Venue of the meeting : SP Centre, 41/44 Minoo Desai Marg, Colaba, Mumbai - 400 005.
Date & Time : Monday, 26th September 2016 at 11 a.m

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

*Applicable for investors holding shares in Electronic form.

I/We _____ of _____
_____ being a member/members of Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Private Limited) hereby appoint the following as my/our Proxy to attend and vote for me/us and on my/our behalf at the 9th Annual General Meeting of the Company to be held on Monday, 26th September 2016 at 11 a.m (and at any adjournment thereof) in respect of such resolutions as are indicated below;

1. Mr/Mrs _____ (Name & Signature of the Proxy) or failing
him/her _____ Registered address _____
Email id _____ Signature _____.

2. Mr/Mrs _____ (Name & Signature of the Proxy) or failing
him/her _____ Registered address _____
Email id _____ Signature _____.

3. Mr/Mrs _____ (Name & Signature of the Proxy) or failing
him/her _____ Registered address _____
Email id _____ Signature _____.

** I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Resolution No.		
Ordinary Business	For	Against
1.		
2.		
3.		
Special Business		
4.		
5.		
6.		

Please put a tick mark “(v)” in the appropriate column against the resolutions indicated in the box. If a member leaves the “For” or “Against” column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write “Abstain” across the boxes against the Resolution.

Signature (s) of Member(s)

1. _____
2. _____
3. _____

Affix one
Rupee
Revenue
Stamp

Signed this ----- day of ----- 2016.

Notes:

1. The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

BOARD'S REPORT

To,
The Members of,
Joyville Shapoorji Housing Private Limited,
(formerly known as Drashti Developers Private Limited)
(CIN : U70109MH2007PTC166942)

Your Directors have pleasure in presenting the 9th Annual Report of Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Private Limited) ("**Company**") together with the Audited Financial Statement(s) for the Financial Year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS:

The Company's financial performance for the Financial Year ended 31st March, 2016, along with the previous year's figures, are summarised hereunder:

(Amt in Rs.)		
Particulars	Current Year 2015-16	Previous Year 2014-15
Revenue from Operations	-	-
Other Income	97,93,366	45,71,576
Total Revenue	97,93,366	45,71,576
Less: Total Expenses	(8,86,12,374)	(33,40,303)
Profit/(Loss) before exceptional items	(7,88,19,008)	12,31,273
Excess Depreciation of earlier years written back	Nil	Nil
Profit/(Loss) Before Tax	(7,88,19,008)	12,31,273
Less: Tax Expenses	-	-
Profit / (loss) after tax	(7,88,19,008)	12,31,273
Balance in Profit and Loss account brought forward	(2,69,69,506)	(2,82,00,779)
Profit / (Loss) for the year	(7,88,19,008)	12,31,273
Profit and Loss account balance carried forward to the Balance Sheet	(10,57,88,514)	(2,69,69,506)

Since the Company is in its initial stage of construction of projects, revenue from its business operations during the year under review are nil. During the year ended 31st March, 2016, the Company has earned other income of Rs. 97,93,366/- which mainly consists profits of Rs. 94,86,052/- from sale of mutual fund units. Other income for the previous year was Rs. 45,71,576/-. Loss for the year ended 31st March, 2016 is Rs. 7,88,19,008 /- in comparison to profits of Rs. 12,31,273 in the previous year.

NATURE OF BUSINESS:

The Company is engaged in the activities of Real Estate Development. On the real estate development front, the Company is mainly into urban affordable housing segment.

Status of Projects of the Company:**Howrah, Kolkata Project**

The Company had launched its 1st residential project in Howrah, West Bengal in the month of January, 2016. The project comprises of 6 towers with configuration of 1 BHK, 1.5 BHK, 2 BHK, 2.5 BHK and 3 BHK to be completed in 3 phases. Total saleable area is about 4 million sq. ft.

Virar – West Project

The Company is coming out with residential project in Virar West, Palghar District, Maharashtra. The total saleable area is about 1.35 million sq.ft. which consists of 8 towers to be constructed in 2 phases. Pre-launch of the 1st phase of the project is tentatively expected in the month of October, 2016.

Hinjewadi, Pune

The Company has signed a non-binding term sheet for a 25 acre land parcel in Hinjewadi, Pune with a potential of ~ 2.5 mn. sft. saleable area in residential segment. Market study for the project, Legal and environmental due diligence on the project is currently underway.

Virar East

The Company is evaluating a 50 acre land parcel in Virar – East with a development potential of 5 million sq. ft. Market study for the project, Legal and environmental due diligence on the project is currently underway.

Noida

The Company has signed a non-binding term sheet for a 20 acre land parcel in Noida with a potential of 2 mn. sft. saleable area. Legal and Design due diligence on the project is currently underway.

For financing its projects, the Company has raised funds from the promoter and investors vide issue of Non-Convertible Debentures (“NCDs”), Compulsorily Convertible Debentures (“CCDs”) and Equity in 3 tranches till date in terms of the Shareholder’s Agreement dated- 29th June, 2015. The Company has also availed line of credit facility of Rs.125 crores and Inter Corporate Deposit (“ICD”) of Rs.30 Crores from HDFC Limited. ICD of Rs. 30 Crores will be closed simultaneous to the part disbursal of credit facility of Rs. 125 Crores. NCDs of the Company are listed on the wholesale debt segment of BSE Limited.

DIVIDEND:

In the absence of profits in the year under review, your Directors have not recommended payment of dividend for the financial year 2015–16.

SHARE CAPITAL:

The Authorised Share Capital of the Company is Rs.60,00,000/- (Rupees Sixty Lakhs only) divided into 6,00,000 (Six Lakhs) equity shares of Rs. 10/- (Rupees Ten) each. The paid up share capital is Rs.10,30,920/- comprising of 1,03,092 Equity Shares of Rs.10/- each fully paid-up. During the Financial Year ended 31st March, 2016, the Company had issued 53,092 Equity Shares of Rs.10/- each.

CHANGE OF NAME OF THE COMPANY:

The Company was originally incorporated on 11th January, 2007 with the name Drashti Developers Private Limited. During the year, the name of the Company was changed from Drashti Developers Private Limited to Joyville Shapoorji Housing Private Limited (“**the Company**”) with effect from 15th October 2015.

CHANGE IN REGISTERED OFFICE OF THE COMPANY:

The registered office of the Company was changed from 70 Nagindas Master Road, Fort, Mumbai to ‘**SP Centre, 41/44, Minoo Desai Marg, Colaba, Mumbai - 400 005**’ on 29th August, 2016.

AMOUNT PROPOSED TO BE CARRIED TO RESERVES:

There were no transfer to reserves made during the Financial Year ended 31st March, 2016.

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 UPTO THE DATE OF THIS REPORT:

There were no material changes or commitments affecting the financial position of the Company that 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 AND SUBSIDIARY COMPANY:

During the year under review, 50,000 Equity shares were transferred from Shapoorji Data Processing Private Limited to Shapoorji Pallonji and Company Private Limited (and its nominees) (“**SPCPL**”) on 15th October, 2015 resulting into SPCPL becoming the holding company w.e.f 15th October, 2015.

However consequent upon allotment of 53,092 Equity Shares of Face Value Rs. 10/- each on 20th November, 2015 to Standard Chartered Real Estate Investment (Singapore) III Private Limited (“**SCRE III**”), Asian Development Bank (“**ADB**”) and International Finance Corporation (“**IFC**”), the percentage of shares held by Shapoorji Pallonji and Company Private Limited (“**SPCPL**”) was reduced from 100% to 48.5% and thus SPCPL ceased to be holding company of your Company w.e.f. 20th November, 2015.

The Company does not have a subsidiary Company.

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:

Competition, Regulations, Business Risk, which further includes financial risk, political risk, fidelity risk, legal risk and investment risk.

As a matter of practice, the Company has the necessary internal financial control systems and other measures to assess these risks 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 / implemented any Corporate Social Responsibility initiatives, since the provisions relating to Corporate Social Responsibility under the Companies Act, 2013 and rules made thereunder were not applicable to the Company for the Financial Year 2015-16.

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 31st March, 2016.

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 are furnished.

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

- i. There are no adverse qualifications in the Audit Report of M/s B S R & Co. LLP, Chartered Accountants, Statutory Auditors.
- ii. The observations by the Secretarial Auditors i.e. M/s. Sandeep P Parekh & Co. are w.r.t. delays in forming the Audit Committee and Nomination & Remuneration committee during the F.Y.2015-16. The Company's NCDs got listed at the end of November 2015. Hence, it was not possible to constitute the committee by the year end. Later, the Board of Directors constituted the Audit committee on 24th May, 2016 and Nomination & Remuneration committee on 29th August, 2016.

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, furnished in **Annexure 1** is annexed to this Report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR ENDED 31ST MARCH, 2016 AND NUMBER OF MEETINGS ATTENDED BY DIRECTORS:

There were 16 (Sixteen) Board meetings held during the year ended 31st March, 2016 on the following dates: 18th May 2015, 11th June, 2015, 24th June, 2015, 29th June, 2015, 16th July, 2015, 24th August, 2015, 14th October, 2015, 9th November, 2015, 10th November, 2015, 17th November, 2015, 20th November, 2015, 3rd December 2015, 14th December 2015, 20th January 2016, 2nd February, 2016 and 31st March, 2016.

Details of meetings attended by Directors of the Company in F.Y.2015-16 are as under:

Sr. No.	Name of The Director	Meetings Attended
1.	Mr. Venkatesh Gopalkrishnan Managing Director (DIN: 01252461) <i>(Appointed as Managing Director of the Company w.e.f 31st March, 2016)</i>	1. 18th May 2015 2. 11th June, 2015 3. 24th June, 2015 4. 29th June, 2015 5. 16th July, 2015 6. 24th August, 2015 7. 14th October, 2015 8. 9th November, 2015 9. 10th November, 2015 10. 17th November, 2015 11. 20th November, 2015 12. 3rd December 2015 13. 14th December 2015 14. 20th January 2016 15. 2nd February, 2016 and 16. 31st March, 2016.
2.	Mr. Mohan Jacob (DIN: 06788995)	1. 18th May 2015 2. 11th June, 2015 3. 24th June, 2015 4. 29th June, 2015 5. 16th July, 2015 6. 24th August, 2015 7. 14th October, 2015 8. 9th November, 2015 9. 10th November, 2015 10. 17th November, 2015 11. 20th November, 2015 12. 3rd December 2015 13. 14th December 2015 14. 20th January 2016 15. 2nd February, 2016 and 16. 31st March, 2016.
3.	Mr. Ashish Singh (DIN: 02311126)	1. 20th November, 2015 2. 3rd December 2015 3. 14th December 2015

		4. 20th January 2016 5. 2nd February, 2016 and 6. 31st March, 2016.
4.	Mr. Brian Chinappi (DIN: 06669399)	Nil
5.	Ms. Ranjana Agarwal Independent Director (DIN: 03340032)	1. 3rd December 2015 2. 31st March, 2016.
6.	Mr. Mayank Choudhary (DIN: 02624810)	1. 2nd February, 2016 2. 31st March, 2016.

AUDIT COMMITTEE:

The Audit Committee of the Company comprises of the following members as on date:

1. Mr. Venkatesh Gopalkrishnan - Chairman
2. Ms. Ranjana Agarwal - Non-Executive Director
3. Mr. Mohan Jacob - Non-Executive Director

The Board at its Meeting held on 29th August, 2016 appointed Ms. Ranjana Agarwal as a member of the Audit Committee. Mr. Ashish Singh resigned as a member of the Audit Committee w.e.f 29th August, 2016.

Majority of members of the Audit Committee possess knowledge of accounting and financial management. The Company Secretary is the Secretary to the Committee. The audit observations and corrective actions as may be required were presented to the Audit Committee. The Board has accepted all recommendations made by the Audit Committee from time to time.

NOMINATION AND REMUNERATION COMMITTEE:

The Company has constituted the Nomination and Remuneration Committee on 29th August, 2016 comprising of the following members:

1. Ms. Ranjana Agarwal - Chairperson & Independent Director
2. Mr. Ashish Singh - Non-Executive Director
3. Mr. Mohan Jacob - Non-Executive Director

ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

The Nomination and Remuneration Committee conducted an evaluation of individual directors and the performance of the Board/Committee on 29th August, 2016 in accordance with provisions of the Act. The performance of individual directors, committee(s) and board was found to be satisfactory.

The evaluation of Board, Committee(s) and individual Directors was carried out based on structured questionnaire encompassing parameters such as level of engagement and contribution, independence of judgment and safeguarding the interest of the Company.

ANNUAL GENERAL MEETING

Your Company held its 8th Annual General Meeting on 28th August, 2015 at SP Centre, 41/44, Minoo Desai Marg, Colaba, Mumbai – 400 005 during the financial year ended 31st March 2016.

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 loss 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;
- (e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) 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) from its members or public within the meaning of Section 73 of the Companies Act, 2013 during the Financial Year ended 31st March, 2016. Since the Company has not accepted deposits there are no amounts remaining unpaid or unclaimed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board consists of the following Directors as on date:

1. Mr.Venkatesh Gopalkrishan - Managing Director (DIN: 01252461);
2. Mr. Ashish Singh (DIN: 02311126);
3. Ms. Ranjana Agarwal - Independent Director (DIN: 03340032);
4. Mr. Mohan Jacob (DIN: 06788995); and
5. Mr. Mayank Choudhary (DIN: 02624810)
6. Mr. Mukesh Tiwari (DIN: 02624810)

Mr. Ashish Singh (DIN: 02311126) and Mr. Brian Chinappi (DIN: 06669399) were appointed as Directors at the Extra Ordinary General Meeting held on 17th November, 2015. Ms. Ranjana Agarwal (DIN: 03340032) and Mr. Mayank Choudhary (DIN: 02624810) were appointed as Additional Directors at the Board Meeting held on 3rd December 2015 and 31st March 2016 respectively, who hold office till the date of the ensuing Annual General Meeting. Mr. Brian Chinappi resigned as a Director w.e.f. 28th July, 2016 and Mr. Mukesh Tiwari was appointed as an Additional Director w.e.f. 8th August, 2016. The Board of Directors have recommended appointment of Ms. Ranjana Agarwal, Mr. Mayank Choudhary and Mr. Mukesh Tiwari as Directors of the Company in the ensuing Annual General Meeting.

The Company has appointed the following persons to be designated as Key Managerial Personnel of the Company in terms of the Companies Act, 2013 as on date:

Mr. Venkatesh Gopalkrishnan – Managing Director (w.e.f. 31st March 2016)
 Mr. Gourav Bhutani – Chief Financial Officer (w.e.f. 29th August, 2016)
 Mr. Suraj Subraman – Company Secretary and Compliance Officer (w.e.f. 4th January, 2016)

During the year, Ms. Shashi Kala Jain who was appointed as Company Secretary and Compliance Officer on 1st September, 2015, resigned on 4th January, 2016.

Mr. Saureen Desai, who was appointed as the Chief Financial Officer on 31st March, 2016, owing to his pre-occupations, has tendered resignation with effect from 29th August, 2016.

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS:

The independence declaration under 149(6) has been received from Ms. Ranjana Agarwal, Independent Director (DIN: 03340032) as required, during the Financial Year ended 31st March, 2016.

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 2014-15 in terms of Section 139 of the Companies Act, 2013 to hold office till the conclusion of the 12th Annual General Meeting of the Company to be held in the year 2019, subject to ratification by the members at every annual general meeting of the company. 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 ratification of their appointment as the Statutory Auditors of the Company in terms of Section 139 of the Companies Act, 2013.

In view of the above, the Board of Directors of the Company have recommended to the members ratification for appointment of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors at the ensuing Annual General Meeting of the Company.

During the year under review, no instances of fraud were reported by the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013.

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the relevant rules framed thereunder, M/s. Sharp and Tannan Associates, Chartered Accountants, Mumbai having Firm Registration No. 109983W were re-appointed as Internal Auditors of the Company for Financial Year 2016-17.

The Internal Audit report for the financial year ended 31st March, 2016 is annexed as **Annexure 2** to this Report.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with relevant rules framed thereunder, M/s Sandeep P. Parekh & Co., Company Secretaries were re-appointed as Secretarial Auditors of the Company for Financial Year 2016-17.

The Secretarial Audit report for the financial year ended 31st March, 2016 is annexed as **Annexure 3** to this Report.

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. The Internal Auditors of the company i.e. M/s Sharp and Tannan Associates, Chartered Accountants checks and verifies the internal control and monitors them in accordance with the policies adopted by the Company.

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

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in **Annexure 4** to this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

As required under section 177(9) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and in order to ensure that the activities of the Company and its officers/ employees, if any and Directors are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a Vigil Mechanism Policy during the year under review. The Vigil mechanism Policy has been uploaded on the website of the Company – www.joyvillehomes.com

The Audit Committee shall hear the grievances of employees / officers and Directors of the company with respect to misuse or abuse of authority, fraud, violation of Company's rules, manipulations, misappropriation of the funds and also any unethical and improper practices on account of which the interest of the Company is adversely affected and take steps to resolve such issues amicably and report the same to the Board of Directors of the Company.

SIGNIFICANT / MATERIAL ORDERS THAT HAVE/HAD BEEN PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant / material orders that have / had been passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.

ACKNOWLEDGEMENT:

Your Directors place on record sincere thanks to their bankers, promoters, investors, business associates, consultants, Regulators and various Government Authorities for their continued support extended to your Company's activities during the Financial Year ended 31st March, 2016.

By Order of the Board of Directors

For **Joyville Shapoorji Housing Private Limited**
(formerly known as Drashti Developers Private Limited)

Venkatesh Gopalkrishnan
Managing Director
DIN: 01252461

Mohan Jacob
Director
DIN: 06788995

Registered Office:
SP Centre, 41/44,
Minoo Desai Marg,
Colaba, Mumbai – 400 005.

Date: 29th August, 2016
Place: Mumbai

Annexure 1

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2016
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

i	CIN	U70109MH2007PTC166942
ii	Registration Date / Date of Incorporation	11th January 2007
iii	Name of the Company	Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Private Limited)
iv	Category/Sub-category of the Company	Private Company/Limited by Shares
v	Address of the Registered office and contact details	70, Nagindas Master Road, Fort, Mumbai - 400 023
vi	Whether listed company (Yes/No)	Yes (NCDs are listed on BSE Ltd, Equity shares are not listed)
vii	Name , Address & Contact details of Registrar & Transfer Agent, if any.	Universal Capital Securities Private Limited (Formerly Mondkar Computers Pvt. Ltd.) 21 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East) Mumbai – 400 093.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Construction of Buildings

Sl. No.	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Construction of Buildings	41	NIL

*There was no revenue generated from the aforesaid principal business activity of the Company in the F.Y.2015-16.

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
	N.A				

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	
b) Central Govt.	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	50,000	50,000	100	-	50,000	50,000	48.50040	-51.4996
e) Banks/FI	-	-	-	-	-	-	-	-	
f) Any other...	-	-	-	-	-	-	-	-	
Sub-total(A)(1):	-	50,000	50,000	100	-	50,000	50,000	48.50040	-51.49960
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	
b) Other - Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	26,546	26,546	25.74980	25.74980
d) Banks/FI	-	-	-	-	-	-	-	-	
e) Any other...	-	-	-	-	-	26,546	26,546	25.74980	25.74980
Sub-total(A)(2):	-	-	-	-	-	53,092	53,092	51.49960	51.49960
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	50,000	50,000	100	-	103,092	103,092	100	-
B. PUBLIC SHAREHOLDING	-	-	-	-	-	-	-	-	-
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):	-	-	-	-	-	-	-	-	-
(2) Non - Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,000	50,000	100	-	103,092	103,092	100	-

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	% change in share holding during the year
1	Shapoorji Data Processing Private Limited (including shares held jointly by its nominees)	50,000	100	-	-	-	-	-
2	Shapoorji Pallonji and Company Private Limited (formerly known as Shapoorji Pallonji and Company Limited)	-	-	-	50,000	48.5004	-	-
	Total	50,000	100	-	50,000	48.5004	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sl. No.	Shareholding at the beginning of the Year	Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of shares
	50,000	100	* 50000
At the beginning of the year	50,000	100	48.5004
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)			
At the end of the year	-	-	50,000

* 50,000 equity shares were transferred from Shapoorji Data Processing Pvt Ltd to Shapoorji Pallonji And Company Private Limited during the year ended 31.3.2016

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs):

(iv)

Sl. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares
At the beginning of the year	-	-	-
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-
Allotment made on 20.11.2015			53,092
At the end of the year (or on the date of separation, if separated during the year)	-	-	53,092

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares
At the beginning of the year	-	-	-
Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-
At the end of the year	-	-	-

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	-	1,325,100,000	-	1,325,100,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	107,997,388	-	107,997,388
Total (i+ii+iii)	-	1,433,097,388	-	1,433,097,388
Change in Indebtedness during the financial year				
> Addition	-	4,848,144,800	-	4,848,144,800
> Reduction	-	2,688,978,344	-	2,688,978,344
Net Change	-	2,159,166,456	-	2,159,166,456
Indebtedness at the end of the financial year				
i) Principal Amount	-	3,484,266,456	-	3,484,266,456
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	140,204,149	-	140,204,149
Total (i+ii+iii)		3,624,470,605		3,624,470,605

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of Managing Director: Mr. Venkatesh Gopalkrishnan			Total Amount
1	Gross salary	Nil			Nil
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961				
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option		Not Applicable		
3	Sweat Equity		Not Applicable		
4	Commission		Not Applicable		
	- as % of profit		-		
	- others, specify...		-		
5	Others, please specify		Not Applicable		
	Total (A)				
	Ceiling as per the Act				

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	(a) Fee for attending board/committee meetings	Ms. Ranjana Agarwal - Independent Director			100,000
	(b) Commission				-
	(c) Others, please specify				-
	Total (1)				100,000
2	Other Non-Executive Directors				
	(a) Fee for attending board/committee meetings				-
	(b) Commission				-
	(c) Others, please specify				-
	Total (2)				-
	Total (B)=(1+2)				100,000
	Total Managerial Remuneration				100,000
	Overall Ceiling as per the Act.				NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		CEO	Company Secretary - Mr. Suraj Subraman	CFO - Mr. Gourav Bhutani		
1	Gross Salary					
	(a) Salary as per provisions	Not applicable	-	-		-
	(b) Value of perquisites u/s 17(2) of					-
	(c) Profits in lieu of salary under					-
2	Stock Option	Not applicable				-
3	Sweat Equity	Not applicable				-
4	Commission	Not applicable				-
	- as % of profit					-
	- others, specify...					-
5	Others, please specify	Not Applicable				-
	Total					-

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment		Not Applicable			
Compounding					
B. DIRECTORS					
Penalty					
Punishment		Not Applicable			
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment		Not Applicable			
Compounding					

For and on behalf of the Board of Directors of

JOYVILLE SHAPOORJI HOUSING PRIVATE LIMITED

(formerly known as Drashti Developers Private Limited)

VENKATESH GOPALKRISHAN

Managing Director

DIN: 01252461

MOHAN JACOB

Director

DIN: 06788995

Date: 29th August, 2016

Place: Mumbai

Joyville Shapoorji Housing Private Limited

Internal Audit Report
FY 2015 – 16

Sharp & Tannan Associates
Chartered Accountants

Sharp & Tannan Associates

Chartered Accountants

87 Nariman Bhavan, 227 Nariman Point
Mumbai (Bombay) 400 021, INDIA.

T: +91 22 6153 7500 ; 2202 2224 / 8857

F: +91 22 2202 3856

E: mumbai.office@sharp-tannan.com

W: www.sharp-tannan.com

MS: S 88 (1.2)

20th May, 2016

The Chief Executive Officer,
Joyville Shapoorji Housing Private Limited,
Mumbai 400005.

Dear Sir,

Internal Audit Report – 2015-16

As per your instructions, we have carried out an internal audit run at the company's Head Office at Mumbai and Site at Kolkata. We are now pleased to submit our Internal Audit Report.

The audit findings have been discussed with the respective functional managers and department heads.

The reportable issues have been classified into the following categories:

- I. Statutory Compliances related;
- II. Issues with Cost / Revenue Implications;
- III. Improvement to Business Process / Internal Controls and
- IV. Others

We wish to thank the executives and staff for their co-operation during the course of this audit.

Please feel free to contact us for any clarification that you may require in relation to this report.

Thanking you,

Yours faithfully,

Sharp & Tannan Associates

Encl: a.a.



Summary of Findings

Sr.	Audit Findings	Page No.
I	Statutory Compliance	
1.2	Interest of Rs. 7.02 lac paid on non-deduction of TDS of Rs. 69.08 lac u/s 194IA.	5
II	Issues having Cost / Revenue Implications	
-	No Reportable issue.	
III	Improvement to Business Process / Internal Controls	
2.1	Difference of Rs. 705.99 lac in CENVAT Credit balance in return vis-à-vis books balance as on March'16.	9
5.1	Fixed assets of Rs. 455.22 lac not covered with insurance.	12
IV	Others	
	--	

During the course of audit, the following areas were reviewed.

1. Statutory compliances (TDS, Service Tax, VAT)
2. Revenue Recognition
 - i. Outright Sale of application forms, units and handing over possession;
 - ii. Receivable analysis;
3. Review of Channel Partners agreements and brokerage Payments.
4. Expense Review viz. Administrative related, Sales & Marketing Expenses and Professional Fees;
5. Bank reconciliation statements;
6. Insurance profile;
7. Borrowings costs;
8. Fixed Asset related.

Introduction:

The company has multiple projects for real estate development. It has started with the project located in Howrah in Kolkata and Virar in Mumbai. In case of Howrah Project, it has obtained sublease land along with residential building in the district of Howrah from Kolkata West International City Pvt. Ltd. (KWICPL).

KWICPL agrees to sublease land to the Company and grant all rights given by Kolkata Metropolitan Development Authority (KMDA) to KWICPL. 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.

I STATUTORY COMPLIANCE (TDS and Service Tax)

Backdrop

Tax deducted at sources (TDS) and Service Tax were accounted at the time of booking vendor invoices at Regional Office (RO) in Kolkata and Head Office (HO). Tax liability were computed and paid at HO and respective returns were filed from HO.

Coverage & Test Applied

- i. TDS and Service Tax payments for the period April'15 to March'16 were verified to ensure whether they were timely paid.
- ii. Review of half-yearly return filed for Service Tax and quarterly returns filed for TDS (April'15 to March'16).

Observations

1.1 Short payment of TDS liability amounting to Rs. 100, since paid

On review of monthly liability of TDS, it was noted that payment was made short by Rs. 100 as compared to monthly liability as per books.

Month	Liability (Rs.)	Payment (Rs.)	Short Payment (Rs.)
Oct'15	5,94,941	5,94,841	(100)

The amount was later paid in the month of Feb'16 along with interest.

Cause

Manual error while booking the expense in ERP

Implication

Short payment of TDS lead to imposition of interest and other penal consequences leading to excess outflow of money.

Recommendation

Effort should be made to book the expenses appropriately

Auditee Comments/ Action Plan

Noted. Henceforth will take care in future.

Responsibility / Target Implementation Date

HO - Accounts/--

1.2 Interest Rs. 7.02 Lac paid for non-deduction of TDS of Rs. 69.08 Lac

As per agreement with KWICPL, company is required to pay 'Premium for Leasehold Land (PLL)' which was apportioned over a period of 38 months starting from September'2013. The company has started paying PLL from September'2013 after deducting TDS u/s 194IA. However, in June'14 an opinion was taken and accordingly it was decided not to deduct TDS u/s 194IA on payment of PLL.

As informed, in December'2015 changes were made in the agreement retrospectively as a result liability to deduct tax u/s 194IA was attracted and accordingly liability of TDS on payment of PLL was computed from June'2014 till date and same was paid along with interest u/s 201 of Income Tax Act, 1961. Detail summary of the interest working is tabulated below;

Date of Payment	Delay in TDS deduction as on Jan'16 (In Months)	Amount PLL (Incl. Interest) Rs.	TDS @ 1% u/s 194IA Rs.	Interest @ 1% PM Rs.
29-Jun-14	20	10,626,800	106,268	21,254
29-Jul-14	19	10,981,000	109,810	20,864
29-Aug-14	18	10,981,000	109,810	19,766
29-Sep-14	17	44,296,800	442,968	75,305
29-Oct-14	16	44,327,400	443,274	70,924
29-Nov-14	15	43,476,900	434,769	65,215
29-Dec-14	14	43,343,000	433,430	60,680
29-Jan-15	13	42,884,600	428,846	55,750
27-Feb-15	12	41,585,300	415,853	49,902
29-Mar-15	11	41,967,700	419,677	46,164
29-Apr-15	10	41,258,500	412,585	41,259
29-May-15	9	41,050,700	410,507	36,946
29-Jun-15	8	40,371,200	403,712	32,297
29-Jul-15	7	40,133,800	401,338	28,094
29-Aug-15	6	39,675,400	396,754	23,805
29-Sep-15	5	39,040,200	390,402	19,520
29-Oct-15	4	38,758,500	387,585	15,503
29-Nov-15	3	38,152,800	381,528	11,446
29-Dec-15	2	37,841,500	378,415	7,568
TOTAL		690,753,100	6,907,531	702,262

Cause

Retrospective change in an agreement resulted in deduction of TDS liability u/s 194IA

Implication

Delay in deduction of TDS liability resulted in imposition of interest and thereby excess outflow of money.

Recommendation

Care should be taken to draft an agreement appropriately

Auditee Comments/ Action Plan

Based on certain decision taken on the opinion from tax consultant these TDS didn't deducted during relevant period, though on getting revised opinion same were paid with interest subsequently.

Responsibility./ Target Implementation Date

HO Accounts / --

II ISSUES HAVING COST / REVENUE IMPLICATIONS

No reportable issue.

III IMPROVEMENTS TO BUSINESS PROCESS / INTERNAL CONTROLS

1. Sale of Flats and CRM Related

Coverage

Review of control procedures for documentation of customers, accounting and collection process for period January'16 to March'16.

Tests Applied

- i. Review of KYC documents of 10 customers including employee bookings.
- ii. Review of price deviations in rates, if any and whether same are pre-approved and documented.
- iii. Review of process of Cancellation of flats and approval of refund on cancellation.
- iv. Review of Agreement with customers inclusive of all imperative clauses.
- v. Milestone billing to customers and outstanding dues and its ageing.
- vi. Review of advances from customers and its accounting.
- vii. Levy of interest to customers on delayed payment and cheques bounce charges and its recovery.
- viii. Reconciliation between SAP Sales and offline masters prepared by Sales.
- ix. Review of process of handling and deposition of cheques.
- x. Review of KYC documents of channel partners and rates of brokerage as per agreements.

Synopsis of total units sold as on 19/04/16:

Particulars	Units Count
Total Units (To be constructed in 9 years)	3,300
Sold as on 19/04/16	125
Direct Booking (walk in)	22
Employee Purchase	8
Through Channel Partners	95
% of CP Share to Total Sale (Except Employee booking)	81

Synopsis of CP share as on 19/04/16:

Particulars	Units Count
Top 5 CP Share	
Krishna Realtors	15
Elara Marketing	13
Indiaworld	13
HDFC Realty	9
Transvontor	8
Total	58
Others (CP with more than 1 Unit) (8 CP)	30
CP with single unit sold	7
Total	95

Observation

No reportable issue.

2. Statutory Dues Related

2.1 Difference in CENVAT Credit balance in returns vis-à-vis books balance

Audit observed that due to ambiguity regarding applicability of Service Tax and TDS on invoices to be processed by KWIC on the company, there was a delay in booking of respective invoices resulting into delay in recognition and payment of bills.

As a result of above, differences were noticed in CENVAT credit balance as on 31/03/16 as per books and ST-3 return for half yearly ended March'16 as follows:

CENVAT Credit balance as on	As per ST-3 Return (Rs.)	As per Books (Rs.)	Excess/ (Short) (Rs.)
March'16	69,68,919	7,75,67,943	(7,05,99,024)

Cause

--

Implication

Actual position of CENVAT credit will not be ascertained due to above mismatch.

Recommendation

Credit balance as per books should be reconciled periodically with balance as per ST-3 Return. Any pending entry need to be accounted on timely basis.

Auditee Comments/ Action Plan

As the decision on applicability of Service tax bill and Section 194IA applicability on KWIC Bills came late, we did the necessary entries after receipt of same. Due to this corresponding CENVAT credit was booked subsequently. Revised return is in process.

Responsibility and Target Implementation Date

HO Accounts / --

3. Facility Management Services and Other expenses

Backdrop

Site has entered into agreement for services viz. Security charges, housekeeping charges etc. Administrative and employee related expenses were incurred at site and were approved by the designated authority. Vendor's invoices were accounted at Regional Office (RO) in the ERP system and sent to HO along with necessary supporting. Payments were made from HO. All other expenses are booked and paid in HO.

Coverage

The following expenses were reviewed for the period 01/04/16 to 31/03/16 on a selective basis.

(Rs. in lac)

Expenses Head	Total Amount Incurred (Rs.)	Sample Verified (Rs.)	%
Purchase of Land Dev. Right	7,805.42	7,805.42	100
Fees paid to Statutory Authorities	1,960.41	1,958.91	100
Payment to KWICPL	652.89	639.95	98
Publicity & Advertisement	571.54	532.07	93
Professional Fees – Site	367.11	364.89	99
Professional Fees – Finance	196.17	175.22	89
Publicity & Advertising – Digital	139.14	120.84	87
Debenture Issue	75.67	72.26	95
Loan Processing Fees	30.15	30.15	100
Business Promotion	24.78	24.43	99
Misc. Expenses	8.09	2.50	31
Penalty charges	7.02	7.02	100
CRM Exp.	6.25	2.89	46
Statutory Audit Fees	5.21	5.21	100
Printing & Stationery	3.04	3.00	99
Dispatch	0.66	0.64	97
Total	11,841.31	11,733.16	

Tests Applied

- Review of agreement entered into with the facilities and service providers
- Review of bill passing and payment procedures.

Observations

3.1 VAT Credit of Rs. 8,375 wrongly availed

In stray case, VAT of Rs. 8,375 was debited to VAT Input Credit (2604100011) instead of charging to P&L account under Printing & Stationery (4605600050):

Document No.	Expense Head	Posting Date	Invoice Amount (Excl. VAT)	VAT Amount (Rs.)
5000000050	Printing & Stationery	16-Feb-16	1,75,875	8,375

Cause

Manual error while booking of expense.

Implication

Under statement of expenses and overstatement of assets to the extent of VAT credit.

Recommendation

Care should be taken while booking of expenses.

Auditee Comments/ Action Plan

Amount since transferred to C-WIP Account.

Responsibility and Target Implementation Date

HO Accounts / --

4. Review of Bank Reconciliation Statements (BRS)

Backdrop

The company has 12 bank accounts, one with Axis Bank Ltd. and all other are with Standard Chartered Bank. BRS is prepared and maintained at Regional Office (RO) as well as Head Office (HO).

Coverage

Review of Bank Reconciliation Statements at HO:

Bank Name	Account No.
Axis Bank Ltd	4010202450467
Standard Chartered Bank	22105051078
Standard Chartered Bank	22105052007
Standard Chartered Bank	22105051116

Review of Bank Reconciliation Statements at RO:

Bank Name	Account No.
Standard Chartered Bank	22105051108
Standard Chartered Bank	22105051124
Standard Chartered Bank	22105051094
Standard Chartered Bank	22105051973
Standard Chartered Bank	22105051981
Standard Chartered Bank	22105052015
Standard Chartered Bank	22105051086
Standard Chartered Bank	33105184553

Tests Applied

- Review of open entries in the BRS.
- Review maker checker concept.

Observations

4.1 Stale cheque pending to be reversed

Following stale cheque was pending to be reversed in the BRS prepared for the month of March'16 for Standard Chartered Bank, A/c no. 22105051116:

Party Name	Amount (Rs.)	Cheque Date
Shashi Kala Jain	30,375	21-Dec-15

Cause

--

Implication

- Inaccurate bank balance in ERP / Financial Statements
- Under statement of creditors liability.

Recommendation

Stale cheques should be identified and reversed while preparing BRS.

Auditee Comments/ Action Plan

Same since reversed in subsequent month.

Responsibility / Target Implementation Date

HO Accounts / --

5. Insurance related

Coverage & Tests Applied

Review of insurance policies taken by the company for FY 2015-16. The following policies was reviewed.

Type of Policy	Policy No	Coverage Period	Sum Assured (Rs. in Crore)	Premium (Rs. in lac)
Director & Officer Liability & company Reimbursement	OG-16-1915-3315-00000002	12-Oct-15 to 11-Oct-16	200	27.36

Tests Applied

Review adequacy of insurance coverage and ensure that all risks are covered.

Observations

5.1 Absence of Insurance Policy for Fixed Assets

As informed, no insurance is obtained against risk cover for the following Fixed Assets as on 31st March, 2016.

Class of Fixed Asset	Cost as on 31/03/16 (Rs.)
Computers	7,21,274
Furniture & Fixture	38,75,814
Plant & Machinery	7,72,875
Office Equipment's	5,06,710
Electrical installations	18,74,905
Sale Office	3,77,70,847
Total	4,55,22,425

Cause

--

Implication

Risk of monetary loss in case of damage to property.

Recommendation

All fixed assets should be insured at the earliest.

Auditee Comments/ Action Plan

Insurance cover will be taken in current year.

Responsibility / Target Implementation Date

HO Accounts / --

6. Fixed Asset related

Backdrop

Additions to fixed assets are booked in Regional Office (RO) and payment is released from Head Office (HO). Fixed Assets are capitalized at its cost price along with other expense incurred for bringing the assets to its working condition.

Coverage

(Rs. in lac)			
Expenses Head	Total Amount (Rs.)	Sample Verified (Rs.)	%
Sale Office	377.71	26.41	6.99
Computers	7.21	4.25	58.92
Furniture & Fixture	38.76	7.13	18.40
Plant & Machinery	7.73	7.73	100.02
Motor Cars	12.66	12.66	100.00
Office Equipment's	5.07	-	-
Electrical installations	18.75	-	-
Total	467.88	58.18	12.43

Tests Applied

- To check purchase of fixed asset is duly authorized and evidenced by Invoices.
- To check whether fixed assets are capitalized appropriately.

Observations

No reportable issues

7. Review of Borrowing

Coverage & Test Applied

Review of following loan and Inter Company Deposits (ICDs) taken as per Minutes of Meetings to ensure timely payment of principal amount and interest component thereon. Working of the interest is prepared & maintained at HO. Loan installment is paid from HO.

(Rs. in Crore)	
Loan/Inter Company Deposits	Outstanding Amount as on 31.03.16 (Rs.)
Debentures	
20,962,293, 10% Debentures of Rs.100/- each	209.62
8,983,900, 10% Debentures of Rs.100/- each	89.84
753,060, 17% Compulsorily Convertible Debentures of Rs.100/- each	7.53
709,195, 17% Compulsorily Convertible Debentures of Rs.100/- each	7.09
Financial Institution	
Housing Development Finance Corporation Limited	30.00
Inter Corporate Deposits	
Grandview Estate Private Limited	4.34

Observation

No Reportable issue.

IV OTHERS

No Reportable issue.

Annexure 3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]**

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

To,
The Members,
JOYVILLE SHAPOORJI HOUSING PRIVATE LIMITED
(Formerly known as Drashti Developers Private Limited)
CIN: U70109MH2007PTC166942
70, Nagindas Master Road,
Fort, Mumbai MH 400001 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JOYVILLE SHAPOORJI HOUSING PRIVATE LIMITED** (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended March 31, 2016 according to the provisions of:

- (1) The Companies Act, 2013 (“the Act”) and the rules made there under;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c. The Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - e. The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993

- (6) Payment of Wages Act, 1936;
- (7) Contract Labour (Regulation & Abolition) Act, 1970;
- (8) Minimum Wages Act, 1948;
- (9) Payment of Bonus Act, 1965;
- (10) Workmen Compensation Act.1923
- (11) Equal Remuneration Act,1976
- (12) The Income Tax Act, 1961
- (13) Profession Tax Act, 1975;
- (14) The Employee Provident Fund and Miscellaneous Provisions Act, 1952;
- (15) Value Added Tax Act, 2005
- (16) Service Tax Act, 1994

We have also examined compliances with the applicable clauses of the following:

- 1. Secretarial Standards issued by the Institute of Company Secretaries of India.
- 2. The Listing Agreements entered into by the Company with Bombay Stock Exchange (*Debenture Listing Compliance only*)

During the period under review the Company has complied with the provisions of the applicable Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

- 1. We observed that the Company is in the process of appointment of Independent Directors, however thereafter, the Company has obtained a legal opinion from the M/s. AZB & Partners wherein they have opined that such provision is not applicable to the Company. Therefore we do not offer any further comment on this matter.
- 2. We have been informed that Company is in process of forming the Committees and the same will be complied with, so we do not offer any qualification assuming that the compliance will be taken care at earliest without any further delay.
- 3. The CS Certificate as per the SEBI regulation 40 (9) for the Quarter ended March, 2016 was filed delayed with the stock exchange.

We further report that

We were informed by the Management of the Company that there are all Non-Executive Directors on the Board and the Company has appointed a Managing Director and Chief Financial Officer during the year.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

As informed to us, **we further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has undertaken following activities:

Sr. No.	Particulars (Event occurred during the Audit Period)	Audit Response and Observations, if any
1.	Board Meeting	The Company had conducted Board Meetings as per the requirements of Companies Act, 2013 and minutes are maintained.
2.	General Meeting	The Company had conducted General Meetings as per the requirements of Companies Act, 2013 and minutes are maintained.
3.	Audit Committee Meeting	The Company has not formed Audit Committee as per the requirements of Companies Act, 2013. However, we were informed by the Management that the Company is in process of complying the same.
4.	Nomination and Remuneration Committee Meeting	The Company has not formed Nomination and Remuneration Committee as per the requirements of Companies Act, 2013. However, we were informed by the Management that the Company is in process of complying the same.
5.	Issue and allotment of Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures	<p>We have observed that the Company has allotted Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures ("NCDs") in three tranches on private placement basis and the same was reported in the requisite forms to the Registrar of Companies properly and the other relevant authorities.</p> <p>These NCDs are listed on Bombay Stock Exchange w.e.f 20th November, 2015.</p>

**For Sandeep P Parekh & Co.
Company Secretaries**

Proprietor
Membership No. – 7118
CP No. – 7693

Place : Navi Mumbai
Date : 30th May, 2016

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**A) Conservation of Energy**

The steps taken or impact on conservation of energy	<p>The operations of our Company, not being in manufacturing industry, are not energy-intensive. However, as part of sustainable development, adequate measures have been initiated to reduce energy consumption.</p> <p>The following steps shall be taken for Energy and Water Conservation in its existing project(s):</p> <ol style="list-style-type: none">1. During Construction<ul style="list-style-type: none">• Use of LED lights for Area lighting• Use of energy efficient lights in Office and Labour Camp Area• Regular/periodic maintenance of Plants & Machineries• Water from Sedimentation Tank of Batching Plant Area will be re-used for sprinkling & washing purpose• Sediments from sedimentation tank will be re-used for filling purpose2. Post Construction (In Buildings and Common Area)<ul style="list-style-type: none">• Reflective paints / tiles shall be used for Roof• Reflective paint for External Walls• Energy Saving Light Bulbs to be provided in Common Area• Lighting Controls for Common Area and Outdoor• Low-Flow Showerheads and Faucets for Washbasin• Dual Flush for Water Closets• Waste water recycling for flushing purpose
The steps taken by the Company for utilizing alternate sources of energy	For outdoor lighting purpose, solar panels to be used as alternative source of energy in some of the areas.
The capital investment on energy conservation equipment's during the year under review.	Nil

B) Technology absorption

The efforts made towards technology absorption	The minimum technology required for the business has been absorbed. These include the following: 1. Deployment of machines to substitute partly or fully manual work; 2. Use of pre-fabrication fully or partly at site to increase reliability; 3. The improvement of existing or development / deployment of new construction technologies to speed up the process and make construction more efficient
The benefits derived like product improvement, cost reduction, product development or import substitution	Increase in work speed, improved finish quality, cost reduction and energy-water conservation.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) The details of technology imported (b) The year of import (c) Whether the technology has been fully absorbed (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
The expenditure incurred on Research and Development	Nil

C) Foreign exchange earnings and outgo:

There were no foreign exchange earnings and outgo during the financial year under ended 31st March, 2016. (31st March, 2015: Nil)

By Order of the Board of Directors

For **Joyville Shapoorji Housing Private Limited**
(formerly known as Drashti Developers Private Limited)

Venkatesh Gopalkrishnan
Managing Director
DIN: 01252461

Mohan Jacob
Director
DIN: 06788995

Date: 29th August, 2016
Place: Mumbai

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditors' Report

To the Members of
Joyville Shapoorji Housing Private Limited
(formerly known as Drashti Developers Private Limited)

Report on the financial statements

We have audited the accompanying financial statements of Joyville Shapoorji Housing Private Limited (formerly known as Drashti Developers Private Limited) ('the Company'), which comprise the balance sheet as at 31 March 2016 and the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the 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 and presentation 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 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.

Auditors' 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)

Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Auditors' responsibility (Continued)

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 judgement, 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. 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 2016 and its loss 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, 2016 ('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", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
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)

Joyville Shapoorji Housing Private Limited

(formerly known as 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 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- (g) with respect to the other matters to be included in the Auditors' 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
30 May 2016

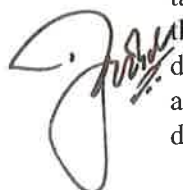
Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Annexure A to the Independent Auditors' Report – 31 March 2016

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion an according to the information and explanations given to us, no discrepancies were noticed on such verification during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the Company. Accordingly, paragraph 3 (i)(c) of the Order is not applicable to the Company.
- (ii) The Company does not hold any physical inventory, other than project work in progress. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company is engaged in business of providing infrastructural facilities and has not made investments covered under Section 186 of the Act. Accordingly, the provisions of Section 186 of the Act are not applicable to the Company and accordingly, to this extent, the paragraph 3 (iv) of the Order is not applicable to the Company.
- (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 sub-section (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 of Service tax and Income tax have generally been regularly deposited with the appropriate authorities, though there have been minor delays in a few cases of Service tax and significant delay in one case of Income tax. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance, Sales tax, duty of customs, duty of excise, Value added tax and Cess.



Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Annexure A to the Independent Auditors' Report – 31 March 2016 ***(Continued)***

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 2016 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.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan to its bank and dues to its debenture holders. The Company did not have any outstanding loans or borrowings from financial institutions or government during the year.
- (ix) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has raised money by way of public offer of redeemable non-convertible debentures (Series "A") and redeemable non-convertible debentures (Series "B") instruments during the year. Out of the total money raised aggregating Rs 2,818,388,335, a sum of Rs 2,730,103,131 has been utilised till 31 March 2016 (also refer note 31 to the financial statements) and Rs Nil has been utilised subsequent to 31 March 2016. Pending utilisation of the funds raised by issue of debentures, the unutilised funds aggregating to Rs. 88,285,204 were temporarily used for the purpose other than for which they were raised. In our opinion and according to the information and explanations given to us, the Company did not raise any term loans during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a public Company. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.



Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

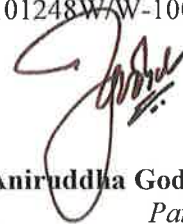
Annexure A to the Independent Auditors' Report – 31 March 2016 **(Continued)**

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, and with reference to Note 32 of the financial statements, the Company has not set up an audit committee as per the provisions of Section 177 of the Act and consequently the transactions with the related parties are not in compliance with Sections 177 of the Act to the extent of approval of such transactions by Audit Committee. Based on the information and explanations given to us, the transactions with related parties are in compliance with other provisions of Section 188 of the Act and where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made private placement of compulsorily convertible debentures (Series "A") and compulsorily convertible debentures (Series "B") during the year in compliance with the requirements of Section 42 of the Act and the funds raised were applied for the purpose for which they were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP

Chartered Accountants

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



Aniruddha Godbole
Partner

Membership No: 105149

Mumbai
30 May 2016

Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Annexure B to the Independent Auditors' Report – 31 March 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Joyville Shapoorji Housing Private Limited *(formerly known as Drashti Developers Private Limited)* ("the Company") as at 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Annexure B to the Independent Auditors' Report – 31 March 2016 **(Continued)**

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP

Chartered Accountants

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



Aniruddha Godbole

Partner

Membership No: 105149

Mumbai
30 May 2016

Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Balance sheet

as at 31 March 2016

(Currency : Indian Rupees)

	Note	2016	2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,030,920	500,000
Reserves and surplus	4	(91,540,092)	(26,969,506)
		(90,509,172)	(26,469,506)
Non-current liabilities			
Long-term borrowings	5	3,140,844,800	50,000,000
Other long-term liabilities	6	108,208,686	-
		3,249,053,486	50,000,000
Current liabilities			
Short-term borrowings	7	343,421,656	1,275,100,000
Trade payables			
- Due to Micro and Small Enterprises	8	-	-
- Due to others	8	180,825,998	744,381,200
Other current liabilities	9	62,784,396	117,426,312
		587,032,050	2,136,907,512
TOTAL		3,745,576,364	2,160,438,006
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	10	46,666,106	-
Deferred tax assets, net	27	-	-
Long-term loans and advances	11	77,769,907	13,021
Other non-current assets	12	146,913,685	-
		271,349,698	13,021
Current assets			
Current investments	13	268,285,209	262,991,369
Inventories	14	3,145,700,578	1,892,817,689
Cash and bank balances	15	33,767,663	577,424
Short-term loans and advances	16	4,307,519	4,038,503
Others current assets	17	22,165,697	-
		3,474,226,666	2,160,424,985
TOTAL		3,745,576,364	2,160,438,006

Significant accounting policies
Notes to the financial statements

2
3 - 34

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

For and on behalf of the Board of Directors of
Joyville Shapoorji Housing Private Limited
CIN: U70109MH2007PTC166942

Aniruddha Godbole
Partner
Membership No: 105149

Venkatesh Gopalkrishnan
Managing Director
DIN: 01252461

Mohan Jacob
Director
DIN: 06788995

Saureen Desai
Chief Financial Officer
PAN: AESPD1772Q

Mumbai
30 May 2016

Mumbai
30 May 2016



Sudraj Subraman
Company Secretary
Membership No: A 37879

Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Statement of profit and loss

for the year ended 31 March 2016

(Currency : Indian Rupees)

	Note	2016	2015
Revenue			
Other income	18	9,793,366	4,571,576
Total revenue		<u>9,793,366</u>	<u>4,571,576</u>
Expenses			
Cost of material consumed	19	1,252,882,889	1,338,278,463
(Increase) in inventories of project work-in-progress	20	(1,252,882,889)	(1,338,278,463)
Finance cost	21	6,280,060	-
Depreciation	10	122,722	-
Other expenses	22	82,209,592	3,340,303
Total expenses		<u>88,612,374</u>	<u>3,340,303</u>
(Loss) / profit before tax		(78,819,008)	1,231,273
Tax expense:			
- Current tax		-	-
- Deferred tax		-	-
(Loss) / profit for the year		<u>(78,819,008)</u>	<u>1,231,273</u>
Basic and diluted earnings/ (loss) per share (Rs)	26	<u>(1,139.00)</u>	<u>24.63</u>
(Face value of Rs 10 each)			
Significant accounting policies	2		
Notes to the financial statements	3 - 34		

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

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



Venkatesh Gopalkrishnan

Managing Director

DIN: 01252461



Mohan Jacob

Director

DIN: 06788995

For and on behalf of the Board of Directors of
Joyville Shapoorji Housing Private Limited

CIN: U70109MH2007PTC166942



Saureen Desai

Chief Financial Officer

PAN: AESPD1772Q



Suraj Subraman

Company Secretary

Membership No: A 37879

Mumbai
30 May 2016

Mumbai
30 May 2016



Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Cash flow statement

for the year ended 31 March 2016

(Currency : Indian Rupees)

	2016	2015
A. Cash flows from operating activities		
(Loss) / profit before tax	(78,819,008)	1,231,273
Adjustment for :		
Profit on sale of mutual fund units	(9,486,052)	(72,827)
Finance costs	6,280,060	-
Depreciation	122,722	-
Dividend income	(12,140)	(4,368,542)
Interest income	(295,174)	(130,207)
Operating (loss) before working capital changes	(82,209,592)	(3,340,303)
Changes in working capital:		
(Increase)/ decrease in loans and advances	(77,938,563)	4,867,127
(Increase) in inventories	(1,006,184,035)	(588,199,888)
(Decrease)/ Increase in trade payables and other liabilities	(542,195,194)	70,710,993
Cash flows (used in) from operations	(1,708,527,383)	(515,962,071)
Taxes paid, net	(87,339)	(13,021)
Net cash flows (used in) operating activities	A (1,708,614,723)	(515,975,092)
B. Cash flows from investing activities		
Purchase of investments	(1,379,712,140)	(1,392,618,542)
Proceeds from redemption of investments	1,383,904,360	1,129,700,000
Interest received	287,946	130,207
Dividend income received	12,139	4,368,542
Purchase of fixed asset	(44,825,987)	-
Net cash flows (used in) investing activities	B (40,333,682)	(258,419,793)
C. Cash flows from financing activities		
Proceeds from issue of shares	530,920	-
Debt issue expenses paid	(7,567,326)	-
Proceeds from short-term unsecured borrowings	1,707,300,000	1,932,500,000
(Repayment) of short-term unsecured borrowings	(2,638,978,344)	(1,190,100,000)
Proceeds from issue of non-convertible debentures	2,818,388,335	50,000,000
Proceeds from issue of compulsorily convertible debentures	125,200,053	-
Investment/ maturity of deposits with bank (refer note 3 below)	(548,100)	-
Finance costs paid	(222,734,994)	(24,081,524)
Net cash flows generated from financing activities	C 1,781,590,544	768,318,476
Net increase / (decrease) in cash and cash equivalents	(A+B+C) 32,642,139	(6,076,409)
Cash and cash equivalents at the beginning of the year	577,424	6,653,833
Cash and cash equivalents at the end of the year	33,219,563	577,424



Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Cash flow statement (Continued)

for the year ended 31 March 2016

(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.

2 Components of cash and cash equivalents

	2016	2015
Cash in hand	9,058	25,807
Balance with banks:		
- in current accounts	33,210,505	551,617
	<u>33,219,563</u>	<u>577,424</u>

3 Cash and cash equivalents do not include restricted cash of Rs 548,100 (2015: Rs Nil)

4 The Company had in the current year altered terms of 500,000, 14% compulsorily convertible debentures (CCDs) of Rs 100 issued on 1 January 2015 and made them in line with 17% Compulsorily convertible debentures (Series "A") of Rs 100 pursuant to the Investment Agreement and Shareholders Agreement both dated 29 June 2015 read together with Deed of Adherence dated 8 July 2015. The revised terms are set out in note no.5 (i) and (ii). These debentures are included in above cashflow statement.

The accompanying notes form a part of this cash flow statement.

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



Venkatesh Gopalkrishnan

Managing Director

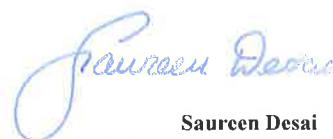
DIN: 01252461



Mohan Jacob

Director

DIN: 06788995



Saurcen Desai

Chief Financial Officer

PAN: AESPD1772Q

Mumbai
30 May 2016

Mumbai
30 May 2016



Suraj Subraman

Company Secretary

Membership No: A 37879

Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Notes to the financial statements

for the year ended 31 March 2016

(Currency : Indian Rupees)

1 Background

Joyville Shapoorji Housing Private Limited ('JSHPL'), formerly known as Drashti Developers Private Limited, ('the Company') was incorporated as a private limited company on January 11, 2007.

The Company is into the affordable housing segment. Currently, the Company has obtained sublease of 30,385 Acres of land along with residential buildings situated at Mouzas Balitkuri, Pakhuria and Khalia in the district of Howrah from Kolkata West International City Private Limited KWICPL). KWICPL will help JSHPL in developing the said land and residential buildings planned within a period of 8 years.

The Company has entered into a purchase agreement for land in Village Bolinj, Taluka Vasai, sub-district of Palghar together along with development potential required to construct a built-up area of 111,483 square meters.

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.

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.

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 and reported amounts of income and expenses during the period. 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 Fixed assets and depreciation

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.



Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency : Indian Rupees)

2. Significant accounting policies (Continued)

2.4 Fixed assets and depreciation (Continued)

Tangible assets

Depreciation/amortisation is provided using the straight line method in the manner and at the rates prescribed by Part 'C' of Schedule II of the Act. Depreciation on addition / deletion of tangible fixed assets made during the year is provided on pro-rata basis from / up to the date of each addition / deletion. Individual assets costing less than Rs 5,000 are depreciated fully in the period of purchase.

The experience centre has been depreciated on straight line basis over the estimated useful life of 8 years.

2.5 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognised as an expenses in the period in which they are incurred.

2.6 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.

2.7 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 realisable 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 realisable 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.

2.8 Investments

Long-term investments are stated at cost. Provision is made to recognise 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.

2.9 Revenue recognition

Interest income is recognised 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.

2.10 Premium, discount and debenture issue expense on issue of debenture

Premium on debentures earned in connection with such issue is recognised in the securities premium account.

Discount on issue of debenture incurred in connection with such issue are amortised over the term of the debentures in proportion to the principal amount outstanding and are adjusted against premium received (to the extent available) on issue of debentures.

Debenture issue expenses incurred in connection with such issue are adjusted against premium received on issue of debentures (to the extent available).



Joyville Shapoorji Housing Private Limited

(formerly known as Drashti Developers Private Limited)

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency : Indian Rupees)

2. Significant accounting policies (Continued)

2.11 Taxation

Current tax

Current tax provision is made based on the results of 31 March 2016 in accordance with the Income-tax Act, 1961.

Deferred tax

Deferred tax liability or asset is recognised 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 recognised 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.

2.12 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.

2.13 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.



Joyville Shapoorji Housing Private Limited
(formerly known as Drashti Developers Private Limited)

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees)

	2016	2015
3 Share capital		
Authorised capital		
600,000 (2015: 50,000) equity shares of Rs 10 each	6,000,000	500,000
	<u>6,000,000</u>	<u>500,000</u>
Issued, subscribed and paid-up		
103,092 (2015: 50,000) equity shares of Rs 10 each, fully paid-up	1,030,920	500,000
	<u>1,030,920</u>	<u>500,000</u>

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

	2016		2015	
Equity shares of Rs 10 each, fully paid-up	Number	Amount	Number	Amount
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	53,092	530,920	-	-
Outstanding at the end of the year	<u>103,092</u>	<u>1,030,920</u>	<u>50,000</u>	<u>500,000</u>

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

	2016		2015	
	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

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

	2016		2015	
	Number	Percentage	Number	Percentage
Equity shares of Rs 10 each, fully paid-up are held by:				
Shapoorji Data Processing Private Limited	-	-	50,000	100
Shapoorji Pallonji and Company Private Limited	50,000	48.50	-	-
International Finance Corporation (IFC)	13,273	12.87	-	-
Asian Development Bank (ADB)	13,273	12.87	-	-
Standard Chartered Real Estate Investment (Singapore) III Private Limited) (SCRE III)	26,546	25.76	-	-

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

	2016		2015	
	No of shares	Rupees	No of shares	Rupees
For compulsorily convertible debentures:				
Equity shares of Rs 10 each for 14%, compulsorily convertible debentures of Rs 100 each	-	-	-	50,000,000
Equity shares of Rs 10 each for 17%, compulsorily convertible debentures (Series "A") of Rs 100 each	70,920	709,200	-	-
Equity shares of Rs 10 each for 17%, compulsorily convertible debentures (Series "B") of Rs 100 each (also refer to terms of debentures in note 5 below)	75,300	753,050	-	-

* 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.

Joyville Shapoorji Housing Private Limited
(formerly known as Drashti Developers Private Limited)

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees)

	2016	2015
4 Reserves and surplus		
Securities premium account		
At the commencement of the year		
Add : Premium received on issue of 17%, compulsorily convertible debentures (Series "B") during the year	28,974,559	-
Less: Amortisation of discount on issue of debentures (refer note 5 (iii) and (iv))	7,158,811	-
Less: Debenture issue expenses	7,567,326	-
	<u>14,248,422</u>	<u>-</u>
Deficit (Profit and loss balance)		
At the commencement of the year	(26,969,506)	(28,200,779)
Add: (Loss) / profit for the year	(78,819,008)	1,231,273
Net (loss) in the statement of profit and loss	<u>(105,788,514)</u>	<u>(26,969,506)</u>
Total reserves and surplus	<u>(91,540,092)</u>	<u>(26,969,506)</u>
5 Long-term borrowings		
Unsecured		
Debentures		
<i>from related parties</i>		
- Nil (2015: 500,000) 14% compulsorily convertible debentures of Rs 100 each (refer note i, ii and iii)	-	50,000,000
- 709,195 (2015: Nil) 17%, compulsorily convertible debentures (Series "A") of Rs 100 each (refer note ii and iii)	70,919,500	-
- 753,060 (2015: Nil) 17%, compulsorily convertible debentures (Series "B") of Rs 100 each (refer note ii and iii)	75,306,000	-
- 8,983,900 (2015: Nil) 10%, redeemable, non-convertible debentures (Series "A") Rs 100 each (refer note ii, iv and v)	898,390,000	-
- 20,962,293 (2015: Nil) 10%, redeemable, non-convertible debentures (Series "B") Rs 100 each (refer note ii, iv and v)	2,096,229,300	-
	<u>3,140,844,800</u>	<u>50,000,000</u>

Notes:

- i. The Company had issued 500,000, 14% compulsorily convertible debentures (CCDs) of Rs 100 each on 1 January 2015. The terms of these debentures have been altered in the current year and made in line with 17% Compulsorily convertible debentures (Series "A") of Rs 100 pursuant to the Investment Agreement and Shareholders Agreement both dated 29 June 2015 read together with Deed of Adherence dated 8 July 2015. The revised terms are set out in note no. ii below.
- ii The details of unsecured securities issued on a private placement basis as at March 31, 2016 :

Name of security	Number of securities	Date of issue/ conversion	Terms of repayment/ conversion
17%, compulsorily convertible debentures (Series "A") of Rs 100 each	500,000	14-Oct-15	The debentures will be converted into 70,920 equity shares of face value Rs 10 each, fully paid-up, on completion of 8 years from first closing date i.e. 17 November 2023 (unless extended by mutually written agreement between holders of Series A CCDs and the Series B CCDs) or earlier date, subject to certain conditions.
17%, compulsorily convertible debentures (Series "A") of Rs 100 each	82,500	14-Dec-15	
17%, compulsorily convertible debentures (Series "A") of Rs 100 each	126,695	02-Feb-16	
17%, compulsorily convertible debentures (Series "B") of Rs 100 each, issued at a premium of Rs 4.48 each	530,928	20-Nov-15	The debentures will be converted into 75,305 equity shares of face value Rs 10 each, fully paid-up, on completion of 8 years from first closing date i.e. 17 November 2023 (unless extended by mutually written agreement between holders of Series A CCDs and the Series B CCDs) or earlier date, subject to certain conditions. These debentures are issued at a discount of Rs 4.48
17%, compulsorily convertible debentures (Series "B") of Rs 100 each, issued at a premium of Rs 119.74 each	87,600	14-Dec-15	
17%, compulsorily convertible debentures (Series "B") of Rs 100 each, issued at a premium of Rs 119.74 each	134,532	02-Feb-16	
10%, redeemable, non-convertible debentures (Series "A") of Rs 100 each, issued at a discount of Rs 10.52 each	4,800,000	17-Nov-15	These Non-Convertible Debentures shall be redeemed on expiry of 8 years from first date of allotment i.e. 17 November 2023 which shall stand automatically extended to the end of 13 (thirteen) years from the First Allotment Date, in case any of the Debentures are outstanding at the expiry of 8 (eight) years from the First Allotment Date, as aforesaid or any other further date (as mutually agreed, in writing, between the Series A Debenture Holders and Series B Debenture Holders), on which date all outstanding Debentures shall be mandatorily redeemed in full in accordance with the terms of the transaction documents. The debentures are listed on Bombay stock Exchange with effect from 20 November 2015.
10%, redeemable, non-convertible debentures (Series "A") of Rs 100 each, issued at a discount of Rs 5 each	1,650,000	03-Dec-15	
10%, redeemable, non-convertible debentures (Series "A") of Rs 100 each, issued at a discount of Rs 5 each	2,533,900	20-Jan-16	
10%, redeemable, non-convertible debentures (Series "B") of Rs 100 each, issued at a discount of Rs 5 each	11,200,000	17-Nov-15	
10%, redeemable, non-convertible debentures (Series "B") of Rs 100 each, issued at a discount of Rs 5 each	3,849,860	03-Dec-15	
10%, redeemable, non-convertible debentures (Series "B") of Rs 100 each, issued at a discount of Rs 5 each	5,912,433	20-Jan-16	
iii The Company has issued 17%, compulsorily convertible debentures (Series "B") during the year at premium of Rs 28,974,559 which is transferred to securities premium account as per provisions of Section 52 of Companies Act, 2013.			
iv The Company has issued 10%, redeemable, non-convertible debentures (Series "A" and "B") at a discount of Rs 176,230,965 which will be amortised over the period of maturity for the debentures. Current year amortisation of the discount on issue of debentures of Rs 7,158,811 has been adjusted against securities premium account.			



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Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees)

5 Long-term borrowings (Continued)

Note: (Continued)

- iii The compulsorily convertible debentures Series "A" and Series "B" shall not carry any voting rights. The interest payable on the compulsorily convertible debentures Series "A" and Series "B" shall be cumulative.
- iv The interest on non-convertible debentures Series "A" and Series "B" shall be payable subject to availability of distributable amounts, in the manner determined by the distributions committee of the company and in the manner provided in the debenture trust deed.
- v The Company shall, during the currency of the non-convertible debentures Series "A" and Series "B" maintain an asset cover of at least 100% as required under the Debt Listing Regulations.

2016 2015

6 Other long-term liabilities

Interest accrued but not due on borrowings

108,208,686

108,208,686

7 Short-term borrowings

Unsecured

Finance facility from Housing Development Finance Corporation Limited*

300,000,000

Inter-corporate deposits **

from related parties

- Shapoorji Pallonji and Company Private Limited

275,100,000

from other parties

- Bengal Shapoorji Housing Development Private Limited

1,000,000,000

- Grand View Estates Private Limited

43,421,656

343,421,656

1,275,100,000

Note:

* The finance facility from the Housing development Finance Corporation Limited carries interest @ 11.85 % (based on current CPLR of the bank) and is payable on 1 April 2016 and balance on maturity i.e. 30 June 2016. The finance facility is repayable or may be converted to loan after 3 months with effect from first disbursement. Corporate guarantee from Shapoorji Pallonji and Company Private Limited for ensuring that Debt service reserve account (DSRA) is maintained in line with the stipulated terms for currency of the facility.

** The Company has obtained unsecured inter-corporate deposits carrying rate of interest @ 11.5% to 12% per annum. These inter-corporate deposits are repayable on demand.

2016 2015

8 Trade payables

Trade payables towards goods purchased and services received

- micro and small enterprises (refer note 30)

- others

180,825,998

744,381,200

180,825,998

744,381,200

9 Other current liabilities

Interest accrued but not due on borrowings

31,995,463

107,997,388

Advance received from customers

21,599,561

Other payables

- Statutory dues payable*

6,194,114

9,072,761

- Accrual for expenses

2,995,258

356,163

62,784,396

117,426,312

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



Joyville Shapoorji Housing Private Limited
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Notes to the financial statements (Continued)
as at 31 March 2016

(Currency : Indian Rupees)

10 Fixed assets

Particulars	GROSS BLOCK		ACCUMULATED DEPRECIATION		NET BLOCK	
	As at 1 April 2015	As at 31 March 2016	As at 1 April 2015	Charge for the year On deductions 31 March 2016	As at 31 March 2016	As at 1 April 2015
Tangible assets						
Experience centre	-	37,770,847	-	-	37,770,847	-
Electrical installations	-	1,874,905	-	-	1,874,905	-
Furniture and fixtures	-	3,875,814	-	37,317	3,838,497	-
Office equipments	-	506,710	-	10,012	496,698	-
Computers	-	721,274	-	34,194	687,080	-
Motor Vehicles	-	1,266,403	-	39,791	1,226,612	-
Plant and Machinery	-	772,875	-	1,408	771,467	-
Total	-	46,788,828	-	122,722	46,666,106	-
Movement in previous year	-	-	-	-	-	-

Notes:

- i. Additions during the year includes borrowing cost aggregating to Rs 1,962,841 (2015: Nil) capitalised in accordance with Accounting standard (AS) 16 Borrowing Costs. This relate to the interest and other ancillary costs on bank borrowings for the construction of the experience centre.



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Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees)

	2016	2015
11 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; 2015: Rs Nil)	100,360	13,021
Service tax credit receivable	77,669,547	-
	<u>77,769,907</u>	<u>13,021</u>
12 Other non-current assets (Unsecured, considered good)		
Unamortised discount on debenture (refer note 5 (iii) and ((iv))	146,913,685	-
	<u>146,913,685</u>	<u>-</u>
13 Current investments (valued at lower of cost and fair value)		
Investments in mutual funds - (non-trade, quoted)		
87,091,530 (2015: Nil) units of Reliance Money Manager Fund - Growth Plan Growth Option	180,000,000	-
24,280,281 (2015: Nil) units of Reliance Liquidity Fund - Growth Plan Growth Option	54,607,570	-
9,242,737 (2015: Nil) units of Reliance Liquid Fund - Treasury Plan - Growth Plan	33,677,639	-
Nil (2015: 77,252,588) units of Reliance Liquid Fund - JP - Growth	-	262,322,826
Nil (2015: 437,316) units of Reliance Liquid Fund - JP - Daily Dividend	-	668,543
	<u>268,285,209</u>	<u>262,991,369</u>
Quoted current investments		
Aggregate book value	268,285,209	262,991,369
Aggregate market value	270,066,037	263,761,129
14 Inventories (valued at the lower of cost and net realisable value)		
Project work-in-progress	3,145,700,578	1,892,817,689
	<u>3,145,700,578</u>	<u>1,892,817,689</u>
15 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	9,058	25,807
Balances with banks		
- in current account	33,210,505	551,617
Other bank balances**		
Deposits with banks with maturity less than 12 months *	548,100	-
	<u>33,767,663</u>	<u>577,424</u>

The Company has a lien on its fixed deposits aggregating Rs 548,100 (2015: Rs Nil) in favour of Senior Joint Commissioner, Commercial Taxes, Central Section, Government of West Bengal, Kolkata- 700015.

**** Details of bank balances / deposits**
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'

548,100	-
<u>548,100</u>	<u>-</u>



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Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees)

	2016	2015
16 Short-term loans and advances (Unsecured, considered good)		
To other than related parties		
Other loans and advances		
Receivable from Svadeshi Mill Company Limited (Refer note 28)	-	4,038,503
Prepaid expenses	3,993,708	-
Advance to suppliers	313,811	-
	<u>4,307,519</u>	<u>4,038,503</u>
17 Others current assets (Unsecured, considered good)		
Interest receivable on fixed deposits	7,228	-
Unamortised discount on debenture	22,158,469	-
	<u>22,165,697</u>	<u>-</u>



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Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency : Indian Rupees)

	2016	2015
18 Other income		
<i>Interest income</i>		
- on deposits with banks	294,715	130,207
- on income tax refund	459	-
Dividend income	12,140	4,368,542
Profit on sale of mutual fund units	9,486,052	72,827
	<u>9,793,366</u>	<u>4,571,576</u>
19 Cost of materials consumed		
<i>Project work-in-progress</i>		
Cost of free hold land	780,541,501	-
Premium for leasehold land	-	1,098,351,300
Material and contractual expenses	-	17,000,000
Professional fees and technical fees	12,464,484	60,221,987
Finance costs (refer note 21)	246,698,854	109,258,475
Other expenses	213,178,050	53,446,701
	<u>1,252,882,889</u>	<u>1,338,278,463</u>
20 (Increase) in inventories of project work-in-progress		
Opening stock of construction materials	-	-
Opening stock of project work-in-progress	1,892,817,689	554,539,226
	<u>1,892,817,689</u>	<u>554,539,226</u>
Less: Closing stock of construction materials	-	-
Less: Closing stock of project work-in-progress	3,145,700,578	1,892,817,689
	<u>3,145,700,578</u>	<u>1,892,817,689</u>
	<u>(1,252,882,889)</u>	<u>(1,338,278,463)</u>
21 Finance costs		
<i>Interest on long term borrowings</i>		
- on compulsorily convertible debentures	12,553,645	1,726,027
- on non convertible debentures	94,101,617	-
<i>Interest on short-term borrowings</i>		
- on finance facility from Housing Development Finance Corporation Limited	1,363,562	19,446,577
- on inter-corporate deposits	109,674,636	86,285,871
<i>Other finance costs</i>		
- loan processing charges	471,522	1,800,000
- incidental charges	36,776,773	-
	<u>254,941,755</u>	<u>109,258,475</u>
Less: transferred to project work-in-progress (refer note 19)	(246,698,854)	(109,258,475)
Less: transferred to fixed assets (refer note 10)	(1,962,841)	-
	<u>6,280,060</u>	<u>-</u>
22 Other expenses		
Business promotion expenses	73,186,866	-
Rates and taxes	44,054	19,000
Legal, professional and other fees	8,314,658	2,938,522
Bank charges	20,405	1,089
Payment to auditors' (excluding service tax) (refer note 24)	577,875	300,000
Miscellaneous expenses	65,734	81,692
	<u>82,209,592</u>	<u>3,340,303</u>



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for the year ended 31 March 2016

(Currency : Indian Rupees)

2016

2015

23 Capital commitment and contingencies

Project Commitment (refer note (i))

962,500,000

-

- (i) Company has purchased land admeasuring 30,800 square meters being FSI plus DR/TDR of around 74,322 square meters required to construct a Built-Up Area ('BUA') of 111,483 square meters for a total consideration of Rs 1,650,000,000. The Company has paid stamp duty on the entire consideration during the year, but the purchase consideration was paid only to the extent of Rs 687,500,000. The seller is required to fulfill certain obligations as per the land purchase agreement before he is entitled to the balance consideration. Non fulfillment of the same will result in adjustments to the final consideration payable. Accordingly, the balance amount payable (including applicable taxes) has not provided/accrued as at 31 March 2016.

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 the Company and grant all rights given by Kolkata Metropolitan Development Authority (KMDA) to KWICPL as per agreement dated 10 Nov 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.

24 Payment to auditors' (including service tax)

	2016	2015
As auditor		
Statutory audit	575,000	300,000
Other services	-	-
Swachh bharat cess	2,875	-
	577,875	300,000
Service tax	80,500	37,080
	658,375	337,080

25 Related party disclosure

Parties where control exists

Shapoorji Data Processing Private Limited (till 14 October 2015)

Shapoorji Pallonji and Company Private Limited (from 14 October 2015 to 20 November 2015)

Parties where significant influence exists

Shapoorji Pallonji and Company Private Limited (from 20 November 2015)

Other related parties with whom transactions have taken place during the year

International Finance Corporation (IFC) (from 20 November 2015)

Asian Development Bank (ADB) (from 20 November 2015)

Standard Chartered Real Estate Investment (Singapore) III Private Limited (SCRE III) (from 20 November 2015)

Transactions with related parties during the year	2016	2015
Unsecured loan taken		
Shapoorji Pallonji and Company Private Limited	240,000,000	332,500,000
Compulsorily convertible debentures issued		
Shapoorji Pallonji and Company Private Limited	20,919,500	50,000,000
17%, compulsorily convertible debentures (Series "B")		
International Finance Corporation (IFC)	18,826,500	-
Asian Development Bank (ADB)	18,826,500	-
Standard Chartered Real Estate Investment (Singapore) III Private Limited) (SCRE III)	37,653,000	-
Non convertible debentures issued		
Shapoorji Pallonji and Company Private Limited	898,390,000	-
10%, redeemable, non-convertible debentures (Series "B")		
International Finance Corporation (IFC)	524,057,300	-
Asian Development Bank (ADB)	524,057,300	-



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Notes to the financial statements (Continued)
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(Currency : Indian Rupees)

25 Related party disclosure (Continued)

Transactions with related parties during the year	2016	2015
Unsecured loan repaid		
Shapoorji Pallonji and Company Private Limited	515,100,000	590,000,000
Interest charge for the year		
Shapoorji Pallonji and Company Private Limited		
- on inter-corporate deposits	29,444,372	62,858,528
- on Compulsorily convertible debentures (Series "A")	8,461,605	1,726,027
- on redeemable, non-convertible debentures (Series "A")	28,230,623	-
International Finance Corporation (IFC)		
- on Compulsorily convertible debentures (Series "B")	1,023,010	-
- on redeemable, non-convertible debentures (Series "B")	16,467,748	-
Asian Development Bank (ADB)	1,023,010	-
- on Compulsorily convertible debentures (Series "B")	16,467,748	-
- on redeemable, non-convertible debentures (Series "B")		
Standard Chartered Real Estate Investment (Singapore) III Private Limited) (SCRE III)		
- on Compulsorily convertible debentures (Series "B")	2,046,020	-
Development Management Fee		
Shapoorji Pallonji and Company Private Limited	1,194,808	-
Project and Office Managemet expenses		
Shapoorji Pallonji and Company Private Limited		68,400,000
Balances with related parties		
Inter-corporate deposits taken		
Shapoorji Pallonji and Company Private Limited	240,000,000	275,100,000
Compulsorily convertible debentures		
17%, compulsorily convertible debentures (Series "A")		
Shapoorji Pallonji and Company Private Limited	70,919,500	50,000,000
17%, compulsorily convertible debentures (Series "B")		
International Finance Corporation (IFC)	18,826,500	-
Asian Development Bank (ADB)	18,826,500	-
Standard Chartered Real Estate Investment (Singapore) III Private Limited) (SCRE III)	37,653,000	-
Non convertible debentures		
10%, redeemable, non-convertible debentures (Series "A")		
Shapoorji Pallonji and Company Private Limited	898,390,000	-
10%, redeemable, non-convertible debentures (Series "B")		
International Finance Corporation (IFC)	524,057,300	-
Asian Development Bank (ADB)	524,057,300	-
Trade payables		
Shapoorji Pallonji and Company Private Limited	100,465,597	99,375,138
Interest accrued but not due		
Shapoorji Pallonji and Company Private Limited	38,245,653	85,361,772
International Finance Corporation (IFC)	17,490,758	-
Asian Development Bank (ADB)	17,490,758	-
Standard Chartered Real Estate Investment (Singapore) III Private Limited) (SCRE III)	2,046,020	-



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Notes to the financial statements (Continued)
for the year ended 31 March 2016

(Currency : Indian Rupees)

26 Earnings per share

		2016	2015
(Loss) / profit after tax attributable to equity shareholders	A	(78,819,008)	1,231,273
Basic 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
Number of equity shares at the end of the year		103,092	50,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	B	69,200	50,000
Basic and diluted earnings per share (Rs)	C = A/B	(1,139.00)	24.63
Face value per share (Rs)		10	10

For current year earnings per share ('EPS'), potential equity shares in the form of 146,225, 17%, compulsorily convertible debentures (Series "A" and "B") issued in the current year, are ignored in the calculation of diluted earnings per share, as on their conversion to equity shares, the results on the earnings per share from continuing activities would be anti-dilutive.

For previous year EPS, 14% Compulsorily Convertible Debentures (CCDs) have not been considered for the purposes of dilutive equity shares, since the number of equity shares were to be determined on completion of 12 years from date of issue.

27 Deferred tax assets, net

	2016	2015
Deferred tax assets:		
Unabsorbed business loss	24,806,101	8,780,498
Unabsorbed depreciation	836,195	-
Deferred tax assets *	25,642,296	8,780,498
Net deferred tax assets restricted to *	-	-

* Deferred tax assets are recognised 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 25,642,296 (2015: Rs 8,780,498) are not recognised, as they are not considered to be virtually certain of realisation.

28 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.

In the current year, the Company has entered into a Deed of Assignment for assigning all its right, interest and benefits in and to the debt and incidental rights thereto, including, the assignment of and benefits to recover the debt to Bracewall Builders Private Limited.

29 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, 2015.



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for the year ended 31 March 2016

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30 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.

Particulars	2016	2015
Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due thereon	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each 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	-	-

- 31 The Company has raised money by way of public offer of redeemable non-convertible debentures (Series "A") and redeemable non-convertible debentures (Series "B") instruments during the year. Out of the total money raised aggregating Rs 2,818,388,335, and sum of Rs 2,730,103,131 has been utilised till 31 March 2016 for the project cost and Rs Nil has been utilised subsequent to 31 March 2016. Pending utilisation of the funds raised by issue of debentures, the unutilised funds aggregating to Rs 88,285,204 have been temporarily deployed in money market mutual funds.

The Company has also raised money by way private placement of compulsorily convertible debentures (Series "A") and compulsorily convertible debentures (Series "B") during the year aggregating to Rs 125,200,053 in compliance with the requirements of Section 42 of the Act and the funds raised were applied for the purpose for which they were raised.

32 Compliance with certain requirements of the Companies Act, 2013

During the year, the Company has not been complied with certain provisions of the Companies Act, 2013 as set out below:

- Audit committee as required under Section 177 was not appointed by the Company. The same has been constituted subsequent to the year-end.
- Remuneration committee as required under Section 178 was not appointed by the Company.

Management believes that the liabilities/ penalties/ levies, if any, on account of the above stated non-compliance are not expected to be material and the same are currently not determinable.

- 33 The Company has not created a debenture redemption reserve account due to non-availability of profits in the current year for payment of dividend. No debentures are redeemable within a period of 12 months from 31 March 2016. As none of the debentures are due for repayment within 12 months of the year end, the Company is not required to make any investment in the specified securities as set out in Rule 18 of Share Capital and Debentures Rules, 2014 of Companies Act, 2013.

34 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.

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

Venkatesh Gopalkrishnan
Managing Director
DIN: 01252461

Mohan Jacob
Director
DIN: 06788995

Saurcen Desai
Chief Financial Officer
PAN: AESPD1772Q

Mumbai
30 May 2016

Mumbai
30 May 2016



Suraj Subraman
Company Secretary
Membership No: A 37879