



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

TO,

THE MEMBERS OF INOX MERCANTILE COMPANY PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **INOX MERCANTILE COMPANY PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at **31/03/2015**, the Statement of Profit and Loss, **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 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 of 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 31/03/2015, and its **Loss and its cash flows** for the year ended on that date.

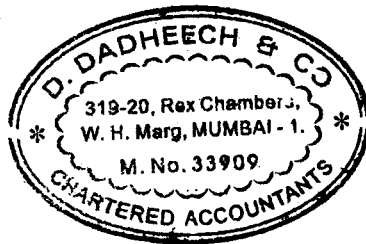
Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

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.
- (e) On the basis of the written representations received from the directors as on **31/03/2015** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2015** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date: 6 MAY 2015
Place:



FOR D DADHEECH & CO
(Chartered Accountants)

Reg No. :101981W

[Signature]

DEVESH H DADHEECH

Proprietor

M.No. : 033909

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(1) In Respect of Fixed Assets

(a) The company does not have any fixed asset so sub clause (a) and (b) of clause (i) is not applicable to the company.

(b) N.A.

(2) In Respect of Inventory

(a) Physical verification of inventory has been conducted at reasonable intervals by the management.

(b) Procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. There is no inadequacy in such procedures that should be reported.

(c) Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.

(3) Loans and advances to parties covered under section 189

As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act, so sub clause (a) and (b) of this clause are not applicable.

(a) N.A.

(b) N.A.

(4) Internal Control in reference to Purchase of Inventory and Fixed Assets and whether there is continue failure of internal control

In our opinion and according to the information and explanations given to us there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit We have not observed continuing failure to correct major weaknesses in internal control system.

(5) Rules followed while accepting Deposits

No deposits within the meaning of Sections 73 to 76 or any other relevant provision of the Act and rules framed thereunder have been accepted by the Company.

(6) Maintenance of cost records

The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (l) of section 148 of the Companies Act.

(7) According to the information and explanations given to us in respect of statutory dues

(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor education protection fund, Employees' state insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess and any other statutory dues with the appropriate authorities were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.

(c) N.A.

(8) Company which has been registered for a period less than five years and accumulated losses are more than 50% of Net worth, Reporting of cash Losses

The company's accumulated losses at the end of the financial year are more than Fifty percent of its net worth. The company has incurred cash loss of Rs 0.84 lakhs during the year. In the immediately preceding financial year the company had incurred cash loss of Rs.0.85 lakhs.

(9) Default in Repayment of Loans taken from Bank or Financial Institutions

The company has not defaulted in repayment of dues to financial institution or bank.

(10) Terms for Loans and Advances from Banks or Financial Institutions prejudicial to the interest of the company

On the basis of records examined by us and information provided by the management, we are of the opinion that the company has not given guarantees for loans taken by other from banks or financial institutions.

(11) Application versus purpose for which Loan Granted

The company did not have any term loans outstanding during the year.

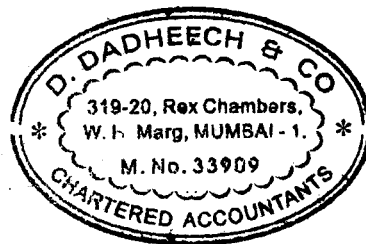
(12) Reporting of Fraud During the Year Nature and Amount

According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

Place : MUMBAI

Date :

16 MAY 2015



FOR D DADHEECH & CO
(Chartered Accountants)
Reg No. :101981W

DEVESH H DADHEECH
(Proprietor)
Membership No : 033909

INOX MERCANTILE COMPANY PRIVATE LIMITED

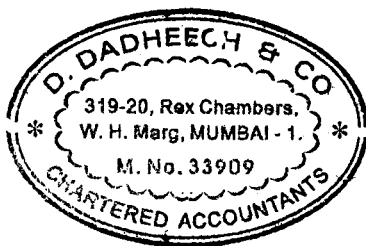
BALANCE SHEET AS ON 31st March 2015

Rs In Lakhs

Particulars	Note No.	31-Mar-15	31-Mar-14
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	1	1.00	1.00
Reserve & Surplus	2	(6.71)	(5.87)
Non-Current Liabilities			
Long Term Borrowings	3	8,786.99	8,781.34
Current Liabilities			
Trade payables	4	4.34	5.15
Other Current Liabilities		0.09	0.08
TOTAL		8,785.70	8,781.71
ASSETS			
Non-Current Assets			
Non-Current Investments	5	1,100.00	1,100.00
Current assets			
Inventories	6	7,652.30	7,648.63
Cash & Cash Equivalents	7	3.74	3.42
Short-term Loans and advances	8	29.66	29.66
TOTAL		8,785.70	8,781.71

As per our report of even date
For and on behalf of
D. Dadheech & Co.
Chartered Accountants
FR No. 101981 W

Devesh Dadheech
Proprietor
Mumbai
Date :06th May 2015



For and on behalf of Board of Directors

Rajeev A. Piramal
DIN NO.00044983

Director

Nandan A. Piramal
DIN NO.00045003

Director

INOX MERCANTILE COMPANY PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March 2015

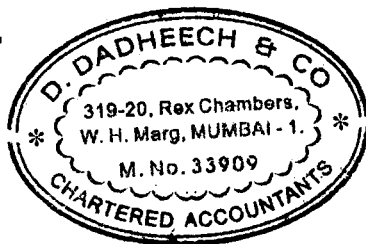
Rs In Lakhs

Particulars	Note No.	31-Mar-15	31-Mar-14
INCOME:			
Income From Operations		-	-
Total Revenue		-	-
EXPENSES:			
Development Expenses		0.03	0.06
Printing & Stationery		-	0.00
Professional Fees		0.15	0.17
Security Expenses		3.50	3.67
Audit Fees		0.84	0.84
Bank Charges		-	-
Expenses other than Finance Cost		4.52	4.76
Finance costs		-	-
Interest		-	-
Total Expenses		4.52	4.76
Less : Transfer to Work in Progress (Realty Stock)		3.67	3.91
Expenses Charged to Profit and Loss Accounts		0.84	0.85
Profit before tax		(0.84)	(0.85)
Tax expense:			
Current tax		-	-
Profit after tax		(0.84)	(0.85)
Balance Carried to Balance Sheet			
Earning Per equity share:			
Basic & Diluted (Refer Note No 9 of Note No. II of 9)		(8.43)	(8.48)
Significant accounting Policy (Refer Note No. I of 9)			
Notes forming part of Accounts (Refer Note No. II of 9)			

As per our report of even date
 For and on behalf of
 D. Dadheech & Co.
 Chartered Accountants
 FR No. 101981 W

D. Dadheech

Devesh Dadheech
 Proprietor
 Mumbai
 Date :06th May 2015



For and on behalf of Board of Directors

Rajeev A. Piramal
 DIN NO.00044983

Director

Nandan A. Piramal
 DIN NO.00045003

Director

NOTE : 1
Share Capital

Rs In Lakhs

Particulars	31-Mar-15	31-Mar-14
Authorised		
10,000 (P.Y. 10000) Equity Shares of Rs.10/- each	1.00	1.00
Issued, Subscribed and Paid up		
10,000 (P.Y. 10000) Equity Shares of Rs.10/- each (Wholly owned subsidiary of Peninsula Holdings and Investments Private Limited)	1.00	1.00
Terms /rights attached to Equity shares The Company has only one class of equity shares having a par value of Rs 10 each Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend.		
Note : 1.) 100% Equity share capital held by Peninsula Holdings and Investments pvt Ltd.		
	1.00	1.00

NOTE : 2
Reserve & Surplus

Particulars	31-Mar-15	31-Mar-14
Profit & Loss Accounts		
Balance as per Profit and Loss Account	(5.87)	(5.02)
Add : Profit /(Loss) of current year	(0.84)	(0.85)
Closing Balance of Reserve and surplus	(6.71)	(5.87)

NOTE : 3
Long Term Borrowings

Particulars	31-Mar-15	31-Mar-14
Unsecured Loan		
Loan from Ultimate Holding Company	8,786.99	8,781.34
A. Terms of Loan Repayment Loan is repayable from Project Inflow		
B. Interest Interest free Loan Received for project		
	8786.99	8781.34

NOTE No. 4

Rs In Lakhs

CURRENT LIABILITIES

	31-Mar-15	31-Mar-14
Trade Payables		
MSMED	-	-
Others	4.34	5.15
Other Current Liabilities (tax)	0.09	0.08
	4.4244800	5.2309900

NOTE No. 5

NON CURRENT INVESTMENTS (AT COST)

	Face Value	Number of Shares	31-Mar-15	31-Mar-14
LONG TERM INVESTMENTS (NON-TRADE)				
A. INVESTMENTS IN EQUITY INSTRUMENTS UNQUOTED (FULLY PAID UNLESS STATED OTHERWISE				
Keti Constructions Limited	10	13,00,000	1,100.00	1,100.00
			1,100.00	1,100.00

Aggregate amount of Quoted Investments & Market value thereof		-
Aggregate amount of Unquoted Investments	1,100.00	1,100.00
Total Investments	1,100.00	1,100.00

NOTE No. 6

INVENTORIES (AT COST)

	31-Mar-15	31-Mar-14
Work in Progress (Raelty Stock) (Refer Note no 7 of note no. II of 9)	7,652.30	7,648.63
	7,652.30	7,648.63

NOTE No. 7

CASH AND CASH EQUIVALENTS

	31-Mar-15	31-Mar-14
Balance with banks in current Accounts	3.74	3.42
	3.74	3.42

NOTE No. 8

SHORT TERM LOANS AND ADVANCES

(Unsecured Considered Good)

	31-Mar-15	31-Mar-14
Advances Recoverable in Cash or in Kind for Value to be Received	29.66	29.66
	29.66	29.66

NOTES TO THE ACCOUNTS

Note No. 9

Significant Accounting Policies and Note to Accounts

I Significant Accounting Policies

1 The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India and comply with the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act 2013

2 Borrowing Cost

Borrowing Costs that are directly attributable to long term projects/ development activities are treated as part of the respective project cost and added to the stock in trade. Other borrowing costs are charged as an expense in the year in which they are incurred.

3 Inventories

Stock in Trade represents property undertaken for development and consists of costs directly attributable to such development valued at cost or Net Realisable value whichever is lower

4 Investments

Long term investments are carried at cost less any permanent diminution in value. Current investments are carried at the lower of cost and fair value.

5 Fixed assets

There are no assets to be recognised as Fixed assets as per Accounting Standard -10 issued by ICAI

6 Depreciation/Amortisation

Since there are no Fixed assets, there is no depreciation / Amortisation as per Schedule II of the Companies Act 2013

7 Taxation

Current Tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred Tax

As per the clause 17 of accounting Standard (AS 22) of Institute of Chartered Accountant of India, deferred tax asset should be recognized only to the extent there is virtual certainty that sufficient future income tax will be available against unabsorbed depreciation or carried forward losses.

The management in its wisdom has decided to not to provide deferred tax asset in view of reasonable uncertainty as to future profitability.

8 Provisions, Contingent Liabilities and Contingent Assets

- i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and the amount of which can be reliably estimated.
- ii) Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future event not wholly within the control of the Company.
- iii) Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

II Notes to Accounts

- 1 The Company has Undertaken a Real Estate Development Project at Goa (SEZ). All the expenses pertaining to the said Project are Capitalized and shown under the Head Current Assets.
- 2 As the Company has no employees during the period, there is no accrued liability for the Gratuity under the Payment of Gratuity Act, 1972 and Fringe Benefit Tax under Income Tax Act.
- 3 The Capital Commitment as under
NIL (Rs NIL)
- 4 Contingent Liabilities are Nil. (Previous Year : Nil)

- 5 Expenditure/Earnings in Foreign Currency - NIL (Previous Year :NIL)
- 6 Based on the information available with the Company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31st 2015 Hence, the information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not disclosed.
- 7 The details of Work in Progress is as under:

Particulars	As At	As At
	31-Mar-15 (Rs In Lakhs)	31-Mar-14 (Rs In Lakhs)
Opening Work in Progress	7,648.63	7,644.72
Add:Expenses during the Period		
Development Expenses		
S.E.Z. Project	0.03	0.06
Allocated Expenses	3.64	3.85
Closing Work in Progress	7,652.30	7,648.63

- 8 List of Related Parties and Transactions during the year.

A. Ultimate Controlling Company

Peninsula Land Limited-PLL

B. Controlling Company

Peninsula Holdings & Investments Private Limited -PHIPL

C. Key Management Personnel

Rajeev A. Piramal

Nandan A. Piramal

Details of Transactions are as Follows :

	2014-15 (Rs. In Lakhs)	2013-14 (Rs. In Lakhs)
--	---------------------------	---------------------------

D. Loan taken from

-Ultimate Holding Company
PLL

5.65

2.69

E. Outstanding balances as on date

Payable by Company
Ultimate Holding Company
Peninsula Land Limited

8,786.99

8,781.34

- 9 **Earnings Per Share (EPS)**
- a. Profit/(Loss) after Tax Rs (0.84) (0.85)
- b. Number of Shares 10,000 10,000
- c. Basic & Diluted EPS (Rs.) (8.43) (8.48)
- 10 Details require as per schedule III of the Companies Act 2013 wherever applicable has been provided in the notes forming parts of the accounts.
- 11 Cash On Hand at the end of the year is physically verified by the Management on which the Auditors have kept reliance.
- 12 The Company is registered with MCA under CIN No. U51900MH2006PTC160212
- 13 Previous Year figures are regrouped where ever necessary

As per our report of even date

For and on behalf of

D. Dadheech & Co.

Chartered Accountants

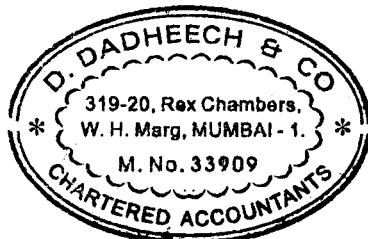
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Devesh Dadheech

Proprietor

Mumbai

Date :06th May 2015



For and on behalf of Board of Directors

Rajeev A. Piramal Director
DIN NO.00044983

Nandan A. Piramal Director
DIN NO.00045003

INOX MERCANTILE COMPANY PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2015

Rs In Lakhs

	For the Year Ended 31-Mar-15	For the Year Ended 31st March 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) Before Tax and Extra Ordinary Items	(0.84)	(0.85)
Adjustments for:		
Operating Profit Before Working Capital Changes		
Adjustments for:		
Less:		
Increase (Decrease) in Inventories	3.67	3.91
Increase (Decrease) in Loans and Advances	-	-
Increase/(Decrease) in Trade Payables	0.81	(1.53)
Cash Generated from Operations	<u>(4.48)</u>	<u>(2.39)</u>
Net Cash From Operating Activities	(A) (5.32)	(A) (3.23)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash From Investing Activities	(B)	(B)
Purchase of shares	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	5.65	2.69
Net Cash Used in Financing Activities	(C) 5.65	(C) 2.69
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	0.33	(0.54)
Cash and Cash Equivalents at the beginning of the year	3.42	3.96
Cash and Cash Equivalents at the end of the year	3.74	3.42

This is the Cash Flow Statement referred to in our report of even date.

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

As per our report of even date

For and on behalf of

D. Dadheech & Co.

Chartered Accountants

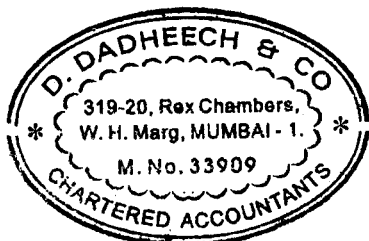
FR No. 101981 W

Devesh Dadheech

Proprietor

Mumbai

Date : 06th May 2015



For and on behalf of Board of Directors

Rajeev A. Piramal
DIN NO.00044983

Director

Nandan A. Piramal
DIN NO.00045003

Director