

S.D.

Peninsula Mega-City Development Private Limited

Audited Financial Statements for the Year Ended 31st March, 2014

Amit Desai & Co
Chartered Accountants
43 Sunbeam Apartments,
3A Pedder Road, Mumbai - 400 026.
E-mail Id : amitdesaiandco@gmail.com

INDEPENDENT AUDITORS' REPORT

To the Members of Peninsula Mega-City Development Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Peninsula Mega-City Development Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. In our opinion the provision of the Companies (Auditor's Report) Order, 2003, ("the Order"), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 are not applicable.
2. As required by Section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956 on the said date.

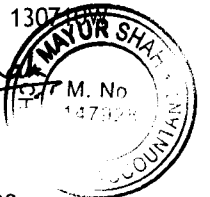
For Amit Desai & Co
Chartered Accountants
Firm's Registration No. 1307

Mayur H. Shah
(Mayur Shah)

Partner

Membership No. 147928

Mumbai: 23rd May, 2014



Peninsula Mega-City Development Private Limited
Balance Sheet As At 31st March, 2014

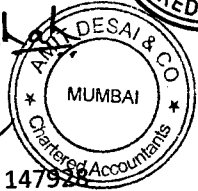
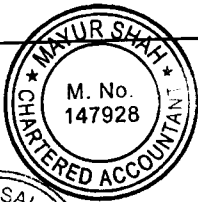
(Rs. in Lacs)

Particulars	Note No.	As at	
		31st March, 2014	31st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	1.00	1.00
(b) Reserves & Surplus	3	(41.51)	(41.19)
2 Non-Current Liabilities			
Long-Term Borrowings	4	42.09	42.06
3 Current Liabilities			
Trade Payables	5	0.23	0.15
TOTAL		1.81	2.02
II. ASSETS			
Current Assets			
Cash & Bank Balances	6	1.81	2.02
TOTAL		1.81	2.02
Summary of Significant Accounting Policies & Notes to the Financial Statements	1 to 15		

Summary of Significant Accounting Policies & Notes to the Financial Statements

As Per Our Report of Even Date
 For Amit Desai & Co
 Chartered Accountants

Mayur H. Shah
 (Mayur Shah)
 Partner
 Membership No. 147928



For and on behalf of Board of Directors

Bharat Sanghavi
 Bharat Sanghavi Director

Pranav Dholakia
 Pranav Dholakia Director

Mumbai: 23 MAY 2014

Peninsula Mega-City Development Private Limited
Statement of Profit & Loss For The Year Ended 31st March, 2014

(Rs. in Lacs)

Particulars	Note. No.	For the Year Ended	
		31st March, 2014	31st March, 2013
Income:			
Revenue from Operations		-	-
Total Revenue		-	-
Expenses:			
Finance Costs	7	-	0.01
Other Expenses	8	0.32	38.21
Total Expenses		0.32	38.21
Loss Before Exceptional and Extraordinary Items and Tax		(0.32)	(38.21)
Exceptional Items		-	-
Loss Before Extra Ordinary Items and Tax		(0.32)	(38.21)
Extraordinary Items		-	-
Loss Before Tax		(0.32)	(38.21)
Tax Expense			
- Current Tax		-	-
- Deferred Tax		-	-
Total Tax Expenses		-	-
Loss for the Year		(0.32)	(38.21)
Earnings Per Equity Share (Nominal Value of Rs. 10/- each)			
- Basic and Diluted		(3.21)	(382.12)
Summary of Significant Accounting Policies & Notes to the Financial Statements	1 to 15		

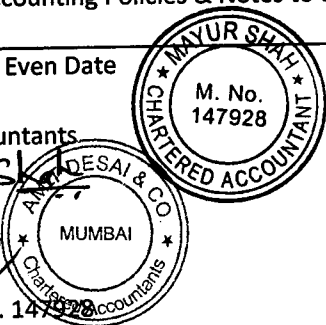
As per Our Report of Even Date
 For Amit Desai & Co
 Chartered Accountants

Mayur H. Shah

(Mayur Shah)

Partner

Membership No. 147928



For and on behalf of Board of Directors

Bharat Sarghavi
 Bharat Sarghavi

Director

Pranav Dholakia
 Pranav Dholakia

Director

Mumbai:

23 MAY 2014

Peninsula Mega-City Development Private Limited

Cash Flow Statement For the Year Ended 31st March, 2014

(Rs. in Lacs)

	Particulars	For the Year Ended	
		31st March, 2014	31st March, 2013
I	Cash Flow from Operating Activities		
	Net Loss Before Tax and Extraordinary Items	(0.32)	(38.21)
	Operating Loss before Working Capital Changes	(0.32)	(38.21)
	<u>Adjustments For :</u>		
	Trade Payables	0.08	0.02
	Short Term Loans & Advances	-	1,133.44
	Other Current Liabilities	-	(0.19)
	Cash Generated from/used in Operations	(0.24)	1,095.06
	Taxes Paid (Net of Refund)	-	-
	Net Cash Flow From / Used in Operating Activities (A)	(0.24)	1,095.06
II	Cash Flow From Investing Activities	-	-
	Net Cash Flow from Investing Activities (B)	-	-
III	Cash Flow From Financing Activities		
	Loan Received from Ultimate Holding Company	0.03	(1,097.31)
	Net Cash Flow from / Used in Financing Activities (C)	0.03	(1,097.31)
	Increase/ (Decrease) in Cash and Cash Equivalents (D=A+B+C)	(0.21)	(2.25)
	Cash & Cash Equivalents as at Beginning of Year	2.02	4.27
	Cash & Cash Equivalents as at End of the Year	1.81	2.02

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 issued by The Institute of Chartered Accountants of India.

As per Our Report of Even Date

For Amit Desai & Co

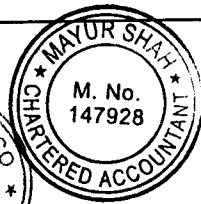
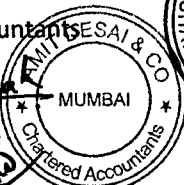
Chartered Accountants

Mayur H. Shah

(Mayur Shah)

Partner

Membership No. 147928



For and on behalf of Board of Directors

Bharat Sanghavi

Bharat Sanghavi

Director

Pranav Dholakia

Pranav Dholakia

Director

Mumbai: 23 MAY 2014

Peninsula Mega-City Development Private Limited
Notes to the Financial Statements for the Year Ended 31st March, 2014

Note 1: Statement of Significant Accounting Policies

a. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles in India ("GAAP"), and comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

b. Revenue Recognition

The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

c. Fixed Assets

There are no fixed assets owned by the Company.

d. Depreciation

No depreciation is provided as there are no fixed assets.

e. Investments

There are no investments held by the Company.

f. Foreign Currency Transactions

The Company has not received or paid any foreign exchange.

g. Inventories

There are no inventories held by the Company.

h. Borrowing Costs

Borrowing costs that are directly attributable to and incurred on acquiring qualifying assets (assets that necessarily takes a substantial period of time for its intended use) are capitalized. Other borrowing costs are recognized as expenses in the period in which same are incurred.

i. Employee Benefits

In the absence of any employee in the Company, provisions of Accounting Standard- 15, Employee Benefits will not be applicable.

j. Taxation

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the year.

i) Current Tax

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

ii) Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date.

k. 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.

l. Miscellaneous Expenditure

Preliminary Expenditures are written off in the year in which it has incurred.



Peninsula Mega-City Development Private Limited
Notes to the Financial Statements for the Year Ended 31st March, 2014

(Rs. in Lacs)

Particulars	As at 31 March, 2014		As at 31st March, 2013	
	No.	Rs.	No.	Rs.
Authorized: Equity Shares of Rs. 10/- Each	1,00,000	10.00	1,00,000	10.00
Total	1,00,000	10.00	1,00,000	10.00
Issued, Subscribed And Fully Paid-Up: Equity Shares of Rs. 10/- Each	10,000	1.00	10,000	1.00
Total	10,000	1.00	10,000	1.00

Equity Shares	As at 31st March, 2014		As at 31st March, 2013	
	No.	Rs.	No.	Rs.
At the Beginning of the Year	10,000	1.00	10,000	1.00
Issued During the Year	-	-	-	-
Bought Back During the Year	-	-	-	-
Outstanding at the End of the Year	10,000	1.00	10,000	1.00

b) Terms/Rights Attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

c) Details of Shareholders Holding More Than 5 % Shares in the Company

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Equity Shares Held	% of Holding	No. of Equity Shares Held	% of Holding
Peninsula Holdings and Investments Private Limited - Holding Company	10,000	100	10,000	100

Reserves & Surplus	As at 31st March	
	2014	2013
Surplus / (Deficit) as per Statement of Profit and Loss		
Opening Balance	(41.19)	(2.98)
(+) (Loss) For the Current Year	(0.32)	(38.21)
Closing Balance	(41.51)	(41.19)
Total	(41.51)	(41.19)

Long-Term Borrowings	As at 31st March	
	2014	2013
Unsecured Borrowings		
Loan from a Related Party (Ultimate Holding Company) (The loan is repayable after one year and it is interest free.)	42.09	42.06
Total	42.09	42.06

Trade Payables	As at 31st March	
	2014	2013
- Micro, Small and Medium Enterprises	-	-
- Others	0.23	0.15
Total	0.23	0.15

Details of dues to Micro and Small Enterprises as defined under The MSMED Act, 2006.

Company has sent letters to suppliers to confirm whether they are covered under Micro, Small and Medium Enterprises Development Act 2006 as well as they have filed required memorandum with the prescribed authorities. Based on the confirmation received, if any, the detail of outstanding are as under:



Peninsula Mega-City Development Private Limited
Notes to the Financial Statements for the Year Ended 31st March, 2014

(Rs. in Lacs)

Particulars	As at 31st March	
	2014	2013
The Principal Amount Remaining Unpaid at the End of the Year	-	-
The interest Amount Remaining Unpaid at the End of the Year	-	-
The Amount of Interest Paid by the Buyer in Terms of Section 16 of the MSMED Act, 2006 Along with the Amount of the Payment Made To the Supplier Beyond the Appointed Day During the 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 the MSMED Act, 2006	-	-
The Amount of Interest Accrued and Remaining Unpaid at the End of Each 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 Section 23 of the MSMED Act, 2006	-	-

(Rs. in Lacs)

6 Cash & Bank Balances	As at 31st March	
	2014	2013
<u>Cash & Cash Equivalents</u>	1.31	1.52
- Balance with Bank in Current Account	0.50	0.50
- Cash-in-Hand		
Total	1.81	2.02

(Rs. in Lacs)

7 Finance Costs	For the Year Ended 31st March	
	2014	2013
Other Borrowing Costs	-	0.01
Total	-	0.01

(Rs. in Lacs)

8 Other Expenses	For the Year Ended 31st March	
	2014	2013
Payments to the Auditor	0.14	0.12
- Audit Fees	-	37.93
Project Expenses Written-Off	0.15	0.11
Professional Fees	0.03	0.04
Miscellaneous Expenses		
Total	0.32	38.21



Peninsula Mega-City Development Private Limited
Notes to the Financial Statements for the Year Ended 31st March, 2014

- 9 In the opinion of the Directors there are no contingent liabilities as at the Balance Sheet date.
- 10 In the opinion of the directors, current assets have the value at which they are stated in the balance sheet, if realized in the ordinary course of business.
- 11 The Net Worth of the Company is completely eroded but the management has confirmed to support the Company, financially whenever required.
- 12 Debit & Credit balances of various parties are subject to confirmation/reconciliation and consequent adjustments, if any. The Company is of the view that reconciliation(s), if any, arising out of final settlement of accounts with these parties is not likely to have any material impact on the accounts. Current Assets are stated in the Balance Sheet at least at the value which is reasonably certain to recover in ordinary course of business."
- 13 Related Party Disclosures
Related parties and transactions with them during the year as identified by the Management are given below:

Ultimate Holding Company
Peninsula Land Limited (PLL)

Holding Company
Peninsula Holdings and Investments Private Limited (PHIPL)

(Rs. in Lacs)

Details of transactions carried out with related party in the ordinary course of business:

Particulars	Holding Company		TOTAL	
	2013-14	2012-13	2013-14	2012-13
<u>Unsecured Borrowings Taken</u>				
PLL	0.03	2.68	0.03	2.68
	0.03	2.68	0.03	2.68
<u>Unsecured Loans Repaid</u>				
PLL	-	1,100.00	-	1,100.00
<u>Closing Balance as on 31st March</u>				
PLL	42.09	42.06	42.09	42.06
	42.09	42.06	42.09	42.06
Total				

14 Earnings Per Share

(Rs. in lacs, unless specified)

Sr. No.	Particulars	2013-14	2012-13
1	Loss After Tax	(0.32)	(38.21)
2	Number of Shares Outstanding at the End of the Year	10,000	10,000
3	Basic & Diluted Earning Per Share (in Rs.)	(3.21)	(382.12)

- 15 Previous year's figures have been regrouped/ rearranged/ recasted/reclassified wherever necessary to conform to the current year's classification.

For and on behalf of Board of Directors


Bharat Sanghavi

Director


Prabhakar Dholakia

Director



Mumbai:

23 MAY 2014