

# Deloitte Haskins & Sells LLP

Chartered Accountants  
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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF FLAGSHIP DEVELOPERS PRIVATE LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **FLAGSHIP DEVELOPERS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 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.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 March 31, 2015, and its loss and its cash flows for the year ended on that date.

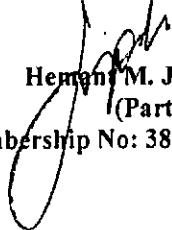
## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
  2. As required by Section 143(3) of the Act, we report that:
    - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - (d) In our opinion, the aforesaid standalone 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 March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
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- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm Registration No. 117366W / W-100018)

  
Hemant M. Joshi  
(Partner)  
(Membership No: 38019)

Place of Signature: Pune  
Date: May 28, 2015

# Deloitte Haskins & Sells LLP

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## 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)

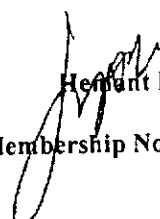
Having regard to the nature of the Company's business/activities during the year, clauses (ii), (v) and (vi) of paragraph 3 of the Order are not applicable to the Company.

- (i) In respect of its fixed assets :
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) 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 Companies Act, 2013.
- (iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and sale of services. There are no transactions in respect of purchase of inventory and sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.

# Deloitte Haskins & Sells LLP

- (iv) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, the Company is not required to pay any dues on account of Employees' State Insurance and Excise Duty for the year ended March 31, 2015.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Value Added Tax and Cess, which have not been deposited as on March 31, 2015 on account of any dispute.
  - (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
  - (v) The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
  - (vi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institution and debenture holders. The Company has not borrowed any funds from banks.
  - (vii) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
  - (viii) In our opinion and according to the information and explanations given to us, the term loan has been applied by the Company during the year for the purpose for which it was obtained, other than temporary deployment pending application.
  - (ix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Registration No. 117366W / W-100018)

  
Heftant M. Joshi  
Partner  
(Membership No: 38019)

Pune, May 28, 2015

**FLAGSHIP DEVELOPERS PRIVATE LIMITED**

Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31st March, 2015 Rs. In Mn.	As at 31st March, 2014 Rs. In Mn.
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	1.03	1.03
(b) Reserves and Surplus	4	107.18	110.18
		<b>108.21</b>	<b>111.21</b>
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowing	5	2,600.00	200.00
(b) Other Long-Term Liabilities	6	10.03	3.31
(c) Long-Term Provisions	7	1.20	1.13
		<b>2,611.23</b>	<b>204.44</b>
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	8	529.49	1,039.54
(b) Trade Payables	23.2 & 24.6	49.12	3.95
(c) Other Current Liabilities	9	362.65	175.99
(d) Short-Term Provisions	10	0.16	0.40
		<b>941.42</b>	<b>1,219.88</b>
<b>Total</b>		<b>3,660.86</b>	<b>1,535.53</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	36.11	0.01
(ii) Intangible Assets	11	54.81	55.37
(iii) Capital Work-in-Progress		2,404.70	1,115.19
(b) Deferred Tax Assets	24.8	-	-
(c) Long-Term Loans and Advances	12	132.42	56.77
(d) Other Non-Current Assets	13	-	119.09
		<b>2,628.04</b>	<b>1,346.43</b>
<b>2 Current assets</b>			
(a) Current Investments	14	620.62	-
(b) Trade Receivables	15	4.00	-
(c) Cash and Cash Equivalents	16	94.50	185.70
(d) Short-Term Loans and Advances	17	6.15	0.93
(e) Other Current Assets	18	307.55	2.47
		<b>1,032.82</b>	<b>189.10</b>
<b>Total</b>		<b>3,660.86</b>	<b>1,535.53</b>

Corporate information and Significant Accounting Policies

1 & 2

See accompanying notes forming part of the financial statements

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Hemanth M. Joshi  
Partner  
Place: Pune

Date: May 28, 2015

For and on behalf of the Board of Directors

Shrikant P. Paranjape  
Director

Place: Pune

Date: May 28, 2015

Dr Sunil Patil  
Director

**FLAGSHIP DEVELOPERS PRIVATE LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2015**  
Particulars

	Note No.	For the year ended 31st March, 2015 Rs. In Mn.	For the year ended 31st March, 2014 Rs. In Mn.
1 Revenue from Operations	19	3.68	-
2 Total Revenue		<u>3.68</u>	<u>-</u>
3 Expenses			
(a) Employee Benefits Expense	20	-	-
(b) Finance Costs	21	0.15	0.24
(c) Depreciation and Amortisation Expense	11	2.01	-
(d) Other Expenses	22	3.65	1.11
Total expenses		<u>5.81</u>	<u>1.35</u>
4 Loss Before Tax		(2.13)	(1.35)
5 Tax Expense			
(a) Current Tax		0.87	-
(b) Deferred Tax		-	-
6 Loss After Tax		(3.00)	(1.35)
Loss per share of Rs. 10/- each Basic and Diluted (Refer Note 24.7)		(29.06)	(13.09)

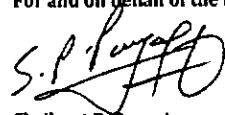
See accompanying notes forming part of the financial statements

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Hemant M. Joshi  
Partner  
Place: Pune

Date: May 28, 2015

For and on behalf of the Board of Directors

  
Shrikant P. Paranjape  
Director

Place: Pune

Date: May 28, 2015

  
Dr Sunil Patil  
Director

FLAGSHIP DEVELOPERS PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March 2015


(Rs. In Mn.)


Particulars	Year ended 31st March 2015	Year ended 31st March 2014
<b>A Cash Flow from Operating Activities</b>		
Profit before tax	(2.13)	(1.35)
Adjustments for:		
Depreciation	2.01	-
Finance costs (Refer Note 2 below)	0.15	0.24
Total of Adjustments	2.16	0.24
Operating Profit/(Loss) before Working Capital Changes	0.03	(1.11)
Adjustments for Working Capital changes		
(Increase) / Decrease in Trade Receivables	(4.00)	-
(Increase) / Decrease in Short Term Loans & Advances	294.78	(0.90)
(Increase) / Decrease in Long Term Loans & Advances	(24.61)	-
(Increase) / Decrease in Other Current Assets	(305.08)	(2.47)
Increase / (Decrease) in Trade Payables	45.17	3.56
Increase / (Decrease) in Other Current Liabilities	165.45	98.59
Increase / (Decrease) in Short Term Provisions	(0.24)	(0.06)
Increase / (Decrease) in Long Term Provisions	0.07	0.26
	171.54	98.98
Cash generated from Operations	171.57	97.87
Tax Paid	(0.18)	(0.27)
<b>Net cash from Operating Activities (A)</b>	<b>171.39</b>	<b>97.60</b>
<b>B Cash flow from Investing Activities</b>		
Payment for Purchase of Fixed Assets	(1,305.57)	(702.68)
Bank balances not considered as Cash and cash equivalents		
- Placed	(78.26)	(119.09)
- Matured	119.09	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(1,264.74)</b>	<b>(821.77)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	2,850.00	200.00
Repayment of Long Term Borrowings	(750.00)	-
Proceeds from Short Term Borrowings	280.24	711.32
Repayment of Short Term Borrowings	(790.29)	-
Interest Paid	(0.15)	(0.24)
Ancillary Borrowing Cost	(45.29)	(11.24)
<b>Net cash flow from Financing Activities (C)</b>	<b>1,544.51</b>	<b>899.84</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>451.16</b>	<b>175.67</b>
<b>D Increase / (Decrease) in Cash &amp; Cash Equivalents</b>		
Cash & Cash Equivalents		
Opening Balance (Refer note 1 below)	185.70	10.03
Closing Balance (Refer note 1 below)	636.86	185.70
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>451.16</b>	<b>175.67</b>
<b>Note 1 Cash and cash equivalents include:</b>		
Cash on hand	0.51	0.01
Balance with scheduled banks		
- On current accounts	15.73	185.69
Net Cash and cash equivalents	16.24	185.70
Add: Current Investments considered as part of Cash and cash equivalents	620.62	-
<b>Total</b>	<b>636.86</b>	<b>185.70</b>
<b>Note 2</b>	The total interest paid by the Company of Rs. 265.60 Mn (Previous Year Rs. 101.67 Mn) is inclusive of Rs. 265.45 Mn (Previous Year Rs. 101.42 Mn) which has been capitalised and Rs. 0.15 Mn (Previous Year Rs. 0.24 Mn) which has been debited to the Statement of Profit and Loss. Accordingly, the Capital Work in Progress is exclusive of the aforesaid.	

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors

Hemant M. Mahi  
Partner  
Place: Pune  
Date: May 28, 2015

  
Shrikant Paranjape  
Director  
Place: Pune  
Date: May 28, 2015

  
Dr Sunil Patil  
Director