

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIVYASHREE COMPANY PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of DIVYASHREE COMPANY PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 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

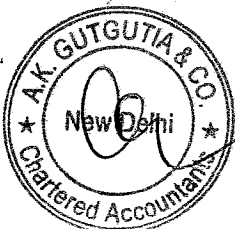
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in 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 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 there under.

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, 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.

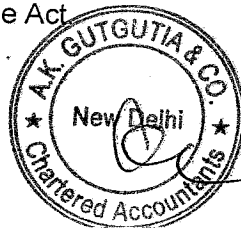
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 31st March, 2015, and its Profit 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the order to the extent applicable to the company
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.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 does not have any pending litigations, hence no disclosure required.
 - ii. The Company did not have any long-term contracts including derivative contracts 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.



Place : New Delhi
Date : 04/05/2015

For A. K. GUTGUTIA & CO.
Chartered Accountants
Firm's Registration No. 000012N

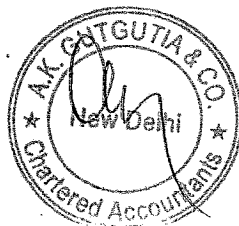

(R.K. JAIN)
Partner
Membership No. 11405

Annexure to the Auditor's Report of DIVYASHREE COMPANY PRIVATE LIMITED

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date for the year ended 31st March 2015

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company does physical verification of its fixed assets each year. No discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- 2) Since the Company does not have any inventories, hence the provisions of the clause (a), (b) & (c) under reference are not applicable.
- 3) The Company has not granted any loan secured or unsecured to any companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) (a) & (b) of the Order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its real estate business. Based on the audit procedure performed and on the basis of information and explanations provided by the management, during the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5) The Company has not accepted any deposit from the public and the relevant clause is not applicable.
- 6) The maintenance of the cost records under section 148(1) of the Act is not applicable for the year under this audit.
- 7) (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Income Tax, Service Tax, Sales Tax, VAT, Cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015. As explained, Provident Fund, Employees' State Insurance, Wealth Tax, Custom Duty, Excise Duty are not applicable to the Company.



(b) According to the records and information & explanations given to us, there are no dues in respect of Income Tax, Sales Tax, Service Tax and Cess that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute. As explained, Wealth Tax, Custom Duty, Excise Duty are not applicable to the Company.

(c) According to the records of the Company and information and explanation given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- 8) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- 9) The Company has no outstanding dues to financial institutions, banks or debenture holders during the year.
- 10) According to the information and explanations given to us, during the year under audit, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 11) The Company has not raised any term loan during the year.
- 12) Based on the audit procedure performed and on the basis of information and explanations provided by the management, no material fraud on or by the Company has been noticed or reported during the course of our audit.



Place: New Delhi
Date: 04/05/2015

For A. K. GUTGUTIA & CO.
Chartered Accountants
Firm's Registration No. 000012N

(R.K. JAIN)
Partner

Membership No. 11405

DIVYASHREE COMPANY PRIVATE LIMITED

Balance Sheet as at 31st March 2015

(Amount in ₹)

	Particulars	Note No	As at 31.03.2015	As at 31.03.2014
I	EQUITY AND LIABILITIES			
	(1) Shareholder's Fund			
	(a) Share Capital	2	1,16,770	1,16,770
	(b) Reserves & Surplus	3	19,35,88,905	19,08,95,218
			19,37,05,675	19,10,11,988
	(2) Share application money pending allotment		-	-
	(3) Non-current Liabilities			
	(a) Other Long Term Liabilities	4	36,00,000	36,00,000
	(4) Current Liabilities			
	(a) Current Liabilities & provisions	5	9,39,255	2,29,21,668
	(b) Short-term provisions	6	10,27,500	13,67,061
			19,66,755	2,42,88,729
	Total		19,92,72,430	21,89,00,717
	II. ASSETS			
	(1) Non-current Assets			
	(a) <u>Fixed Assets</u>			
	i) Tangible Fixed Assets	7	18,92,17,071	18,92,17,071
	ii) Capital works in progress (including advances)		-	2,72,02,125
	(b) Investments	8	58,48,358	8,23,020
			19,50,65,429	21,72,42,216
	(2) Current Assets			
	(a) Cash and Cash equivalents	9	31,37,577	4,09,375
	(b) Short term loans and advances	10	10,69,424	12,49,126
			42,07,001	16,58,501
	TOTAL		19,92,72,430	21,89,00,717

Significant Accounting Policies
As per our report attached

1

For A. K. Gutgutia & Co.
Chartered Accountants
Firm Registration No. 000012N

R.K. JAIN
Partner
Membership No. 11405



New Delhi
Dated: 04-05-2015

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Directors

DIVYASHREE COMPANY PRIVATE LIMITED
Profit & Loss for the year ended 31st March 2015

(Amount in ₹)

Particulars		Note No.	2014-15	2013-14
I.	Revenue from operations	11	36,00,000	3,00,000
II.	Other income	12	1,90,853	8,85,302
III.	Total Revenue (I + II)		37,90,853	11,85,302
IV.	Expenses:			
	Employees Benefit expenses	13	24,000	24,000
	Finance Cost	14	1,70,959	7,123
	Other Expenses	15	1,18,947	1,08,897
	Total expenses		3,13,906	1,40,020
V.	Profit before exceptional and extraordinary items and tax(III-IV)		34,76,947	10,45,282
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		34,76,947	10,45,282
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		34,76,947	10,45,282
X	Tax expenses:			
	(1) Current tax		7,50,000	2,77,500
	(2) Income tax adjustments for earlier year		33,260	-
	(3) Deferred tax charges/credit		-	-
XI	Profit (Loss) for the period from continuing operations (IX-X)		26,93,687	7,67,782
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		26,93,687	7,67,782
XVI	Earnings per equity share:			
	Basic / Diluted (in ₹)	16	230.68	65.75

Significant Accounting Policies

As per our report attached

For A. K. Gutgutia & Co.

Chartered Accountants

Firm Registration No. 000012N

R.K. JAIN

R.K. JAIN

Partner

Membership No.11405

New Delhi

Dated: 04-05-2015



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 Directors

DIVYASHREE COMPANY PRIVATE LIMITED


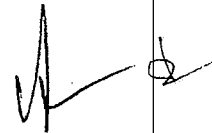
Notes to Financial Statements

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The financial statements have been prepared on the historical cost convention on accrual basis. The generally accepted accounting principals and the Indian Accounting Standards as specified under the relevant provisions of the Companies Act - 2013 have been adopted by the Company and disclosures made are in accordance with the requirement of Schedule - III of the Companies Act - 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- 1.2 The fixed Assets of the company are stated as historical Cost.
- 1.3 Long Term Investments are stated at cost unless, in the opinion of the management, there is a permanent fall in their value as at the Balance Sheet date.
- 1.4 All the incomes and expenses are accounted for on accrual basis.
- 1.5 Credit of deferred Tax is accounted when the management is virtually certain that sufficient future taxable income will be available, which would be adjusted with the unabsorbed depreciation / losses carried forward under the Income Tax laws.
- 1.6 Contingent liabilities are not provided for and disclosed by way of notes to the accounts.

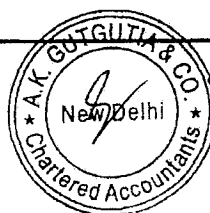


DIVYASHREE COMPANY PRIVATE LIMITED
Notes to Financial Statements

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 2		
SHARE CAPITAL		
A. Authorised		
20,000 (Previous year 20,000) equity shares of Rs.10/- each.	2,00,000	2,00,000
	2,00,000	2,00,000
B. Issued, Subscribed and Paid up		
11,677 (Previous year 11,677) equity shares of Rs.10/- each fully paid.	1,16,770	1,16,770
	1,16,770	1,16,770
C. Outstanding Shares Reconciliation (Nos.)		
	As at 31.03.2015	As at 31.03.2014
	No. of Shares	No. of Shares
At the beginning of period	11,677	11,677
Add:- Issued during the year	-	-
Less:- Bought Back during the year	-	-
Outstanding at the end of period	11,677	11,677
D. Shares held by its holding or ultimate holding company or subsidiaries or associates of the holding company or its ultimate holding company		
	Company Name	Nature (Whether holding or ultimate holding etc.)
		% of holding
		No. of Shares held
	J.K. Fenner (India) Ltd.	Holding company
		61.00%
	Bengal & Assam Company Ltd.	Ultimate Holding company
		38.97%
		7,123
		4,551
E. Shareholders holding more than 5% of total issued Shares		
	Name	% of Holding
		No. of Shares held
	J.K. Fenner (India) Ltd.	61.00%
		7,123
	Bengal & Assam Company Ltd.	38.97%
		4,551
NOTE 3		
RESERVES AND SURPLUS		
Security premium	18,78,07,230	18,78,07,230
Profit & Loss Account		
Opening Balance	30,87,988	23,20,206
Profit / (Loss) for the year	26,93,687	7,67,782
Deductions	-	-
Closing Balance	19,35,88,905	19,08,95,218
NOTE 4		
NON-CURRENT LIABILITIES		
Security Deposit for Rent from holding company	36,00,000	36,00,000
	36,00,000	36,00,000
NOTE 5		
OTHER CURRENT LIABILITIES		
ICD from a Body corporate	-	2,00,00,000
Interest payable	-	17,33,918
Statutory Dues payable	-	2,14,154
Other Current Liabilities	9,39,255	9,73,596
	9,39,255	2,29,21,668
NOTE 6		
SHORT TERM PROVISIONS		
Provision for Income Tax	10,27,500	13,67,061
	10,27,500	13,67,061.00



DIVYASHREE COMPANY PRIVATE LIMITED

Notes to Financial Statements

NOTE 7

(Amount in ₹)

S. No.	PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
		AS AT 31ST MARCH, 2014	ADDITIONS DURING THE PERIOD	SALE/DELETION DURING THE PERIOD	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014	ADDITIONS DURING THE PERIOD	DELETION DURING THE PERIOD	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
1	Tangible Assets Land (Freehold) #	18,92,17,071	-	-	18,92,17,071	-	-	-	-	18,92,17,071	18,92,17,071
	Grand Total	18,92,17,071	-	-	18,92,17,071	-	-	-	-	18,92,17,071	18,92,17,071
	PREVIOUS YEAR	18,92,17,071	-	-	18,92,17,071	-	-	-	-	18,92,17,071	

First equitable mortgage of property of the company together with construction thereon both present & future & all entitlements emanating there from has been given for Loan availed by its Shareholder.



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DIVYASHREE COMPANY PRIVATE LIMITED
Notes to Financial Statements

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 8		
NON CURRENT INVESTMENTS		
Long Term Investment		
Mutual Fund		
Birla Sun Life Cash Plus - Growth-Regular Plan - 23953.276 Units (Previous year Nil Units)	50,25,338	-
Edelweiss Ultra Short Term Bond Fund - Growth Plan - 543.401 Units (Previous year 543.401 Units)	8,23,020	8,23,020
	58,48,358	8,23,020
NOTE 9		
CASH & CASH EQUIVALENTS		
Cash on Hand	2,555	3,160
Balance with Banks		
- On Current Account	3,35,022	4,06,215
Other Bank Balances		
- Bank deposits with Original maturity of 12 months or more *	28,00,000	-
	31,37,577	4,09,375
* Pledged with the Bank for issue of Bank Guarantee in favour of South Delhi Municipal Corpn.		
NOTE 10		
SHORT TERM LOAN AND ADVANCES		
Loan & advances (Unsecured, Considered Good)	-	7,167
Interest Accrued but not due	12,667	-
Service Tax	711	-
Income Tax refund receivable	578	-
Advance Income Tax (Including TDS)	10,55,468	12,41,959
	10,69,424	12,49,126

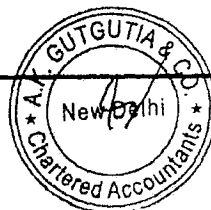


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DIVYASHREE COMPANY PRIVATE LIMITED
Notes to Financial Statements

(Amount in ₹)

Particulars	2014-15	2013-14
NOTE 11		
REVENUE FROM OPERATIONS		
Lease Rent	36,00,000	3,00,000
	36,00,000	3,00,000
NOTE 12		
OTHER INCOME		
Interest received	15,515	-
Profit on sale of Non-current Investments	1,75,338	8,85,302
	1,90,853	8,85,302
NOTE 13		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages, Allowances, etc.	24,000	24,000
	24,000	24,000
NOTE 14		
FINANCE COST		
Interest paid	1,70,959	7,123
	1,70,959	7,123
NOTE 15		
OTHER EXPENSES		
Repairs & Maintenance	-	14,140
Property tax	-	23,957
Audit Fee		
- Statutory Audit Fees	5,000	5,618
- Certification Charges	2,132	843
Filing Fees	5,700	1,100
Electricity Expenses	-	21,815
Water Charges	7,167	4,558
Directors' Fee	2,750	3,500
Bank Charges	89,296	1,261
Miscellaneous Expenses	6,902	32,105
	1,18,947	1,08,897
NOTE 16		
EARNING PER SHARE (Basic / Diluted)		
Net profit as per profit and loss account	26,93,687	7,67,782
Net profit attributable to equity shareholders	26,93,687	7,67,782
Weighted average number of equity shares outstanding during the period (Nominal Value of Rs. 10/- each)	11,677	11,677
Earning per Share		
- Basic	230.68	65.75
- Diluted	230.68	65.75
NOTE 17		
CONTINGENT LIABILITY & COMMITMENTS (As certified by the management)		
		(Amount in ₹)
	As on 31.03.2015	As on 31.03.2014
Contingent Liability - Bank Guarantee	28,00,000	Nil
Commitments	Nil	95,66,318



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NOTE 18**Related Party Disclosure**

a) List of related parties

Holding Company:

- J.K. Fenner (India) Ltd.

Ultimate Holding Company:

- Bengal & Assam Company Ltd.

Fellow Subsidiaries:

- Southern Spinners and Processors Ltd.

- Modern Cotton Yarn Spinners Ltd.

- Acorn Engineering Ltd.

- BMF Investments Ltd.

- LVP Foods Pvt. Ltd.

- Panchmahal Properties Ltd.

- Hifazat Chemicals Ltd. (Under liquidation)

b) Transactions with related parties:-

Particulars	Current Year (₹)	Previous Year (₹)
<u>J.K. Fenner (India) Ltd.</u>		
Share Application Money Received	-	1,50,00,000
Share Application money refunded	-	3,50,00,000
Security Deposit Received - Rent	-	36,00,000
Rent Received	36,00,000	3,00,000
Interest Paid	-	19,26,576
Re-imbusement of Capital Expenditures incurred	2,72,26,082	-
Amount payable as on 31.03.2015 (Security Deposit)	36,00,000	-

NOTE 19

In the opinion of Board, Current Assets, Loans and Advances have a value on realisation in normal course of business not less than value at which they are stated unless specified otherwise. Further provisions for all known liabilities have been made.

NOTE 20

No amount has been incurred / earned in foreign currency, so no disclosure is required under revised Schedule VI of the Companies Act, 1956

NOTE 21

As identified, there are no outstanding dues as at the end of the accounting year in terms of the Micro, Small & Medium Enterprises Development Act, 2006.

NOTE 22

Previous year figures have been recast/ regrouped to correspond to current year figures.

For A. K. Gutgutia & Co.
Chartered Accountants
Firm Registration No. 000012N


R.K. JAIN

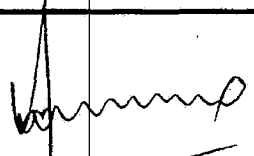

Partner

Membership No.11405

New Delhi

Date 04-05-2015





Directors

DIVYASHREE COMPANY PVT. LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

(Amount in ₹)

	2014-15	2013-14
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	34,76,947	10,45,282
Adjusted for :		
Depreciation	-	-
(Profit)/Loss on sale of Fixed Assets	-	-
(Profit)/Loss on sale of Investments	(1,75,338)	(8,85,302)
Operating profit before working Capital changes	33,01,609	1,59,980
Adjusted for :		
Other Receivables	(7,651)	21,42,833
Other Payables	(19,82,413)	54,37,798
Cash Generated from Operations	13,11,545	77,40,611
Taxes Paid/Adjusted	(9,35,468)	(1,20,000)
Net Cash from Operating Activities	3,76,077	76,20,611
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(73,50,000)	(1,00,00,000)
Sale of Investments	25,00,000	2,73,11,686
Capital work in progress	2,72,02,125	(2,45,79,422)
Payment of Dividend & Dividend Tax	-	-
Net Cash generated from Investing Activities	2,23,52,125	(72,67,736)
C CASH FLOW FROM FINANCIAL ACTIVITIES		
Share application money received	-	1,50,00,000
Issue of Equity Shares	-	-
Repayment of Share Application Money	-	(3,50,00,000)
Borrowings/Loan received	(2,00,00,000)	2,00,00,000
Net Cash used in Financing Activities	(2,00,00,000)	-
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	27,28,202	3,52,875
Opening Balance of Cash and Cash Equivalents	4,09,375	56,500
Closing Balance of Cash and Cash Equivalents	31,37,577	4,09,375
Notes:		
1 Closing Cash and Cash Equivalents include:		
-Cash on hand	2,555	3,160
-Cheques on hand	-	-
-Balance with Scheduled Banks (Refer Note 9)	31,35,022	4,06,215
Total	31,37,577	4,09,375

2 Previous year's figures have been re-arranged and re-cast wherever required.

As per our report attached

For A.K. GUTGUTIA & CO.
Chartered Accountants
Firm Registration No. 000012N

R.K. JAIN
Partner
Membership No. 11405



New Delhi

Date: 04-05-2015

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[Signature]

Directors