Gokhale, Tanksale & Ghatpande

Chartered Accountants

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Managing Partner: **S. M. Ghatpande**, *M. Com.; Dip. Lit (Fr.) LL. B.; A.C.I.S. (U.K.), F.C.A.*

Independent Auditors' Report to the Members

To,

The Members of **DSK Woods LLC.**

Report on the Financial Statements

We have audited the attached financial statements of **DSK Woods LLC.** which comprise the

a) Balance Sheet as at the **31st March 2014.**
b) Statement of Profit and Loss for the year ended on that date
c) Cash Flow Statement for the year ended on that date

Management Responsibility for the financial statements

The Management of the Company is responsible for -

a) the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in Section 211(3C) of the Companies Act, 1956. (the "Act") and are free from material misstatement, whether due to fraud or error.
b) the design, maintenance of the internal control relevant to the preparation and presentation of these financial statements

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 Auditing & Assurance Standards 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 of material misstatement.

An audit includes

a) performing procedures and examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on 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 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.
b) evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the 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, to the best of our information and according to the explanations given to us, the financial statements, read with the notes thereon, 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:

a) In the case of the Balance Sheet, of the state of affairs of the Company as at the **31st March 2014**; and

b) In the case of the Statement of Profit and Loss, of the **loss** of the Company for the year ended on that date.

c) In the case of the Cash Flow Statement, of the **cash flows** of the Company for the year ended on that date.

Report on other legal and regulatory requirements

a) In our opinion, to the best of our information and according to the explanations given to us, the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Act, are not applicable to the Company for the year under review since the Company is a foreign company having no place of business established within India as defined u/s 591(1)(a) of the Act.

b) As required by Section 227(3) of the Act, we report that

   i We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

   ii 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;

   iii The Balance Sheet, the Statement of Profit and Loss and also the Cash Flow Statement of the Company dealt with by this report are in agreement with the books of account;

   iv In our opinion, the Balance Sheet, the Statement of Profit and Loss and also the Cash Flow Statement of the Company dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Act;

   v In our opinion, the provisions of sections 227(3)(g) and 274(1)(g) of the Act are not applicable to the Company;

For Gokhale, Tanksale & Ghatpande,
Firm Registration No: 103277W
Chartered Accountants

S. M. Ghatpande
Partner
Membership No. 30462
Place: Pune
Date: 14th May 2014

DSK Woods LLC

Balance Sheet as at				**Note no.**	**31-Mar-14**	**31-Mar-14**	**31-Mar-13**	**31-Mar-13**
					₹	₹	₹	₹
I	**EQUITY AND LIABILITIES**							
	1	**Shareholders' Funds**						
		a	Share capital	3	197,444,520		197,444,520	
		b	Reserves and surplus	4	(150,717,552)	46,726,968	(140,306,012)	57,138,508
	2	**Non-current liabilities**						
		a	Long term borrowings	5		43,688,028		26,530,891
	3	**Current liabilities**						
		a	Trade payables		(125,075)		2,898,115	
		b	Other current liabilities	6	167,616,397	167,491,322	101,773,377	104,671,492
			TOTAL			**257,906,318**		**188,340,891**
II	**ASSETS**							
	1	**Current assets**						
		a	Inventories	7	229,032,525		159,366,388	
		b	Cash and cash equivalents	8	103,836		1,731,011	
		c	Short-term loans and advances	9	28,769,957	257,906,318	27,243,493	188,340,891
			TOTAL			**257,906,318**		**188,340,891**
	Contingent liabilities and commitments (to the extent not provided for)					Nil		Nil
Corporate Information & Statement of Accounting Policies				1-2				

The accompanying notes are an integral part of these financial statements.

As per our audit report of even date.

For Gokhale, Tanksale & Ghatpande,	For & on behalf of the Board of Directors
Firm Registration No: 103277W	
Chartered Accountants	
S. M. Ghatpande	D.S.Kulkarni H.D.Kulkarni
Partner	(Director) (Director)
Membership No. 30462	
Place: Pune	Place: Pune
Date: 14th May 2014	Date: 14th May 2014

DSK Woods LLC

			Note no.	31-Mar-14	31-Mar-14	31-Mar-13	31-Mar-13
Profit and Loss Statement for the year ended							
				₹	₹	₹	₹
I	Revenue from operations		10		-		181,575,585
II	Changes in inventories of finished tenements, work-in-progress and stock-in-trade		11		69,666,137		(115,566,686)
III	Other income		12		1,966		165,412
	Total revenue				**69,668,103**		**66,174,311**
IV	**Expenses:**						
		Development expenses	13		69,666,137		43,646,384
		Finance costs	14		96,794		282,222
		Office and administration expenses	15		40,871		2,202,952
		Selling expenses	16		-		19,813,691
	Total expenses				**69,803,802**		**65,945,249**
V	**Profit before exceptional and extra-ordinary items and tax**				(135,699)		229,062
VI	**Exceptional Items**				-		-
VII	**Profit before extra-ordinary items and tax**				(135,699)		229,062
VIII	**Extra-ordinary items**				-		-
IX	**Profit before tax**				(135,699)		229,062
X	**Tax expense**						
	1	**Current tax**					
	2	**Deferred tax**			-		-
XI	**Profit (Loss) for the period from continuing operations**				(135,699)		229,062
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**				(135,699)		229,062
XVI	**Earnings per equity share**						
	1	Basic	17		(0.00)		0.00
	2	Diluted					

As per our audit report of even date.	For & on behalf of the Board of Directors
For Gokhale, Tanksale & Ghatpande,	
Firm Registration No: 103277W	
Chartered Accountants	
S. M. Ghatpande	D.S.Kulkarni (Director) D.S.Kulkarni (Director)
Partner	
Membership No. 30462	
Place: Pune	Place: Pune
Date: 14th May 2014	Date: 14th May 2014

DSK Woods LLC

Statement of cash flows for the year ended	31-Mar-14	31-Mar-14	31-Mar-13	31-Mar-13
A) Cash Flow From Operating Activities	₹	₹	₹	₹
Net Profit before Tax & Extraordinary Items		(135,699)		229,062
Operating Profit before Working Capital Changes				
Adjustments for				
(Increase) Decrease in Inventories	(69,666,135)		115,566,688	
Increase (Decrease) in Long Term Borrowings	17,157,137		(9,343,501)	
Increase (Decrease) in Other Current Liabilities	65,843,020		(86,327,461)	
Increase (Decrease) in Trade Payables	(3,023,190)		(1,672,962)	
(Increase) Decrease in Loans & Advances	(1,526,464)	8,784,369	(4,587,077)	13,635,687
Cash generated from Operations		**8,648,669**		**13,864,749**
Income Tax Paid		-		-
Net Cash from Operating Activities (A)		**8,648,669**		**13,864,749**
B) Cash Flow from Investing Activities				
Net Cash used in Investing Activities(B)		-		-
C) Cash Flow from Financing Activities				
Increase (Decrease) in Foreign Currency Translation Reserve	(10,275,841)		(13,082,671)	
Net Cash used in Financing Activities(C)		(10,275,841)		(13,082,671)
Net increase/decrease in cash and cash equivalents (A+B+C)		(1,627,171)		782,078
Cash & Cash Equivalent as at beginning of the year		1,731,011		948,933
Cash & Cash Equivalent as at end of the year		103,840		1,731,011

Note to the Cash Flow Statement : Cash and Cash Equivalents include Cash and Bank Balances

The accompanying notes are an integral part of these financial statements.

As per our audit report of even date.	
For Gokhale, Tanksale & Ghatpande,	For & on behalf of the Board of Directors
Firm Registration No: 103277W	
Chartered Accountants	
S. M. Ghatpande	D.S.Kulkarni (Director) / H.D.Kulkarni (Director)
Partner	
Membership No. 30462	
Place: Pune	Place: Pune
Date: 14th May 2014	Date: 14th May 2014

DSK Woods LLC

Notes to the financial statements for the year ended **31-Mar-14**

1 ***Corporate Information:***

DSK Woods, LLC ("DSK Woods" or "the Company") was incorporated on January 03, 2007 in the State of New Jersey, USA. It is a wholly owned subsidiary of DSK Developers Corporation ("DSK Developers" or "parent company"), a company incorporated in Delaware, USA. DSK Woods, LLC is in the business of acquiring, selling, renting and developing properties real estate consultancy services. The ultimate holding company of DSK Woods LLC is D. S. Kulkarni Developers Ltd., a public limited company domiciled in India and incorporated under the provisions of the (Indian) Companies Act, 1956. The equity shares of D. S. Kulkarni Developers Ltd. are listed on the Mumbai & National Stock Exchanges. D. S. Kulkarni Developers Ltd. is engaged in the business of real estate development in India. DSK Woods is not a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956, inasmuch as

a) it is a subsidiary company of D. S. Kulkarni Developers Ltd. which is not a SMC
although
b) its turnover (excluding other income) did not exceed ₹ 50 crores in the immediately preceding accounting year and in the year under review, and
c) it did not have borrowings (including public deposits) in excess of ₹ 10 crores at any time during the immediately preceding accounting year and in the year under review
d) its equity shares are not listed on any Stock Exchange.
e) it is not a bank, financial institution or an insurance company

2 **Basis of Preparation of Financial Statements**

These financial statements comply in all material respects with the relevant provisions of the Act, the Generally Accepted Accounting Principles in India, and the Accounting Standards issued by the Institute of Chartered Accountants of India which are prescribed in the Companies (Accounting Standards) Rules 2006 notified by the Central Government u/s 211(3C) read with Sections 210A(1) and 642(1)(a) of the said Act. As required by AS 1 issued by the Institute of Chartered Accountants of India, the accounting policies followed in the preparation of these financial statements are disclosed below.

2.1 **Summary of significant accounting policies**

2.1.1 **Presentation and disclosure of financial statements**

These financial statements have been presented in accordance with the revised Schedule VI notified under the Companies Act 1956.

2.1.2 **Accounting Convention:**

These financial statements are prepared under the historical cost convention.

2.1.3 **Method of Accounting:**

As required by Section 209(3)(b) of the Act, these financial statements are prepared in accordance with the accrual method of accounting with revenues recognized and expenses accounted on their accrual including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the period.

2.1.4 **Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the end of the reporting periods and the reported amounts of revenues and expenses for the reporting periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected.

2.1.5 **Consistency:**

These financial statements have been prepared on a basis consistent with previous years and accounting policies not specifically referred hereto are consistent with generally accepted accounting principles.

2.1.6 **Contingencies and Events occurring after the Balance Sheet Date:**

AS 4 issued by the Institute of Chartered Accountants of India is not applicable since there are no such contingencies nor events.

2.1.7 **Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies:**

The Company's Profit & Loss Account presents profit / loss from ordinary activities. There are no extra-ordinary items or changes in accounting estimates and policies during the year under review which need to be disclosed as per AS 5 issued by the Institute of Chartered Accountants of India. The prior period adjustments represent interest paid for delay in payment of income tax.

2.1.8 **Cash Flow Statements:**

Cash Flows are reported as per the Indirect Method as specified in AS 3 issued by the Institute of Chartered Accountants of India.

2.1.9 **Previous Year Figures:**

The figures for the previous year have been rearranged as follows to facilitate comparison.

2.2 **Inventories:** In accordance with Accounting Standards 2 & 9 issued by the Institute of Chartered Accountants of India,

i) Construction materials, components, stores and spares are valued at lower of cost and net realizable value (as certified by the management)after providing for the cost of obsolescence. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on ***FIFO basis.***

ii) Inventories of work in progress are valued, in accordance with the Percentage of Completion Method. Profit on incomplete projects is not recognized unless 20% expenditure has been incurred in respect of the project. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and / or write off of costs carried to inventories has been made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the work in progress will not be lower than the costs so included therein.

iii) Inventories of finished tenements are valued at the carrying value or estimated net realizable value, (as certified by the management) whichever is the less.

Net realizable 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.

2.3 **Revenue Recognition:** In accordance with AS 9 issued by the Institute of Chartered Accountants of India,

i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company. The following specific recognition criteria must also be met before revenue is recognized.

ii) Income from real estate sales is recognized on the transfer of all significant risks and rewards of ownership to the buyer and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

iii) However, if, at the time of transfer, substantial acts are yet to be performed, revenue is recognized on proportionate basis as the acts are performed, that is, on the percentage of completion basis. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion. As the construction projects necessarily extend beyond one year, revision in estimates of costs and revenues during the year under review are reflected in the accounts of the year.

iv) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross).

v) Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

vi) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

vii) Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

2.4 **Expense Recognition:** Revenue Expenses such as those incurred on foreign and domestic exhibitions, advertisement for sale of tenements, interest on borrowings attributable to specific projects are included in the valuation of inventories of work in progress. Indirect costs are treated as period costs and are charged to the Profit & Loss Account in the year incurred. Expenses incurred on repairs & maintenance of completed projects are charged to Profit & Loss Account.

2.5 **Foreign currency transactions and balances:** In accordance with AS 11 issued by the Institute of Chartered Accountants of India,

i) **Initial recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) **Conversion:** Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) **Exchange differences:** From accounting periods commencing on or after 7 December 2006, the company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a) Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

b) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset in accordance with the Ministry of Corporate Affairs Notification dated 31st March 2009. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

c) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

d) All other exchange differences are recognized as income or as expenses in the period in which they arise.

2.6 **Tax Expense:** In accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India,

i) Tax expense comprises current and deferred tax.

ii) Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

iii) Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

iv) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

v) In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

vi) At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

vii) The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

viii) Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

ix) Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available for a particular assessment year as an asset only after the assessment for that year is complete and such credit is finally quantified and only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under the head "Current Assets". The company reviews the "MAT credit entitlement" asset at each reporting date and writes down its carrying amount to the extent such credit is set-off u/s 115JAA or to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

2.7 **Consolidated Financial Statements:** In accordance with AS 21 and AS 27 issued by the Institute of Chartered Accountants of India, separate consolidated financial statements of the Company and its Subsidiaries have been prepared by combining on a line-to-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after fully eliminating intra-group balances, intra-group transactions and unrealised profits and losses.

2.8 **Earnings Per Share: I**n accordance with Accounting Standard 20, issued by the Institute of Chartered Accountants of India.

i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2.9 **Provisions:** In accordance with Accounting Standard 29 issued by the Institute of Chartered Accountants of India,

i) A provision is recognized when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

ii) **Warranty provisions:** Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

2.10 **Contingent Liabilities and Contingent Assets:** In accordance with Accounting Standard 29 issued by the Institute of Chartered Accountants of India,

i) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

ii) Contingent assets are not recognized.

2.11 **Measurement of EBITDA**

i) As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

2.12 **Accounting Standards not applicable to the Company during the year under review:**

i) **Depreciation accounting:** AS 6 does not apply since the company so far does not have any fixed assets.

ii) **Construction Contracts:** AS 7 is not applicable since the Company is not engaged in execution of construction contracts

iii) **Accounting for fixed assets:** AS 10 does not apply since the company so far does not have any fixed assets.

iv) **Accounting for Government Grants:** AS 12 is not applicable since the Company has not received any Government Grants

v) **Accounting for investments:** AS 13 does not apply since the company so far does not have any investments.

vi) **Accounting for Amalgamations:** AS 14 is not applicable since the Company has not so far entered into any amalgamation.

vii) **Employee benefits:** AS 15 is not applicable since the Company has no employees.

viii) **Borrowing costs:** AS 16 does not apply since the company so far does not have any fixed asstes.

ix) **Segment reporting:** AS17 is not applicable since the company has only one business segment and one geographical segment.

x) **Leases:** AS 19 does not apply since the company has so far not entered into any lease transactions.

xi) **Accounting for Investments in Associates in Consolidated Financial statements:** AS 23 is not applicable since the Company is not required to consolidate its financial statements.

xii) **Discontinuing Operations:** AS 24 is not applicable since the Company has not so far discontinued operations.

xiii) **Interim Financial Reporting:** AS 25 is not applicable to the financial statements under review.

xiv) **Intangible assets:** AS 26 does not apply since the company so far does not have any fixed assets.

xv) **Financial Reporting of Interests in Joint Ventures:** AS 27 is not applicable since the Company has no joint ventures.

DSK Woods LLC

		Notes to the Balance Sheet as at		31-Mar-14	31-Mar-14	31-Mar-13	31-Mar-13
				₹	₹	₹	₹
3	**Equity Share Capital**						
	Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period						
	i	Share Capital outstanding at the beginning of the reporting period			197,444,520		197,444,520
	ii	Shares allotted during the reporting period			-		-
	iii	Shares converted from loans outstanding as on 31st March 2010 into Member's equity during the			-		-
	iv	Shares bought back during the reporting period			-		-
	v	Shares outstanding at the end of the			197,444,520		197,444,520
		Shares held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate			197,444,520		197,444,520
	Total at the end of the reporting period				**197,444,520**		**197,444,520**
4	**Reserves and Surplus**						
a)	Foreign currency translation reserve						
	i	Balance at the beginning of the reporting period		(32,158,453)		(19,075,782)	
	ii	Additions during the reporting period		(10,275,841)		(13,082,671)	
	iii	Addition (Deduction) during the reporting period		-		-	
	iv	Balance at the end of the reporting period			(42,434,294)		(32,158,453)
b)	Surplus i.e. balance in Statement of Profit & Loss disclosing allocations and appropriations such as dividend, bonus shares and transfer to/from reserves etc.						
	i	Balance at the beginning of the reporting period		(108,147,559)		(108,376,621)	
	ii	Additions during the reporting period		(135,699)		229,062	
	iii	Deduction during the reporting period		-		-	
	iv	Balance at the end of the reporting period			(108,283,258)		(108,147,559)
	Total at the end of the reporting period				**(150,717,552)**		**(140,306,012)**
5	**Long-Term Borrowings**						
i	**Unsecured**						
	a)	*Loans and advances from related parties.*					
		Loan from DSK Developers Corporation			43,688,028		26,530,891
	Total at the end of the reporting period				**43,688,028**		**26,530,891**
6	**Other current liabilities**						
	a)	Current maturities of long-term debt			125,264,943		64,412,334
	1	*Nature of security and guarantee*					
		The primary security for the loan taken from 1st Constitution Bank is by way of a registered mortgage on the various properties situated in Plainsboro Township along with a collateral security by way of hypothecation of various construction eqipment and debts. In addition the loan is secured by the personal guarantee of the promoters of the parent company i.e (1) Mrs. H.D. Kulkarni and (2) Mr. D.S. Kulkarni.					
	2	*Terms of repayment of term loans*					
		The loan was due for repayment in full on 3rd February 2013. However the company has obtained an extension for repayment thereof till 3rd February 2014.					
	b)	Interest accrued and due on borrowings			40,562,437		37,152,047
	1	Interest payable on loan from DSKDC		40,562,437		36,708,318	
	2	Interest payable to banks		-		443,729	
	c)	Other payables			1,789,017		208,996
	Total at the end of the reporting period				**167,616,397**		**101,773,377**

DSK Woods LLC

Notes to the Balance Sheet as at					**31-Mar-14**	**31-Mar-14**	**31-Mar-13**	**31-Mar-13**
7	**Inventories**				**₹**	**₹**	**₹**	**₹**
	a)	Work-in-progress						
		i	Woods at Plainsboro Block 7.03, Lots 7.01-7.12 and Lot 9, Township of Plainsboro, County of Middlesex			229,032,525		159,366,388
	Total at the end of the reporting period					**229,032,525**		**159,366,388**
		Mode of valuation						
8	**Cash and cash equivalents**							
	a	Balances with banks						
		i	Current a/c balances with bank			103,836		1,731,011
		a	1st Constitution Bank 4621		103,836		1,731,011	
	Total at the end of the reporting period					**103,836**		**1,731,011**
9	**Short-term loans, advances and deposits**							
	a	Others						
		i	Unsecured, considered good			26,168,293		24,889,031
		a	Advance to Tricone Engineers, INC		25,728,329		23,283,701	
		b	Advance to 1st constitution		439,964		1,605,330	
	b	Deposits						
		i	Bond Money - Grace Court Property			2,601,664		2,354,462
	Total at the end of the reporting period					**28,769,957**		**27,243,493**
	In the opinion of the Board, all the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.							

DSK Woods LLC

			31-Mar-14	31-Mar-14	31-Mar-13	31-Mar-13
Notes to the Profit and Loss Statement for the year ended						
			₹	₹	₹	₹
10	**Revenue from Operations**					
		Revenue from				
		Sale of Grace Courts				181,575,585
	Total at the end of the reporting period			**-**		**181,575,585**
11	**Changes in inventories of finished tenements, work-in-progress and stock-in-trade**					
	a	Work-in-Progress				
	i	Closing	229,032,525		159,366,388	
	ii	Less: Opening	(159,366,388)	69,666,137	(274,933,074)	(115,566,686)
	Total at the end of the reporting period			**69,666,137**		**(115,566,686)**
12	**Other income**					
	a	Interest Income		1,851		163,354
	b	Other Income		116		2,058
	Total at the end of the reporting period			**1,966**		**165,412**
13	**Development expenses**					
	a	Construction & development costs		69,666,137		43,646,384
	Total at the end of the reporting period			**69,666,137**		**43,646,384**
14	**Finance Costs**					
	a	Bank charges and commission		36,298		64,417
	b	Other borrowing costs		-		217,805
	c	Loan Renewal Fees		60,496		-
	Total at the end of the reporting period			**96,794**		**282,222**
15	**Office and administration expenses**					
	a	Professional Fees				
	i	Settlement Charges		-		2,190,333
	b	Postage, Telephone & Telegram		16,644		12,619
	c	Inspection Charges		24,198		-
	d	Miscellneous amount Written Off		29		-
	Total at the end of the reporting period			**40,871**		**2,202,952**
16	**Selling expenses**					
	a	Commission on sales				19,813,691
	Total at the end of the reporting period			**-**		**19,813,691**

DSK Woods LLC

Notes to the Profit and Loss Statement for the year ended					**31-Mar-14**	**31-Mar-14**	**31-Mar-13**	**31-Mar-13**
17	***Earnings Per Share (EPS):***							
	Earnings per share is calculated in accordance with the Accounting Standard 20- 'Earnings Per Share'							
	Particulars							
	Profit after tax (₹ lacs)					(135,699)		229,062
	Weighted Average Number of Equity shares					197,444,520		197,444,520
	Nominal Value of Equity Share (₹)							
	Basic and Diluted Earnings Per Share (₹)					(0.00)		0.00
18	**Related party disclosures**							
	A	**Names of related parties and related party relationship**						
		1	**Related parties where control exists**					
			Holding company		DSK Developers Corporation			
			Ultimate holding company		D. S. Kulkarni Developers Ltd.			
			Fellow subsidiaries	(i)	DSK SEZ Projects (Pune) Private Ltd.			
				(ii)	DSK Global Education and Research P. Ltd.			
				(iii)	DSK Southern Projects Pvt. Ltd.			
			Key management personnel	(i)	Mr. D. S. Kulkarni			
				(ii)	Mrs H D Kulkarni			
				(iii)	Mr. S D Kulkarni			
			Relatives of key management personnel		None			
			Enterprises owned or significantly influenced by key management personnel or their relatives	(i)	Ambiance Ventures Estates & Developers Pvt. Ltd.			
				(ii)	Amit & Company			
				(iii)	Ascent Promoters & Developers Private Limited			
				(iv)	Calcutta Boarding House			
				(v)	D. S. Kulkarni Constructions Pvt. Ltd.			
				(vi)	DSK Digital Technologies Private Limited			
				(vii)	DSK Infotech Private Limited			
				(viii)	DSK Motors Limited			
				(ix)	DSK Sales & Services			
				(x)	DSK Tricone Infrastructure and Construction Ltd.			
				(xi)	DSK Worldman Computers Private Limited			
				(xii)	Gharkul			
				(xiii)	Greengold Farms & Forests Pvt. Ltd			
				(xiv)	Growrich Agroforestry Private Limited			
				(xv)	Hexagon Capital Services Private Limited			
				(xvi)	Holyland Agroforestry Private Limited			
				(xvii	Mangesh Agencies			
				(xviii	Sanjeevani Developers			
				(xix)	Sapphire Promoters & Developers Private Limited			
				(xx)	Shri Saptashrungi Oil Mills Pvt. Ltd.			
				(xxi)	Telesmell			

DSK Woods LLC

Notes to the Profit and Loss Statement for the year ended	**31-Mar-14**	**31-Mar-14**	**31-Mar-13**	**31-Mar-13**
2	**Related party transactions**			**2013-14**	**2012-13**
				₹	**₹**
	BALANCE SHEET ITEMS				
	Equity Share Capital				
a	DSK Developers Corporation			197,444,520	197,444,520
	Sub Total			**197,444,520**	**197,444,520**
	Amounts owed				
b	DSK Developers Corporation			84,250,465	63,239,209
	Sub Total			**84,250,465**	**63,239,209**
	TOTAL OF B/S ITEMS			**281,694,985**	**260,683,729**
	CASH FLOW ITEMS				
c	***Loans taken***				
	DSK Developers Corporation			17,157,137	-
	Sub Total			**17,157,137**	**-**
d	***Loans repaid***				
	DSK Developers Corporation			-	9,343,501
	Sub Total			**-**	**9,343,501**
	TOTAL C/F ITEMS			**17,157,137**	**9,343,501**

For Gokhale, Tanksale & Ghatpande,
Firm Registration No: 103277W
Chartered Accountants

For & on behalf of the Board of Directors

S. M. Ghatpande
Partner
Membership No. 30462

D.S.Kulkarni
(Director)

H.D.Kulkarni
(Director)

Place: Pune
Date: 14th May 2014

Place: Pune
Date: 14th May 2014