Gokhale, Tanksale & Ghatpande

Chartered Accountants

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Independent Auditors' Report on the Consolidated Financial Statements of DSK Developers Corporation.

To,

The Members of **DSK Developers Corporation.**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of DSK Developers Corporation ("the Company") and its Subsidiary, DSK Woods, LLC, (the Company and its Subsidiary constitute "the Group"). which comprise the

a) Consolidated Balance Sheet as at the **31st March 2016**
b) Consolidated Statement of Profit and Loss for the year ended on that date
c) Consolidated Cash Flow Statement for the year ended on that date
d) A summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of

a) the consolidated financial position,
b) the consolidated financial performance and
c) the consolidated cash flows

of the Group 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.

The respective Boards of Directors of the companies included in the Group are responsible for

a) maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group;
b) preventing and detecting frauds and other irregularities;
c) the selection and application of appropriate accounting policies;
d) making judgments and estimates that are reasonable and prudent; and
e) the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

We also audited the financial statements of the subsidiary whose assets, liabilities, revenues, expenses and cash flows have been considered in the Consolidated Financial Statements.

We report that the Consolidated Financial Statements have been prepared in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and on consideration of the separate audit reports on individual financial statements of the Holding Company and its aforesaid subsidiaries, the aforesaid consolidated 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 consolidated balance sheet, of the consolidated state of affairs of the Group as at **31st March, 2016**
b) in the case of the consolidated statement of profit & loss, of the consolidated profit of the Group for the year ended on that date.
c) in the case of the consolidated cash flow statement, of the consolidated cash flows of the Group 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, 2015, issued by the Central Government of India in terms of Section 143(11) of the Act, is not applicable to the Company for the year under review since the Holding Company is not a foreign company as defined u/s 2(42) of the Act.
b) As required by Section 143(3) of the Act, we report that
   i 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 of the aforesaid consolidated financial statements.
   ii In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the auditors.
   iii The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial
   iv In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts)

v In our opinion, the provisions of sections 164(2) of the Act are not applicable to the Holding

vi 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:

a) the Group does not have any pending litigations which would impact its financial position

b) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

c) The Group is not required to transfer any amounts to the Investor Education and Protection Fund

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

S. M. Ghatpande
Partner
Membership No. 30462
Place: Pune
Date: 21st May 2016

DSK Developers Corporation

Consolidated Balance Sheet as at				Note No.	31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
					₹	₹	₹	₹
I	**EQUITY AND LIABILITIES**							
	1	**Shareholders' Funds**						
		a	Share capital	3	4,03,67,600		4,03,67,600	
		b	Reserves and surplus	4	(50,34,76,179)	(46,31,08,579)	(35,81,38,052)	(31,77,70,452)
	2	**Non-current liabilities**						
		a	Long term borrowings	5		60,30,96,140		47,65,63,910
	3	**Current liabilities**						
		a	Trade payables		12,35,170		17,89,588	
		b	Other current liabilities	6	9,40,73,518		13,54,83,477	
		c	Short-term provisions	7	8,52,00,381	18,05,09,069	2,59,75,182	16,32,48,247
			TOTAL			**32,04,96,630**		**32,20,41,705**
II	**ASSETS**							
	1	**Current assets**						
		a	Inventories	8	22,46,01,418		26,82,61,387	
		b	Cash and cash equivalents	9	42,793		10,70,523	
		c	Short-term loans and advances	10	9,58,52,419	32,04,96,630	5,27,09,795	32,20,41,705
			TOTAL			**32,04,96,630**		**32,20,41,705**
	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.

For & on behalf of the Board of Directors

D.S.Kulkarni	H.D.Kulkarni
(Director)	(Director)

Place: Pune

Date: 21st May 2016

DSK Developers Corporation

	Consolidated Profit and Loss Statement for the year ended	Note No.	31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
			₹	₹	₹	₹
I	Revenue from operations	11		11,32,47,645		10,41,94,636
II	Other income	12		2,46,828		37,34,360
III	Changes in inventories of Finished goods, Work-in-Progress and Stock-in-trade	13		(4,36,59,969)		(2,24,91,090)
	Total revenue			**6,98,34,504**		**8,54,37,906**
IV	**Expenses:**					
	Development expenses	14		14,58,25,772		11,23,87,703
	Finance costs	15		3,28,65,580		2,48,63,874
	Office and administration expenses	16		5,68,461		13,10,738
	Total expenses			**17,92,59,813**		**13,85,62,315**
V	Profit before exceptional and extra-ordinary items and tax			(10,94,25,309)		(5,31,24,409)
VI	Exceptional Items			-		-
VII	Profit before extra-ordinary items and tax			(10,94,25,309)		(5,31,24,409)
VIII	Extra-ordinary items			-		-
IX	**Profit before tax**			**(10,94,25,309)**		**(5,31,24,409)**
X	Tax expense					
	1 Current tax		-		-	
	2 Deferred tax		-	-	-	-
	Profit (Loss) for the period from continuing operations			(10,94,25,309)		(5,31,24,409)
XI	Profit (Loss) from discontinuing operations					
XII	Tax expense of discontinuing operations					
XIII	Profit (Loss) from discontinuing operations (after tax)			-		-
XIV	**Profit (Loss) for the period**			**(10,94,25,309)**		**(5,31,24,409)**
XV	**Earnings per equity share**					
	1 Basic			(109.43)		(53.12)
	2 Diluted			(109.43)		(53.12)
	Corporate Information & Statement of Accounting Policies					

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

For & on behalf of the Board of Directors

D.S.Kulkarni (Director) — H.D.Kulkarni (Director)

Place: Pune

Date: 21st May 2016

DSK Developers Corporation

	CASH FLOW STATEMENT FOR THE YEAR ENDE	**31-Mar-16**	**31-Mar-16**	**31-Mar-15**	**31-Mar-15**
	Particulars	₹	₹	₹	₹
A	**Cash flow from operating activities :**				
	Profit before exceptional and extra-ordinary items and tax		(10,94,25,309)		(5,31,24,409)
	Adjustments for				
	Financial Expenses		3,28,65,580		2,48,63,874
	Operating profit before working capital changes		**(7,65,59,729)**		**(2,82,60,535)**
	Adjustments for :				
	(Increase) / Decrease in Inventories	4,36,59,969		2,24,91,090	
	(Increase) / Decrease in short term Loans and Advances	(4,31,42,624)		(1,99,13,612)	
	Increase / (Decrease) in Trade Payables	(5,54,418)		15,96,855	
	Increase / (Decrease) in Other Liabilities	(4,14,09,959)		(71,01,239)	
	Increase / (Decrease) in Long term liabilities	12,65,32,230			
	Increase / (Decrease) in short term provisions	5,92,25,199	14,43,10,397	2,59,75,182	2,30,48,276
	Cash generated from Operations		**14,43,10,397**		**2,30,48,276**
	Income tax				
	Net Cash from Operating Activities (A)		**6,77,50,668**		**(52,12,259)**
B	**Cash Flow from Investing Activities**				
	Net Cash used in Investing Activities (B)		**-**		**-**
C	**Cash Flow from Financing Activities**				
	Borrowings from Bank	-		8,74,50,099	
	Interest paid	(3,28,65,580)		(2,48,63,874)	
	Increase in exchange fluctuation reserve	(3,59,12,818)	(6,87,78,398)	(5,66,15,705)	59,70,520
	Net Cash used in Financing Activities (C)		**(6,87,78,398)**		**59,70,520**
D	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**		(10,27,730)		7,58,261
	Cash and cash equivalents				
	Opening balance		10,70,523		3,12,262
	Closing balance		42,793		10,70,523

For & on behalf of the Board of Directors

D.S.Kulkarni	H.D.Kulkarni
(Director)	(Director)

Place: Pune

Date: 21st May 2016

DSK Developers Corporation

Notes to the consolidated financial statements for the year ended 31-Mar-16

1 ***Corporate Information:***

DSK Developers Corporation ("DSK Developers" or "the Company") was incorporated on May 16 2006 in the State of Delaware. It is wholly-owned subsidiary of D.S.Kulkarni Developers Ltd. a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. In January 2007, the Company formed a wholly owned subsidiary, DSK Woods LLC, in the State of New Jersey. DSK Developers Corporation and DSK Woods are in the business of acquiring, selling, renting and developing properties real estate consultancy services. 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 Developers Corporation is not a foreign company as defined u/s 2(42) of the Companies Act 2013 (the Act).

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, including the Accounting Standards issued by the Institute of Chartered Accountants of India which are specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 Schedule III to the Companies Act, 2013.

2.1.2 **Accounting Convention:**

These financial statements are prepared under the historical cost convention.

2.1.3 **Method of Accounting:**

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

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 Croup's Consolidated 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.

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 **Investments:** In accordance with AS 13 issued by the Institute of Chartered Accountants of India,

i) Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

ii) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

iii) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

iv) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

v) An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the Group, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

vi) The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

vii) Depreciation on building component of investment property is calculated on a straight-line basis using the rate arrived at based on the useful life estimated by the management, or that prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

viii) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.3 **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 Group 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.

2.4 **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 Group, provided it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. 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 Group, 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 Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

v) Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The Group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. 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 Group's right to receive dividend is established by the reporting date.

2.5 **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.

2.6 **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 Group 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 Group'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 Group 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.

2.7 **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 Group 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 Group 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 Group 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 Group'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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group does not have convincing evidence that it will pay normal tax during the specified period.

2.8 **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 Group 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.

2.9 **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.

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

i) A provision is recognized when the Group 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 Group 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.

2.11 **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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

ii) Contingent assets are not recognized.

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

i) **Depreciation accounting:** AS 6 does not apply since the Group does not have fixed assets.

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

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

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

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

vi) **Employee benefits:** AS 15 does not apply since the Group does not have any employees.

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

viii) **Segment reporting:** AS 17 is not applicable since the Group operates only in one segment, to wit, real estate development.

ix) **Leases:** AS 19 does not apply since the Group has not entered into any lease transactions.

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

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

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

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

xiv) **Financial Instruments - Recognition & Measurement, Presentation & Disclosures:** AS 30, 31 & 32 issued by the Institute of Chartered Accountants of India are not applicable to the Group since the Group has not entered into transactions to which these standards apply.

DSK Developers Corporation

Notes to the Consolidated Balance Sheet as at			31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
			₹	₹	₹	₹
3	**Equity Share Capital**					
	a	Number of shares authorized		10,00,000		10,00,000
	b	Amount of shares authorized		4,65,58,750		4,65,58,750
	c	Number of shares issued, subscribed and fully paid				
	d	Number of shares issued and subscribed but not fully paid		-		-
	e	Par value per share		40.3676		40.3676
	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		10,00,000		10,00,000
	ii	Shares allotted during the reporting period		-		-
	iii	Shares bought back during the reporting period		-		-
	iv	Shares outstanding at the end of the reporting period		10,00,000		10,00,000
	f	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		10,00,000		10,00,000
	Total at the end of the reporting period			**4,03,67,600**		**4,03,67,600**
4	**Reserves and Surplus**					
i	Other Reserves – (specify the nature and purpose of each reserve and the amount in respect thereof);					
a)	Foreign currency translation reserve					
	i	Balance at the beginning of the reporting period	(12,66,79,405)		(7,00,63,700)	
	ii	Additions during the reporting period	(3,59,12,818)		(5,66,15,705)	
	iii	Deduction during the reporting period				
	iv	Balance at the end of the reporting period	-	(16,25,92,223)	-	(12,66,79,405)
ii	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	(23,14,58,647)		(17,83,34,238)	
	ii	Additions during the reporting period	(10,94,25,309)		(5,31,24,409)	
	iii	Balance at the end of the reporting period		(34,08,83,956)		(23,14,58,647)
	Total at the end of the reporting period			**(50,34,76,179)**		**(35,81,38,052)**

DSK Developers Corporation

Notes to the Consolidated Balance Sheet as at			31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
			₹	₹	₹	₹
5	**Long-Term Borrowings**					
i	**Unsecured**					
	a	Deposits from public *(Refer Borrowings sheet)*		2,18,89,858		46,94,310
	b	Loans and advances from related parties *(Refer Borrowings sheet)*		58,12,06,282		47,18,69,600
	Total at the end of the reporting per .			**60,30,96,140**		**47,65,63,910**
6	**Other current liabilities**					
	a	Current maturities of long-term debt *(Refer Borrowings sheet)*		-		5,96,04,898
	b	Interest accrued and due on borrowings *(Refer Borrowings sheet)*		9,40,73,518		7,58,78,579
	Total at the end of the reporting period			**9,40,73,518**		**13,54,83,477**
7	**Short-term provisions**					
	a	Provision for Expenses		8,52,00,381		2,59,75,182
	Total at the end of the reporting period			**8,52,00,381**		**2,59,75,182**

DSK Developers Corporation

				31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
Notes to the Consolidated Balance Sheet as at				₹	₹	₹	₹
8	**Inventories**						
	a	Stock-in-trade (in respect of goods acquired for trading)					
		i	27 Walker Avenue, Township of Franklin, County of Gloucester, Block 1201, Lot 48, New Jersey 08322	2,58,175		2,23,213	
		ii	45 Fair ton Cedarville Road, Township of Fairfield, County of Cumberland, Block 43, Lot 17 Bridgeton, New Jersey 533	3,09,872		2,67,881	
		iii	533 Dover road, County of Ocean, Block 21, Lot 12, Toms River New Jersey 08757	17,92,454		15,49,649	
		iv	Woods at Plainsboro Block 7.03, Lots 7.01 - 7.12 and Lot 9 Township of Plainsboro, County of Middlesex	8,11,58,900		16,66,84,597	
		v	795 Ridge Road & 7 & 8-20 Interlaken Road (Lots 5.04,5.05,5.06,5.07,5.08,5.09,5.10,5.03 1, Block 53) in the Township of South Brunswick, Middlesex County, Cranbury New Jersey 08512	14,10,82,017	22,46,01,418	9,95,36,047	26,82,61,387
	Total at the end of the reporting period				**22,46,01,418**		**26,82,61,387**
						-	
9	**Cash and cash equivalents**						
	a	**Balances with banks**					
		i	Current a/c balances with bank		42,793		10,70,523
	Total at the end of the reporting period				**42,793**		**10,70,523**
10	**Short-term loans and advances**						
	a	Others					
		i	Unsecured, considered good		8,85,37,134		4,58,07,194
	b	Deposits			73,15,285		69,02,601
	Total at the end of the reporting period				**9,58,52,419**		**5,27,09,795**

DSK Developers Corporation

Notes to the Consolidated Profit and Loss Statements for the year ended					31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
					₹	₹	₹	₹
11	**Revenue from Operations**							
		Revenue from						
	a	Company other than a finance company						
		i	Sale of tenements					
			DSK Woods - GC 06					5,19,13,877
			DSK Woods - GC 08					5,22,80,759
			DSK Woods - GC 09			5,59,69,212		
			DSK Woods - GC 10			5,72,78,433		
	Total at the end of the reporting period					**11,32,47,645**		**10,41,94,636**
12	**Other income**							
	a	Interest income					-	
	b	Escrow Income					91,721	
	c	Misc.Amount Write Back					4,710	
	d	Other income			2,46,828	2,46,828	36,37,929	37,34,360
	Total at the end of the reporting period					**2,46,828**		**37,34,360**
13	**Changes in inventories of Finished goods, Work-in-Progress and Stock-in-trade**							
	a	Work-in-Progress						
		Closing			22,46,01,418		26,82,61,387	
		Less: Opening			(26,82,61,387)	(4,36,59,969)	(29,07,52,477)	(2,24,91,090)
	Total at the end of the reporting period					**(4,36,59,969)**		**(2,24,91,090)**
14	**Development expenses**							
	i	Construction & development costs				14,58,25,772		11,23,87,703
	Total at the end of the reporting period					**14,58,25,772**		**11,23,87,703**
15	**Finance Costs**							
	a	Interest paid to banks and other financial institutions				3,28,65,580		2,48,33,300
	b	Loan renewal fees						30,574
	Total at the end of the reporting period					**3,28,65,580**		**2,48,63,874**

DSK Developers Corporation								
Notes to the Consolidated Profit and Loss Statements for the year ended					**31-Mar-16**	**31-Mar-16**	**31-Mar-15**	**31-Mar-15**
					₹	₹	₹	₹
16	**Office and administration expenses**							
	j	Interest & Processing fees				2,199		2,055
	a	Appraisal Fees - Indirect				-		34,854
	b	Online Corporate Annual Report				25,857		4,586
	c	Professional Fees				3,66,909		4,30,904
	d	Postage, Telephone & Telegram						22,654
	e	Rent, Rates & Taxes				1,73,472		5,09,890
	h	Inspection charges						3,05,735
	I	Miscellaneous amt. to the extent written off				24		60
	Total at the end of the reporting period					**5,68,461**		**13,10,738**
17	**Related party disclosures**							
	A	**Names of related parties and related party relationship**						
		1	**Related parties where control exists**					
			Holding company		D S Kulkarni Developers Ltd.			
			Subsidiaries	1	DSK Woods LLC			
			Fellow subsidiaries	1	DSK SEZ Projects (Pune) Private Ltd.			
				2	DSK Southern Projects Pvt. Ltd.			
			Key management personnel	1	Mr. D. S. Kulkarni			
				2	Mrs H D Kulkarni			
			Relatives of key management personnel	1	Mr. S D Kulkarni			
				2	Mr. Amit Deepak Kulkarni			
				3	Mrs. Ashwini Sanjay Deshpande			
				4	Mrs. Bhagyashree Amit Kulkarni			
				5	Mr.Makarand S. Kulkarni			
				6	Mrs.Tanvi S Kulkarni			
			Enterprises owned or significantly influenced by key management personnel or their relatives	1	Ambiance Ventures Estates & Developments Pvt. Ltd.			
				2	Amit & Company			
				3	Ascent Promoters & Developers Pvt. Ltd.			
				4	Chandradeep Promoters & Developers Pvt. Ltd.			
				5	D. S. Kulkarni Constructions Pvt. Ltd.			
				6	D.S.Kulkarni & Associates			
				7	D.S.Kulkarni & Brothers			
				8	D.S.Kulkarni & Company			
				9	D.S.Kulkarni & Sons			
				10	DSK & Asso			
				11	DSK & Co.			
				12	DSK Auto Pvt. Ltd.			
				13	DSK Constructions			
				14	DSK & Sons			
				15	DSK Digital Technologies Pvt. Ltd.			
				16	DSK Entertainment LLC			
				17	DSK Global Education and Research Ltd.			
				18	DSK Infotech Pvt. Ltd.			
				19	DSK Milkotronics Pvt. Ltd.			
				20	DSK Motors Pvt. Ltd.			

DSK Developers Corporation

Notes to the Consolidated Profit and Loss Statements for the year ended		31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
		₹	₹	₹	₹
	21	DSK Mototrucks Pvt. Ltd.			
	22	DSK Motowheels Pvt. Ltd.			
	23	DSK Prabhu Granite LLP			
	24	DSK Sales & Services			
	25	DSK Shivajians Football Club Pvt. Ltd.			
	26	DSK Studios Pvt. Ltd.			
	27	DSK World Education Council			
	28	DSK Worldman Projects Ltd.			
	29	Fairyland Promoters & Developers Pvt. Ltd.			
	30	Forever Solar Projects Pvt. Ltd.			
	31	Gharkul			
	32	Greengold Farms & Forests Pvt. Ltd			
	33	Growrich Agroforestry Pvt. Ltd.			
	34	Hexagon Capital Advisors Pvt. Ltd.			
	35	Holyland Agroforestry Pvt. Ltd.			
	36	Rasa Group			
	37	Sapphire Promoters & Developers Pvt. Ltd.			
	38	Shri Saptashrung Oil Mills Pvt. Ltd.			
	39	Talisman Hospitality Services Pvt. Ltd.			
	40	Telesmell			
	41	Tricone Infracon Ltd.			

	2	**Related party transactions**				**2015-16**	**2014-15**
		BALANCE SHEET ITEMS				₹	₹
	a	**Balance Payable**					
i		D S Kulkarni Developers Ltd.				64,09,66,918	53,08,87,592
ii		DSK Entertainment LLc, USA				3,42,17,694	1,64,29,522
						67,51,84,612	**54,73,17,114**
		TOTAL B/S ITEMS				**67,51,84,612**	**54,73,17,114**
		PROFIT / LOSS ITEMS					
	a	**Interest paid**					
		D S Kulkarni Developers Ltd.				3,13,84,850	2,33,20,092
		DSK Entertainment LLc, USA				12,01,669	14,41,665
						3,25,86,519	**2,47,61,756**
		TOTAL P/L ITEMS				**3,25,86,519**	**2,47,61,756**
		Grand Total				**70,77,71,131**	**57,20,78,870**

For & on behalf of the Board of Directors

D.S.Kulkarni	H.D.Kulkarni
(Director)	(Director)

Place: Pune

Date: 21st May 2016