

N. M. RAIJI & CO.
Chartered Accountants
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Independent Auditor's Report

To the Members of Commonwealth Developers Limited

Report to the financial statements

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

Management's Responsibility for Financial Statements

Management's Responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the 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 March 31, 2014; and
- b) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227 (3) of the Act, we report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

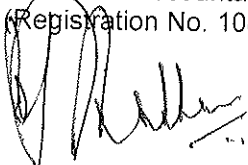
b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

c) the Balance Sheet and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) in our opinion, the Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For N.M. RAIJI & CO.,
Chartered Accountants
(Registration No. 108296W)



Y.N. THAKKAR

Partner

Membership No. 33329

Place : Mumbai

Date : 19 MAY 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date to the members of Commonwealth Developers Limited (the Company))

- (i) The Company is in the process of construction and development of property which is disclosed under Capital Work-in-progress. There are no other fixed assets of the Company. (Refer Note 3.6 of Notes to Accounts). Hence, paragraph 4(i) of the Order is not applicable.
- (ii) The Company did not carry any inventory during the year. (Refer Note 3.6 of Notes to Accounts). Hence, paragraph 4 (ii) of the Order is not applicable.
- (iii) (a) The Company has not granted any loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) of paragraph 4(iii) of the Order are not applicable.
 (b) The Company has not taken any loans, secured or unsecured, during the year from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) of paragraph 4(iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (v) Based on the audit procedures applied by us and according to the information and explanations given to us, there are no transactions that need to be entered into the register in pursuance of section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public to which the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the activities of the Company.
- (ix) (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues applicable to it. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
 (b) According to the records made available to us and the information and explanations given by the management, the details of the dues of sales tax / income tax / custom duty / wealth tax / Service Tax / excise duty / cess, which have not been deposited on account of any dispute, are given below :

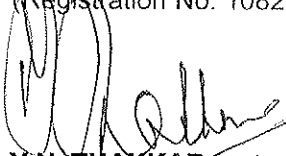
Particulars	Financial year to which the matter pertains	Forum where the dispute is pending	Amount (Rs. In Lakhs)
Income Tax	2009-10	Commissioner Appeals	12.30

- (x) The Company has accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.



- (xi) The Company has not taken any loans from any banks or financial institutions and has not issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit / nidhi / mutual benefit fund / society.
- (xiv) The Company does not have any investments
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The term loans have been applied for the purposes for which these loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) During the year the Company has not issued any debentures.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanation given to us, no fraud on or by the company, has been noticed or reported during the course of our audit.

For N.M. RAIJI & CO.,
Chartered Accountants
(Registration No. 108296W)



Y.N. THAKKAR

Partner
Membership No. 33329

Place : Mumbai

Date : 19 MAY 2014

Commonwealth Developers Limited
Balance sheet as at 31st March 2014

1

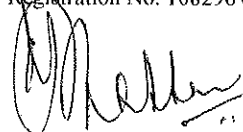
(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
I.	EQUITY AND LIABILITIES			
1	Shareholder's funds			
	(a) Share capital	1.1	10.90	10.90
	(b) Reserves and surplus	1.2	89.03	89.03
			99.93	99.93
2	Non- current liabilities			
	(a) Long term borrowings	1.3	6,839.01	5,910.01
	(b) Other long term liabilities	1.4	200.00	200.00
			7,039.01	6,110.01
3	Current Liabilities			
	(a) Other current liabilities	1.5	890.08	1,089.40
			890.08	1,089.40
	TOTAL		8,029.02	7,299.34
II.	ASSETS			
1	Non- Current Asset			
	(a) Fixed asset			
	Capital work in progress	1.6	7,804.47	7,080.61
	(b) Long term loans & advances	1.7	5.68	5.69
			7,810.15	7,086.30
2	Current Asset			
	(a) Cash & cash equivalents	1.8	202.24	204.40
	(b) Short term loans & advances	1.9	2.76	5.03
	(c) Other current assets	1.10	13.87	3.61
			218.87	213.04
	TOTAL		8,029.02	7,299.34
	Significant Accounting Policies and Notes to accounts	1-3		

As per our report attached.

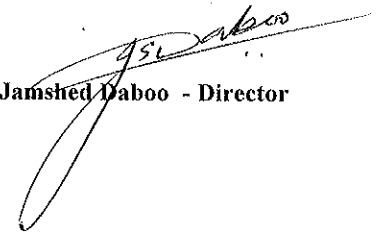
For and on behalf of the board,

For N. M. RAJI & CO.,
Chartered Accountants
Registration No. 108296W



Y. N. THAKKAR
Partner
Membership No. 33329
Mumbai, 19th May 2014

Mr Jamshed Daboo - Director



Mr. Sanjay Gupta - Director

Mumbai, 19th May 2014



Note 1.1
Share capital

	Particulars	As at 31st March 2014		As at 31st March 2013	
		Number	Rs. in Lakhs	Number	Rs. in Lakhs
(a)	AUTHORISED				
	Equity Shares of Rs 10 each	1,000,000	100.00	1,000,000	100.00
(b)	ISSUED, SUBSCRIBED AND PAID UP :				
	Equity Shares of Rs 10 each fully paid up	109,000	10.90	109,000	10.90
	Total	109,000	10.90	109,000	10.90

All the shares are held by Virtuous Shopping Centres Limited, the holding Company.

(d) **Rights, Preferences and Restrictions attached to equity shares:**

Each holder of Equity Shares is entitled to one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividends proposed by the Board of Directors and approved by the shareholders. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the company, after distribution of Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shareholders have all other rights as available to the equity shareholders as per the provisions of Companies Act 1956 read together with the Memorandum of Association and Articles of Association of the company as applicable.

(e)	Reconciliation of Share Capital	As at 31st March 2014		As at 31st March 2013	
		Number	Rs. in Lakhs	Number	Rs. in Lakhs
	Equity shares				
	Number of shares at the beginning	109,000	10.90	109,000	10.90
	Add: Shares issued during the year	-	-	-	-
	Number of shares at the end of year	109,000	10.90	109,000	10.90

(f)	The details of shareholders holding more than 5 % of share capital	As at 31st March 2014		As at 31st March 2013	
		No. of shares	% to total shares	No. of shares	% to total shares
	Name of the shareholder				
	Virtuous Shopping Centres Limited	109,000	100.00%	109,000	100%

As per the records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Note 1.2
Reserves And Surplus

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs. in Lakhs	Rs. in Lakhs
(a) Securities Premium Account Balance as per last financial statement	89.10	89.10
(b) Surplus / (deficit) in the statement of profit and loss Balance as per last financial statement	(0.07)	(0.07)
Total	89.03	89.03

Note 1.3

Long Term borrowings

Particulars	As at	As at
	31st March 2014	31st March 2013
	Rs. in Lakhs	Rs. in Lakhs
Unsecured Borrowings from Related Parties		
(a) Loan from Virtuous Shopping Centres Ltd - Holding Company (Refer note (i) below)	5,640.01	5,640.01
(b) Loan from Trent Hypermarket Limited (Refer note (ii) below)	1,199.00	270.00
Total	6,839.01	5,910.01

Notes :-

(i) The loan from Virtuous Shopping Centres Limited carries interest at the rate of 10 % p.a. and is for a period of 3 years with a prepayment option.

(ii) Loan of from Trent Hypermarket Limited carries interest at the rate of 10% p.a. and is for the period of 2 years.

Note 1.4

Other longterm liabilities

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs. in Lakhs	Rs. in Lakhs
(a) Retention Money	200.00	200.00
Total	200.00	200.00

Note 1.5

Other Current Liabilities

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs. in Lakhs	Rs. in Lakhs
(a) Security deposit received from Trent Hypermarket Limited	204.16	204.16
(b) Withholding tax & other statutory liabilities	0.13	6.96
(c) Interest on Loan payable - (Refer Note (i) below)	678.90	782.00
(d) Creditors for capital expenditure	6.79	94.93
(e) Other Payable - (Refer Note (ii) below)	0.10	1.35
Total	890.08	1,089.40

Notes :-

(i) Interest on loan payable includes Rs 563.95 Lakhs (previous year figure is Rs. 781.80 Lakhs) payable to Virtuous Shopping Centres Limited, the holding Company and balance interest of Rs 114.95 Lakhs (previous year is Rs.0.20 Lakhs) is payable to Trent Hypermarket Limited.

(ii) Other payable of 0.10 Lakhs for current year payable to Trent Limited & Rs. 1.35 Lakhs for previous year payable to Trent Hypermarket Limited is on account of reimbursement of expenses.

Note 1.6
Fixed Asset

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs. in Lakhs	Rs. in Lakhs
Capital Work in Progress:-		
(a) Expenditure incurred during Construction (Refer note 3.5 on page no 12)	7,804.47	7,080.61
Total	7,804.47	7,080.61

Note 1.7
Long term Loans & Advances

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs. in Lakhs	Rs. in Lakhs
Unsecured, Considered Good:-		
(a) Advances on capital account	5.68	5.69
Total	5.68	5.69

Commonwealth Developers Limited
Notes forming part of the Balance Sheet

Note 1.8

Cash & Cash Equivalents

Particulars	As at	As at
	31st March 2014	31st March 2013
	Rs. in Lakhs	Rs. in Lakhs
Balances with Banks:-		
(a) Current Account	2.24	4.40
(b) Fixed Deposit Accounts	200.00	200.00
Total	202.24	204.40

Note 1.9

Short term Loans & Advances

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs. in Lakhs	Rs. in Lakhs
(a) Advance Payment of Taxes - Net of Provision	1.84	2.03
(b) Prepaid Expense	0.92	3.00
Total	2.76	5.03

Note 1.10

Other Current Assets

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs. in Lakhs	Rs. in Lakhs
(a) Interest accrued	13.45	3.19
(b) Other receivable	0.42	0.42
Total	13.87	3.61

Notes to financial statement for the year ended 31st March 2014

Note 2 Significant Accounting Policies

2.1 Basis of Accounting

The financial statements are prepared on accrual basis of accounting and in accordance with the accounting standards notified by the Companies (Accounting Standards) Rules ,2006 and referred to in section 211(3C) of Companies Act , 1956.

2.2 Fixed Assets

Fixed Assets are stated at cost. Costs comprises of cost of acquisition and any attributable cost of bringing the asset to condition for its intended use.

2.3 Borrowing Cost

Borrowing Cost include interest,fees and other charges incurred in connection with the Borrowing of funds and is considered as revenue expenditure for the year in which it is incurred. Borrowing cost attributed to the acquisition/improvement of qualifying capital assets and incurred till the completion of all activities for intended use of the assets is capitalised as cost of the assets.

2.4 Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Note 3 Other Notes

3.1 RELATED PARTY TRANSACTIONS :

Related parties

Parties where Control exists

- 1) Virtuous Shopping Centres Limited - Holding company
- 2) Trent Hypermarket Limited - Holding Company of Virtuous Shopping Centres Limited
- 3) Virtuous Malls Private Limited- Joint venture parties of Virtuous Shopping Centres Limited till 3rd April 2014.
- 4) Virtuous Trustee Private Limited:- Joint venture parties of Virtuous Shopping Centres Limited till 3rd April 2014.
- 5) Siddhartha Yog:- Joint venture parties of Virtuous Shopping Centres Limited till 3rd April 2014.
- 6) Trent Limited - Holding company of Trent Hypermarket Limited

Directors of the Company

Directors

- 1) Mr. Jamshed Daboo
- 2) Mr. Sanjay Gupta
- 3) Mrs. Monali Mahajan

i) Interest to related parties

Virtuous Shopping Centres Limited
Trent Hypermarket Limited

2013-14	2012-13
Rs in lakhs	Rs in lakhs
564.00	564.00
114.96	0.22

ii) Management Fees Paid to related parties

Virtuous Shopping Centres Limited

-	219.10
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iii) Loan taken from

Trent Hypermarket Limited

929.00	270.00
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iv) Deposit Received

Trent Hypermarket Limited

-	104.16
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v) Loan outstanding as on 31.12.2013

Virtuous Shopping Centres Limited
Trent Hypermarket Limited

5,640.01	5,640.01
1,199.00	270.00

vi) Outstanding payables as on 31.12.2013

Virtuous Shopping Centres Limited
Trent Hypermarket Limited

563.94	781.80
114.95	51.10

3.2 Commitments

Estimated amount of contracts remaining to be executed on capital account & not provided for Rs 120.08 Lakhs (2012-13 :- Rs. 184.39 Lakhs)

3.3 a) Contingent Liabilities

Contingent liability in respect of Income Tax Demand against which company has filled appeal is Rs. 12.30 Lakhs (2012-13:-Rs 12.30 Lakhs). If the same materializes then in terms of the share purchase agreement with the erstwhile promoters, the same is recoverable from them.

b) Claims not acknowledged as debts

Claims not acknowledged as debts for the year - Rs Nil (2012-13:- Rs. Nil)

3.4 There are no Micro, Small and Medium Enterprises , to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

3.5 Auditors remuneration for the year included in Capital Work In Progress (Note 1.6, Page 7)

	2013-14	2012-13
	Rs. In Lakhs	Rs. In Lakhs
Audit Fees	0.28	0.28
Other Services	0.34	0.34

3.6 During the year 2011-12, Virtuous Shopping Centres Limited had acquired, 109000 fully paid equity shares of Rs. 10 each from the erstwhile promoters of the company. The management after the takeover of the company from the erstwhile promoters had decided to treat the inventory work in progress as fixed assets and consequently the opening balance along with expenses incurred during the year 2011-12, 2012-13 & 2013-14 had been treated as capital work in progress. Since the construction is under progress, all the expenses(net) incurred during the year 2011-12, 2012-13 & 2013-14 have been treated as capital work in progress. Such expenses incurred during the year include finance cost of Rs.678.96 Lakhs (previous year Rs.564.22 Lakhs). Also, Consequently, no Statement of Profit and Loss has been prepared for the year ended 31st March 2014.

3.7 Loan repayable to Virtuous Shopping Centres Limited -Holding Company - Rs 5640.01 Lakhs (previous year Rs. 5640.01 Lakhs) and Rs 1199 lakhs to Trent Hypermarket Limited (Previous year Rs. 270 Lakhs)
Maximum outstanding during the year is Rs 5640.01 Lakhs (previous year figure Rs.5640.01 Lakhs) in case of loan from Virtuous Shopping Centres Limited and Rs 1199 lakhs (previous year Rs. 270 Lakhs) in case of loan from Trent Hypermarket Limited.

3.8 Segment Reporting : The main business of the company is Developing and Managing of Properties. All other activities of the company are incidental to the main business. Accordingly there are no separate reportable segments in terms of Accounting Standard 17 on "Segment Reporting".

3.9 There are no amounts due & outstanding to be credited to investor education & protection fund.

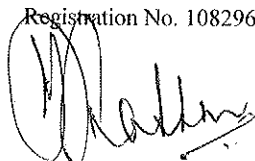
3.10 Previous year's figures have been regrouped/reclassified whenever necessary to correspond with the current year's classification/disclosure.

Signatures to Notes 2 to 3

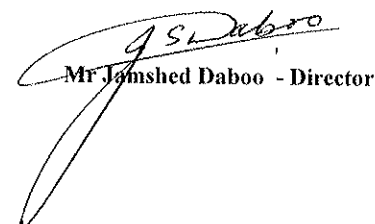
As per our report attached.

For and on behalf of the board,

For N. M. RAIJI & CO.,
Chartered Accountants
Registration No. 108296W



Y. N. THAKKAR
Partner
Membership No. 33329
Mumbai, 19th May 2014



Mr. Jamshed Daboo - Director



Mr. Sanjay Gupta - Director
Mumbai , 19th May 2014

Commonwealth Developers Limited
Cash Flow Statement for the year ended 31.03.2014

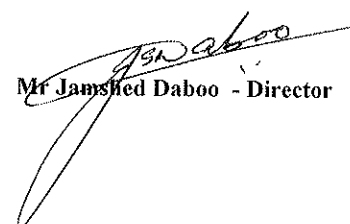
13

Sr. No.	Particulars	01.04.2013 to 31.03.2014		31.03.2013
		Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
A	Cash Flow From Operating Activities			
	Net Profit before Taxes and Exceptional Items		-	-
	Operating Profit Before Working Capital Changes		-	-
	Adjustments for :			
	(Increase)/Decrease in shortterm loans & advances	2.08		11.94
	(Increase)/Decrease in other current asset	(10.26)		(3.07)
	Increase/(Decrease) in other current liabilities	(8.07)		676.55
	Cash generated from operations		(16.25)	685.42
	Direct tax paid		0.20	(1.11)
	Net Cash from Operating Activities		(16.05)	684.31
B	Cash Flow From Investing Activities			
	Purchase of fixed asset	(915.11)		(954.83)
	Net cash used in Investing Activities		(915.11)	(954.83)
C	Cash Flow From Financing Activities			
	Loan from Trent Hypermarket Limited	929.00		270.00
	Net cash from Financing Activities		929.00	270.00
	Net Increase In Cash And Cash Equivalents (A+B+C)		(2.16)	(0.52)
	Cash And Cash Equivalents As At 01.04.2013		204.40	204.92
	Cash And Cash Equivalents As At 31.03.2014		202.24	204.40
<p>Note: 1) All figures in brackets are outflows 2) Cash and Cash equivalents consist Balances with Banks as detailed in note 1.8 to the Balance Sheet on Page No 8. 3) Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current years classification</p>				

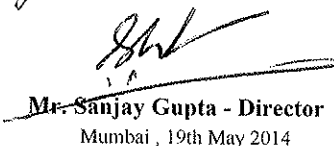
As per our report attached.

For and on behalf of the Board,

For N. M. RAJI & CO.,
 Chartered Accountants
 Registration No. 108296W


Mr. Janshed Daboo - Director

Y. N. THAKKAR
 Partner
 Membership No. 33329
 Mumbai, 19th May 2014


Mr. Sanjay Gupta - Director
 Mumbai, 19th May 2014