

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Suadela Construction Private Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Suadela Construction Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

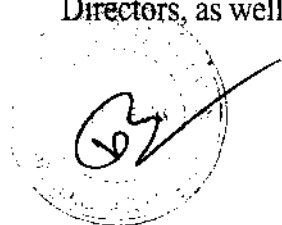
**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 and Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe



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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss, and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23(a) to the financial statements ;



# **S R B C & CO LLP**

Chartered Accountants

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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Pramod Kumar Bapna  
Partner

Membership Number: 105497

Place of Signature: Mumbai

Date: September 30, 2016



# **S R B C & CO LLP**

Chartered Accountants

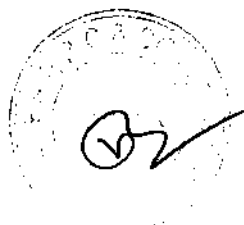
Suadela Construction Private Limited

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Annexure 1 referred to in paragraph 1 to report on other under heading "Legal Report on Other Legal and Regulatory Requirements" and regulatory requirements of our report of even date

Re: Suadela Construction Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There are no immovable properties in the Property, Plants and Equipment. Hence, the clause is not applicable to the Company.
- (ii) The Company's inventory includes real-estate construction work in progress and accordingly the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has specified the maintenance of cost records under section 148(1) of the Act, for the real estate development activity carried on by the Company. However, the Company has not achieved the requisite criteria of minimum turnover for applicability of 'The Companies (Cost Records and Audit) Rules 2014' as per rule 3 of these rules, for maintenance of cost records under Section 148(1) of the Act; Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.



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- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, value added tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases Further, we are informed that the provisions of excise duty, customs duty, wealth-tax and cess are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, value added tax, employee's state insurance and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, except the ones disclosed below:-

| Name of the Statute  | Nature of dues | Tax Demand Raised (including Interest) (Rupees) | Period to which the amount pertains | Forum where dispute is pending |
|----------------------|----------------|-------------------------------------------------|-------------------------------------|--------------------------------|
| Income Tax Act, 1961 | Income Tax     | 47,034,705                                      | AY 2009-10 to AY 2014-15            | CIT (A)                        |

- (viii) Based on our audit procedures performed for the purpose of reporting of true and fair view of the financial statements and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank , government or debenture holders.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that the Company has not raised monies by way of initial public offer / further public offer /debt instruments during the year. The term loan taken was applied for the purposes for which it was raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) The provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Therefore, the requirements under paragraph 3(xi) of the Order are not applicable to the Company and hence not commented upon.



# **S R B C & CO LLP**

Chartered Accountants

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- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



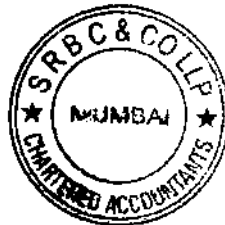
per Pramod Kumar Bapna

Partner

Membership Number: 105497

Place of Signature: Mumbai

Date: September 30, 2016



Annexure 2 referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

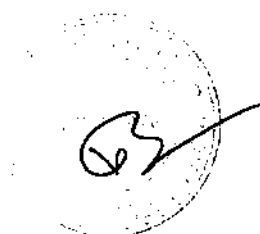
We have audited the internal financial controls over financial reporting of Suadela Construction Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

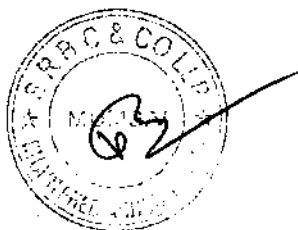
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



# **S R B C & CO LLP**

Chartered Accountants

Suadela Construction Private Limited

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## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

Firm registration number: 324982E/E300003



per Pramod Kumar Bapna  
Partner

Membership No.: 105497

Place: Mumbai

Date: September 30, 2016



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31 MARCH 2016**

|                                                                                          | Notes | 31 MARCH 2016<br>₹          | 31 MARCH 2015<br>₹          |
|------------------------------------------------------------------------------------------|-------|-----------------------------|-----------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                                                         |       |                             |                             |
| <b>1 Shareholders' funds</b>                                                             |       |                             |                             |
| Share capital                                                                            | 3     | 411,824,580                 | 411,824,580                 |
| Reserves and surplus                                                                     | 4     | 1,711,343,963               | 1,801,305,689               |
|                                                                                          |       | <u>2,123,168,543</u>        | <u>2,213,130,269</u>        |
| <b>2 Non-current liabilities</b>                                                         |       |                             |                             |
| Long-term borrowings                                                                     | 5     | 750,527,486                 | 23,022                      |
| Other long term liabilities                                                              | 6     | 47,322,225                  | 15,947,101                  |
| Long-term provisions                                                                     | 7     | 2,585,557                   | 2,230,074                   |
|                                                                                          |       | <u>800,435,268</u>          | <u>18,200,197</u>           |
| <b>3 Current liabilities</b>                                                             |       |                             |                             |
| Short-term borrowings                                                                    | 8     | 126,599,996                 | -                           |
| Trade payables                                                                           | 9     | -                           | -                           |
| - Total outstanding dues of micro enterprises and small enterprises                      |       | -                           | -                           |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises |       | 70,761,332                  | 61,982,166                  |
| Other current liabilities                                                                | 10    | 5,630,070,518               | 5,225,276,147               |
| Short-term provisions                                                                    | 11    | 578,428                     | 252,818                     |
|                                                                                          |       | <u>5,828,010,274</u>        | <u>5,287,511,131</u>        |
| <b>TOTAL</b>                                                                             |       | <u><b>8,751,614,085</b></u> | <u><b>7,518,841,597</b></u> |
| <b>II. ASSETS</b>                                                                        |       |                             |                             |
| <b>1 Non-current assets</b>                                                              |       |                             |                             |
| Fixed assets                                                                             | 12    |                             |                             |
| Property, Plants & Equipments                                                            |       | 12,239,309                  | 19,138,886                  |
| Intangible assets                                                                        |       | -                           | 15,969                      |
| Long-term loans and advances                                                             | 13    | 233,285,915                 | 220,465,758                 |
|                                                                                          |       | <u>245,525,224</u>          | <u>239,620,613</u>          |
| <b>2 Current assets</b>                                                                  |       |                             |                             |
| Inventories                                                                              | 14    | 8,329,275,480               | 6,703,297,930               |
| Cash and Bank Balances                                                                   | 15    | 23,962,224                  | 224,628,441                 |
| Short-term loans and advances                                                            | 16    | 152,851,157                 | 341,486,719                 |
| Other current assets                                                                     | 17    | -                           | 9,807,894                   |
|                                                                                          |       | <u>8,506,088,861</u>        | <u>7,279,220,984</u>        |
| <b>TOTAL</b>                                                                             |       | <u><b>8,751,614,085</b></u> | <u><b>7,518,841,597</b></u> |

Summary of Significant accounting policies

2

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Reg. No. 324982E/ E300003

per Pramod Kumar Bapna  
Partner  
Membership No.: 105497  
Place : Mumbai  
Date : 30 SEP 2016



For and on behalf of the Board of Directors of  
SUADELA CONSTRUCTIONS PRIVATE LIMITED

Surendra L Hiranandani  
Director  
DIN - 00011487  
Place : Mumbai  
Date : 29 SEP 2016

Neha S Hiranandani  
Director  
DIN - 01954865  
Place : London  
Date : 29 SEP 2016

Ravi Sah  
Membership No.: A34945  
Company Secretary  
Place : Mumbai  
Date : 29 SEP 2016



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 MARCH 2016**

|                                            | Note | 31 MARCH 2016<br>₹  | 31 MARCH 2015<br>₹  |
|--------------------------------------------|------|---------------------|---------------------|
| <b>I. INCOME</b>                           |      |                     |                     |
| Other income                               | 18   | 5,151,037           | 67,205,783          |
| <b>TOTAL</b>                               |      | <b>5,151,037</b>    | <b>67,205,783</b>   |
| <b>II. EXPENSES</b>                        |      |                     |                     |
| Employee benefits expense                  | 19   | 19,496,332          | 12,392,953          |
| Finance costs                              | 20   | 18,221,619          | 2,331,864           |
| Depreciation & Amortization Expense        | 21   | 1,987,056           | 2,940,061           |
| Other expenses                             | 22   | 55,407,756          | 65,126,940          |
| <b>TOTAL</b>                               |      | <b>95,112,763</b>   | <b>82,791,818</b>   |
| III. Profit / (Loss) before tax (II - I)   |      | <b>(89,961,726)</b> | <b>(15,586,035)</b> |
| IV. <u>Tax expense:</u>                    |      |                     |                     |
| Current tax                                |      | -                   | -                   |
| Deferred tax                               |      | -                   | -                   |
| V. Profit / (Loss) for the year (III-IV)   |      | <b>(89,961,726)</b> | <b>(15,586,035)</b> |
| VI. <u>Earnings per Equity Share:</u>      |      |                     |                     |
| Basic and Diluted                          | 25   | <b>(2.18)</b>       | <b>(0.38)</b>       |
| Summary of Significant accounting policies | 2    |                     |                     |

The accompanying notes are an integral part of the Financial Statements.

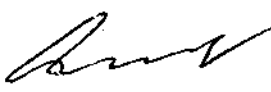
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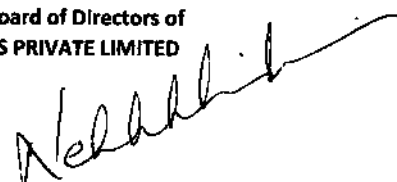
For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Reg. No. 324982E/ E300003

  
per Pramod Kumar Bapna  
Partner  
Membership No.: 105497  
Place : Mumbai  
Date : 30 SEP 2016



For and on behalf of the Board of Directors of  
SUADELA CONSTRUCTIONS PRIVATE LIMITED

  
Surendra L Hiranandani  
Director  
DIN - 00011487  
Place : Mumbai  
Date : 29 SEP 2016

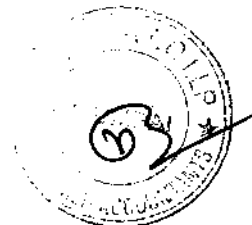
  
Neha S Hiranandani  
Director  
DIN - 01954865  
Place : London  
Date : 29 SEP 2016

  
Ravi Sah  
Membership No.: A34945  
Company Secretary  
Place : Mumbai  
Date : 29 SEP 2016



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2016**

| PARTICULARS                                                                                | FOR THE YEAR ENDED 31<br>MARCH 2016 | FOR THE YEAR ENDED<br>31 MARCH 2015 |
|--------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
|                                                                                            | ₹                                   | ₹                                   |
| <b>Cash flow from operating activities</b>                                                 |                                     |                                     |
| Net Profit / (Loss) before extraordinary items and tax                                     | (89,961,726)                        | (15,586,035)                        |
| <u>Adjustments for:</u>                                                                    |                                     |                                     |
| Depreciation and amortisation                                                              | 1,987,056                           | 2,940,061                           |
| (Profit) / loss on sale / write off of assets                                              | 1,860,589                           | 16,290                              |
| Finance costs                                                                              | 18,221,619                          | 2,331,864                           |
| Sundry Balances Written Back (Miscellaneous Income)                                        | -                                   | (167,013)                           |
| Miscellaneous Expenditure W/Off                                                            | -                                   | 809,343                             |
| Interest On Fixed Deposits                                                                 | (93,680)                            | (60,873,300)                        |
| Operating profit / (loss) before working capital changes                                   | (67,986,142)                        | (70,528,790)                        |
| <u>Changes in working capital:</u>                                                         |                                     |                                     |
| <u>Adjustments for (increase) / decrease in operating assets:</u>                          |                                     |                                     |
| Inventories                                                                                | (1,554,482,113)                     | (1,449,738,977)                     |
| Short-term loans and advances                                                              | 188,635,562                         | (34,862,847)                        |
| Long-term loans and advances                                                               | (15,728,581)                        | 132,935,554                         |
| <u>Adjustments for increase / (decrease) in operating liabilities:</u>                     |                                     |                                     |
| Trade payables                                                                             | 8,779,166                           | (133,810)                           |
| Other current liabilities                                                                  | 397,349,853                         | 496,866,385                         |
| Other long-term liabilities                                                                | 31,375,124                          | 15,194,832                          |
| Short term Provisions                                                                      | 325,611                             | (32,985)                            |
| Long-term provisions                                                                       | 355,483                             | 57,554                              |
|                                                                                            | (1,011,376,037)                     | (910,243,084)                       |
| Less: Income tax paid (Net of Refund)                                                      | 2,908,424                           | (5,598,865)                         |
| <b>Net cash flow from / (used in) operating activities (A)</b>                             | <b>(1,008,467,613)</b>              | <b>(915,841,949)</b>                |
| <b>Cash flow from investing activities</b>                                                 |                                     |                                     |
| Purchase of fixed assets                                                                   | (3,279,234)                         | (5,466,622)                         |
| Proceeds from sale of fixed assets                                                         | 295,232                             | -                                   |
| Interest received on FD                                                                    | 9,901,574                           | 91,811,534                          |
| Investment in bank deposits (having original maturity of more than 3 months)               | -                                   | (189,800,000)                       |
| Redemption/ maturity of bank deposits (having original maturity of more than three months) | 189,800,000                         | 899,158,310                         |
| <b>Net cash flow from / (used in) investing activities (B)</b>                             | <b>196,717,572</b>                  | <b>795,703,222</b>                  |
| <b>Cash flow from financing activities</b>                                                 |                                     |                                     |
| Proceeds from Long Term Borrowings                                                         | 750,820,000                         | -                                   |
| Repayment of long term borrowings                                                          | (522,869)                           | (912,739)                           |
| Proceeds/(Repayment) of other short-term borrowings                                        | 126,599,996                         | -                                   |
| Finance cost                                                                               | (76,013,303)                        | (2,344,865)                         |
| <b>Net cash flow from / (used in) financing activities (C)</b>                             | <b>800,883,824</b>                  | <b>(3,257,604)</b>                  |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>                      | <b>(10,866,217)</b>                 | <b>(123,396,331)</b>                |
| Cash and cash equivalents at the beginning of the year                                     | 34,828,441                          | 158,224,772                         |
| Cash and cash equivalents at the end of the year                                           | 23,962,224                          | 34,828,441                          |
| Cash and cash equivalents at the end of the year (Refer Note 15)                           | 23,962,224                          | 34,828,441                          |



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2016**

**Notes:**

1. The Cash flow statement has been prepared under indirect method as per the Accounting Standard 3 (AS 3) on Cash flow statement as per Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 & Companies (Accounting Standards) Amendment Rules, 2016.

As per our report of even date

**For S R B C & CO LLP**  
**Chartered Accountants**  
ICAI Firm Reg. No. 324982E/ E300003

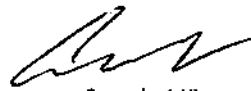
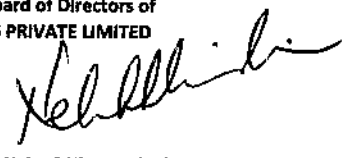
  
per Pramod Kumar Bapna  
Partner

Membership No.: 105497  
Place : Mumbai

Date : 30 SEP 2016



**For and on behalf of the Board of Directors of**  
**SUADELA CONSTRUCTIONS PRIVATE LIMITED**

**Surendra L Hiranandani**  
Director

DIN - 00011487

Place : Mumbai  
Date : 29 SEP 2016

**Neha S Hiranandani**  
Director

DIN - 01954865

Place : London  
Date : 29 SEP 2016



**Ravi Sah**

Membership No.: A34945

Company Secretary

Place : Mumbai

Date : 29 SEP 2016



**1 NATURE OF OPERATIONS**

Suadela Constructions Private Limited ('the Company') is a private limited company domiciled in India and incorporated under the provisions of The Companies Act, 1956. The Company is engaged in the business of real estate development. The Company is pursuing its project at Bannerghatta road, next to Hulimavu lake, Bengaluru, Karnataka.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under the section 133 of the Companies Act, 2013 read together with rule 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**b. Use of estimates**

The preparation of financial Statements in conformity with Indian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial Statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**c. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**• Real estate development:**

Revenue from real estate development is recognized as per Completed Contract Method as the significant risks and rewards of ownership of the property is passed to the buyer at the time of giving possession of the said property, and the property is in habitable condition.

**• Interest:**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**d. Inventories**

**• Inventories are valued at cost or net realizable value, whichever is less. Cost Includes :-**

- Cost of land and development charges

- Direct expenditure relating to real estate development activity incurred in bringing the inventory to the current condition

- Other Expenditure (including borrowing costs) incurred relating to real estate development is inventorised to the extent the expenditure is directly or indirectly attributable in bringing the inventory to its current condition. Balance of such expenditure is charged to the statement of profit and loss.

Direct and other expenditure is determined based on specific identification to the construction activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ issued.

**e. Property, Plant & Equipments**

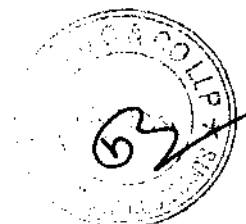
**• Property, Plant & Equipments** are stated at cost, net of accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**• Intangible assets** acquired separately are measured on initial recognition at cost. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

**f. Depreciation**

**Tangible Assets**

The Company provides depreciation on Written Down Value Method on its Tangible Fixed Assets using the rate arrived at based on the useful life of assets prescribed under the Schedule II to Companies Act, 2013. Depreciation on the fixed assets added / disposed off / discarded during the year is provided on pro-rata basis with reference to the month of addition/ disposal/ discarding.



**SUADELA CONSTRUCTIONS PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

The Company has used the following useful lives as per Schedule II of Companies Act, 2013.

| Category Of Fixed Assets | Useful Life |
|--------------------------|-------------|
| Air Conditioners         | 5           |
| Computers                | 3           |
| Electrical Equipments    | 10          |
| Furniture & Fixtures     | 5           |
| Office Equipments        | 5           |
| Plant & Machinery        | 15          |
| Temporary Structures     | 3           |
| Vehicles                 | 8           |

Leasehold improvements are for lease property taken by the Company whose lock-in-period is 3 years and accordingly have been amortized over lock-in-period of 3 years.

All assets whose cost is less than Rs. 5,000 are depreciated fully in the year of Purchase.

**Intangible Assets**

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company estimated that the useful life of an intangible asset will not exceed three years from the date when the asset is available for use.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 *Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies*.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

**g. Impairment of tangible and intangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**h. Leases****Where the Company is the lessee**

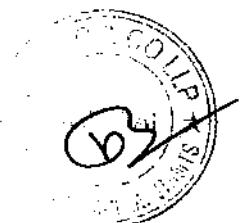
Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Operating lease payments are recognised as expenses in the Statement of profit and loss on a straight line basis over the lease term.

**i. Foreign currency translation****Foreign currency transactions:-**

- **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.
- **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.
- **Exchange Differences:-** Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**j. Borrowing Cost**

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing cost incurred for acquisition of land and other project expenditure, being a qualifying asset is inventorised as a part of the cost of such project and will cease when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. All other borrowing costs are charged to the Statement of profit and loss as incurred.



**k. Income Taxes**

- Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized 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. Deferred tax liabilities are recognised for all taxable timing differences.
- The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a 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 realised. 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.
- 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.
- 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 as an asset 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." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**l. Retirement and Other Employee Benefits**

- A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of profit and loss for the year when the contributions to the respective funds are due. The Company has no obligation, other than the contribution payable to the provident fund.
- The employee's gratuity scheme is the Company's defined benefit plan. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognized in full in the period in which they occur in the Statement of profit and loss.
- Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.
- Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

**m. Earnings per share**

- Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- Diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

**n. Cash and Cash Equivalents**

Cash and cash balances in the balance sheet comprise cash at bank and in hand and short-term investments.

**o. Segment Reporting**

The Company is engaged in one business segment i.e. real estate development and is operating in a single geographical segment i.e. India.

**p. Contingent liabilities**

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.

**q. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

**3 SHARE CAPITAL**

|                                                                                          | 31 MARCH 2016<br>₹ | 31 MARCH 2015<br>₹ |
|------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>I Authorised</b>                                                                      |                    |                    |
| 100,000 (31 March 2015 : 1,00,000) Equity Shares Class A of ₹ 10 each                    | 1,000,000          | 1,000,000          |
| 33,773,250 (31 March 2015 : 33,773,250) Equity Shares Class B of ₹ 10 each               | 337,732,500        | 337,732,500        |
| 16,126,750 (31 March 2015 : 16,126,750) Equity Shares Class C of ₹ 10 each               | 161,267,500        | 161,267,500        |
| <b>II Issued, Subscribed &amp; fully Paid up</b>                                         |                    |                    |
| 19,608 (31 March 2014 : 19,608) Equity Shares Class A of ₹ 10 each fully paid up         | 196,080            | 196,080            |
| 28,551,970 (31 March 2015 : 28,551,970) Equity Shares Class B of ₹ 10 each fully paid up | 285,519,700        | 285,519,700        |
| 12,610,880 (31 March 2015 : 12,610,880) Equity Shares Class C of ₹ 10 each fully paid up | 126,108,800        | 126,108,800        |
| <b>TOTAL</b>                                                                             | <b>411,824,580</b> | <b>411,824,580</b> |

**a. Reconciliation of the Shares outstanding at the beginning and at the end of the year:-**

|                                           | 31 MARCH 2016        |             | 31 MARCH 2015        |             |
|-------------------------------------------|----------------------|-------------|----------------------|-------------|
| <b>Equity Shares Class A of ₹ 10 each</b> | <b>No. of Shares</b> | <b>₹</b>    | <b>No. of Shares</b> | <b>₹</b>    |
| At the beginning of the year              | 19,608               | 196,080     | 19,608               | 196,080     |
| Issued during the year                    | -                    | -           | -                    | -           |
| Outstanding at the end of the year        | 19,608               | 196,080     | 19,608               | 196,080     |
| <b>Equity Shares Class B of ₹ 10 each</b> | <b>No. of Shares</b> | <b>₹</b>    | <b>No. of Shares</b> | <b>₹</b>    |
| At the beginning of the year              | 28,551,970           | 285,519,700 | 28,551,970           | 285,519,700 |
| Issued during the year                    | -                    | -           | -                    | -           |
| Bought back during the year               | -                    | -           | -                    | -           |
| Outstanding at the end of the year        | 28,551,970           | 285,519,700 | 28,551,970           | 285,519,700 |
| <b>Equity Shares Class C of ₹ 10 each</b> | <b>No. of Shares</b> | <b>₹</b>    | <b>No. of Shares</b> | <b>₹</b>    |
| At the beginning of the year              | 12,610,880           | 126,108,800 | 12,610,880           | 126,108,800 |
| Issued during the year                    | -                    | -           | -                    | -           |
| Bought back during the year               | -                    | -           | -                    | -           |
| Outstanding at the end of the year        | 12,610,880           | 126,108,800 | 12,610,880           | 126,108,800 |

**b. Terms / Rights / preferences attached to Equity Class of shares:-**

The Company has three classes of Equity Shares (Class A, Class B and Class C) having a par value of ₹ 10 per Share.

All of the Class A Shares shall collectively be entitled to a voting interest in the Company equivalent to 99.98% (ninety nine point nine eight percent) of the total paid-up Capital of the Company and such voting rights shall be distributed across each of the Class A Shares in the proportion of the amounts respectively credited as paid-up on such share. All the Class A Shares shall be entitled to dividend and/or distributions as set out in Article of Association.

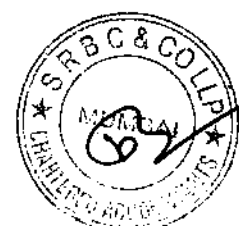
All of the Class B Shares shall collectively be entitled to a voting interest in the Company equivalent to 0.01% (zero point zero one percent) of the total paid-up Capital of the Company and such voting rights shall be distributed across each of the Class B Shares in the proportion of the amounts respectively credited as paid-up on such share.

All of the Class C Shares shall collectively be entitled to a voting interest in the Company equivalent to 0.01% (zero point zero one percent) of the total paid-up Capital of the Company and such voting rights shall be distributed across each of the Class C Shares in the proportion of the amounts respectively credited as paid-up on such share.

Upon liquidation, dissolution or winding up of the Company, all amounts available for distribution out of the assets of the Company to the holders of its Share Capital, whether such assets are capital, surplus or earnings, subject to applicable Law, shall be distributed in the order as prescribed in Articles of Association of the Company.

**c. Shares held by Holding Company:-**

|                                                                                                                                                | 31 MARCH 2016<br>₹ | 31 MARCH 2015<br>₹ |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Out of the Equity Shares issued by the Company, Shares held by JP Morgan India Property Mauritius Company II, Holding Company are as follows:- |                    |                    |
| 9,608 (31 March 2015 : 9,608) Equity Shares Class A of ₹ 10 each fully paid up                                                                 | 96,080             | 96,080             |
| 28,551,970 (31 March 2015 : 28,551,970) Equity Shares Class B of ₹ 10 each fully paid up                                                       | 285,519,700        | 285,519,700        |
| <b>TOTAL</b>                                                                                                                                   | <b>285,615,780</b> | <b>285,615,780</b> |



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

**d. Details of Shareholders holding more than 5% shares in the Company:-**

|                                                                   | 31 MARCH 2016     |                | 31 MARCH 2015     |                |
|-------------------------------------------------------------------|-------------------|----------------|-------------------|----------------|
|                                                                   | No. of Shares     | % of Holding   | No. of Shares     | % of Holding   |
| <b>Equity Shares Class A of ₹ 10 each</b>                         |                   |                |                   |                |
| i Shoden Developers Private Limited                               | 10,000            | 51.00%         | 10,000            | 51.00%         |
| ii JP Morgan India Property Mauritius Company II, Holding Company | 9,608             | 49.00%         | 9,608             | 49.00%         |
| <b>TOTAL</b>                                                      | <b>19,608</b>     | <b>100.00%</b> | <b>19,608</b>     | <b>100.00%</b> |
|                                                                   | 31 MARCH 2016     |                | 31 MARCH 2015     |                |
|                                                                   | No. of Shares     | % of Holding   | No. of Shares     | % of Holding   |
| <b>Equity Shares Class B of ₹ 10 each</b>                         |                   |                |                   |                |
| i JP Morgan India Property Mauritius Company II, Holding Company  | 28,551,970        | 100.00%        | 28,551,970        | 100.00%        |
| <b>TOTAL</b>                                                      | <b>28,551,970</b> | <b>100.00%</b> | <b>28,551,970</b> | <b>100.00%</b> |
|                                                                   | 31 MARCH 2016     |                | 31 MARCH 2015     |                |
|                                                                   | No. of Shares     | % of Holding   | No. of Shares     | % of Holding   |
| <b>Equity Shares Class C of ₹ 10 each</b>                         |                   |                |                   |                |
| i Shoden Developers Private Limited                               | 12,610,880        | 100.00%        | 12,610,880        | 100.00%        |
| <b>TOTAL</b>                                                      | <b>12,610,880</b> | <b>100.00%</b> | <b>12,610,880</b> | <b>100.00%</b> |

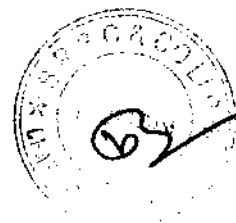
As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

|                                             | 31 MARCH 2016<br>₹ | 31 MARCH 2015<br>₹ |
|---------------------------------------------|--------------------|--------------------|
| <b>Equity shares bought back by company</b> |                    |                    |
| Class B of ₹ 10 each                        | 3,121,280          | 3,121,280          |
| Class C of ₹ 10 each                        | 1,378,717          | 1,378,717          |
|                                             | <b>4,499,997</b>   | <b>4,499,997</b>   |

**4 RESERVES AND SURPLUS**

|                                                        | 31 MARCH 2016<br>₹   | 31 MARCH 2015<br>₹   |
|--------------------------------------------------------|----------------------|----------------------|
| <b>i Capital Redemption Reserve</b>                    |                      |                      |
| Balance as per the last financial Statements           | 44,999,970           | 44,999,970           |
| Closing Balance                                        | <b>44,999,970</b>    | <b>44,999,970</b>    |
| <b>Total of i</b>                                      | <b>44,999,970</b>    | <b>44,999,970</b>    |
| <b>ii Securities Premium Account</b>                   |                      |                      |
| Balance as per the last financial Statements           | 2,013,142,530        | 2,013,142,530        |
| Closing Balance                                        | <b>2,013,142,530</b> | <b>2,013,142,530</b> |
| <b>Total of ii</b>                                     | <b>2,013,142,530</b> | <b>2,013,142,530</b> |
| <b>iii Deficit in the Statement of profit and loss</b> |                      |                      |
| Balance as per the last financial Statements           | (256,836,811)        | (241,250,776)        |
| Profit / (Loss) for the year                           | (89,961,726)         | (15,586,035)         |
| Deficit in the Statement of profit and loss            | <b>(346,798,537)</b> | <b>(256,836,811)</b> |
| <b>Total (i + ii + iii)</b>                            | <b>1,711,343,963</b> | <b>1,801,305,689</b> |



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

**5 LONG TERM BORROWINGS**

|                                                                                 | Non-current Portion |               | Current maturities |               |
|---------------------------------------------------------------------------------|---------------------|---------------|--------------------|---------------|
|                                                                                 | 31 MARCH 2016       | 31 MARCH 2015 | 31 MARCH 2016      | 31 MARCH 2015 |
|                                                                                 | ₹                   | ₹             | ₹                  | ₹             |
| Term loan from Bank (Secured)                                                   | 750,000,000         | -             | -                  | -             |
| Vehicle Loan                                                                    |                     |               |                    |               |
| From Banks & Financial Institutions                                             | 527,486             | 23,022        | 274,774            | 482,107       |
| Amount disclosed under the head "Other Current liabilities" (Refer Note 10 (a)) |                     |               | (274,774)          | (482,107)     |
| <b>Total</b>                                                                    | <b>750,527,486</b>  | <b>23,022</b> | <b>-</b>           | <b>-</b>      |

**(I) Terms of Vehicle Loan**

- Secured against hypothecation of Vehicles.
- Loan is repayable in 36 Equitable Monthly Installments, the last installment date ranging from November 2014 to April 2016.
- Interest rate varies from 10 to 13% p.a.

**(II) Terms of Term Loan**

Exclusive Charge over Land and Building of Project, excluding the flats already sold.  
 Exclusive Charge over balance acquired Land for future development at Benerghatta.  
 Exclusive hypothecation charge on entire movable fixed assets and current assets of Company.  
 Exclusive First Charge by way of Hypothecation/ mortgage/ assignment as the case may be of :-  
 \_ all the rights, title, interest, benefits whatsoever of the Company in respect of the Projects Documents, agreements.  
 \_ all the rights, title, interest, benefits whatsoever of the Company in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee.  
 Interest Rate Charged @ Base Rate + 2.45% p.a.

Further, the loan has been guaranteed by the personal guarantee of Mr Surendra L Hiranandani & Ms Neha S Hiranandani, the directors of the company.  
 The Loan is repayable after 21 Months from the date of its origination, viz 14 July 2015

**6 OTHER LONG TERM LIABILITIES**

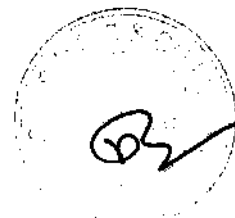
|                            | 31 MARCH 2016     | 31 MARCH 2015     |
|----------------------------|-------------------|-------------------|
|                            | ₹                 | ₹                 |
| <b>Others:-</b>            |                   |                   |
| Car Deposits               | 385,000           | 350,000           |
| Retention from Contractors | 46,937,225        | 15,597,101        |
| <b>Total</b>               | <b>47,322,225</b> | <b>15,947,101</b> |

**7 LONG TERM PROVISIONS**

|                                 | 31 MARCH 2016    | 31 MARCH 2015    |
|---------------------------------|------------------|------------------|
|                                 | ₹                | ₹                |
| Provision for employee benefits |                  |                  |
| Provision for leave benefits    | 2,585,557        | 2,230,074        |
| (Refer Note 27)                 |                  |                  |
| <b>Total</b>                    | <b>2,585,557</b> | <b>2,230,074</b> |

**8 SHORT TERM BORROWINGS**

|                                                                        | 31 MARCH 2016 | 31 MARCH 2015 |
|------------------------------------------------------------------------|---------------|---------------|
|                                                                        | ₹             | ₹             |
| Overdraft Facility with Bank (Repayable on Demand) (Refer Note 5 (II)) | 126,599,996   | -             |
|                                                                        | 126,599,996   | -             |



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

**9 TRADE PAYABLES**

|                                                                                      | 31 MARCH 2016<br>₹ | 31 MARCH 2015<br>₹ |
|--------------------------------------------------------------------------------------|--------------------|--------------------|
| Trade Payables<br>(Refer Note 24 for details of dues to Micro and Small Enterprises) | 70,761,332         | 61,982,166         |
| <b>Total</b>                                                                         | <b>70,761,332</b>  | <b>61,982,166</b>  |

**10 OTHER CURRENT LIABILITIES**

|                                                                                                   | 31 MARCH 2016<br>₹   | 31 MARCH 2015<br>₹   |
|---------------------------------------------------------------------------------------------------|----------------------|----------------------|
| (a) Current maturities of Long term borrowings (Refer Note 5)                                     | 274,774              | 482,107              |
| (b) Interest accrued and due on Term loan                                                         | 7,645,475            | -                    |
| (c) Interest accrued and not due on Vehicle loan                                                  | 6,376                | -                    |
| (d) Advance from Customers                                                                        | 5,586,867,660        | 5,202,458,418        |
| (e) Retention from Contractors (Refer Note 24 for details of dues to Micro and Small Enterprises) | 7,973,469            | 3,097,562            |
| (f) Bank Account Excess Drawn                                                                     | 6,292,253            | -                    |
| (g) <u>Others:-</u>                                                                               |                      |                      |
| Expenses Payable                                                                                  | 6,786,555            | 6,177,234            |
| Payable to Employees                                                                              | 5,725,286            | 4,588,506            |
| Statutory Dues Payable                                                                            |                      |                      |
| Other Statutory Liabilities                                                                       | -                    | -                    |
| Profession Tax Liability                                                                          | 19,800               | 18,100               |
| Provident fund Liability                                                                          | 593,452              | 492,658              |
| Service Tax Liability                                                                             | 712,528              | 1,285,328            |
| ESIC Liability                                                                                    | 831                  | 5,167                |
| TDS Liability                                                                                     | 5,516,176            | 5,570,700            |
| VAT Liability                                                                                     | 1,655,883            | 1,100,367            |
| <b>Total</b>                                                                                      | <b>5,630,070,518</b> | <b>5,225,276,147</b> |

**11 SHORT TERM PROVISIONS**

Provision for employee benefits  
Provision for leave benefits  
(Refer Note 27)

|              | 31 MARCH 2016<br>₹ | 31 MARCH 2015<br>₹ |
|--------------|--------------------|--------------------|
|              | 578,428            | 252,818            |
| <b>Total</b> | <b>578,428</b>     | <b>252,818</b>     |



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

**12 FIXED ASSETS**

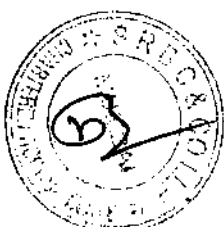
**a) Property, Plant & Equipments**

| PARTICULARS         | TEMPORARY STRUCTURES | LEASEHOLD IMPROVEMENTS | COMPUTERS | FURNITURE AND FIXTURES | PLANT AND MACHINERY | VEHICLES  | TOTAL      |
|---------------------|----------------------|------------------------|-----------|------------------------|---------------------|-----------|------------|
| <b>Cost</b>         |                      |                        |           |                        |                     |           |            |
| At 1 April 2014     | 767,950              | 16,552,283             | 2,028,513 | 13,662,450             | 14,183,997          | 5,575,141 | 52,770,334 |
| Additions           | -                    | -                      | 1,227,873 | -                      | 4,238,749           | -         | 5,466,622  |
| Disposals           | -                    | -                      | 325,802   | -                      | -                   | -         | 325,802    |
| At 31 March 2015    | 767,950              | 16,552,283             | 2,930,584 | 13,662,450             | 18,422,746          | 5,575,141 | 57,911,154 |
| Additions           | -                    | -                      | 252,969   | 1,179,936              | 1,005,201           | 841,128   | 3,279,234  |
| Disposals           | -                    | -                      | 29,610    | 7,777,500              | -                   | -         | 7,807,110  |
| At 31 MARCH 2016    | 767,950              | 16,552,283             | 3,153,943 | 7,064,886              | 19,427,947          | 6,416,269 | 53,383,278 |
| <b>Depreciation</b> |                      |                        |           |                        |                     |           |            |
| At 1 April 2014     | 767,950              | 9,487,895              | 1,305,406 | 7,337,296              | 3,611,357           | 2,628,292 | 25,138,196 |
| Charge for the year | -                    | 6,236,774              | 937,634   | 1,884,218              | 3,907,324           | 977,634   | 13,943,584 |
| Disposals           | -                    | -                      | 309,512   | -                      | -                   | -         | 309,512    |
| At 31 March 2015    | 767,950              | 15,724,669             | 1,933,528 | 9,221,514              | 7,518,681           | 3,605,926 | 38,772,268 |
| Charge for the year | -                    | 827,614                | 675,763   | 1,151,191              | 4,650,862           | 717,559   | 8,022,989  |
| Disposals           | -                    | -                      | 28,130    | 5,623,158              | -                   | -         | 5,651,288  |
| At 31 MARCH 2016    | 767,950              | 16,552,283             | 2,581,161 | 4,749,547              | 12,169,543          | 4,323,485 | 41,143,969 |
| <b>Net Block</b>    |                      |                        |           |                        |                     |           |            |
| At 31 March 2015    | -                    | 827,614                | 997,056   | 4,440,936              | 10,904,065          | 1,969,215 | 19,138,886 |
| At 31 MARCH 2016    | -                    | -                      | 572,782   | 2,315,339              | 7,258,404           | 2,092,784 | 12,239,309 |

**b) INTANGIBLE ASSETS**

| PARTICULARS         | COMPUTER SOFTWARE | TOTAL     |
|---------------------|-------------------|-----------|
| <b>Cost</b>         |                   |           |
| At 1 April 2014     | 1,566,405         | 1,566,405 |
| Additions           | -                 | -         |
| Disposals           | -                 | -         |
| At 31 March 2015    | 1,566,405         | 1,566,405 |
| Additions           | -                 | -         |
| Disposals           | -                 | -         |
| At 31 MARCH 2016    | 1,566,405         | 1,566,405 |
| <b>Depreciation</b> |                   |           |
| At 1 April 2014     | 1,294,674         | 1,294,674 |
| Charge for the year | 255,762           | 255,762   |
| Disposals           | -                 | -         |
| At 31 March 2015    | 1,550,436         | 1,550,436 |
| Charge for the year | 15,969            | 15,969    |
| Disposals           | -                 | -         |
| At 31 MARCH 2016    | 1,566,405         | 1,566,405 |
| <b>Net Block</b>    |                   |           |
| At 31 March 2015    | 15,969            | 15,969    |
| At 31 MARCH 2016    | -                 | -         |

\* Depreciation expense charged to P/L - ₹ 1,987,056 (previous year ₹ 2,904,061); Inventories ₹ 6,051,802 (previous year ₹ 11,259,285)



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

**13 LONG TERM LOANS AND ADVANCES**

|                                                             | 31 MARCH 2016<br>₹ | 31 MARCH 2015<br>₹ |
|-------------------------------------------------------------|--------------------|--------------------|
| I Security Deposits<br>(Unsecured, considered good)         |                    |                    |
| Towards Joint development agreement                         | 64,000,000         | 64,000,000         |
| Others                                                      | 66,795,533         | 17,140,593         |
| <b>Total of I</b>                                           | <b>130,795,533</b> | <b>81,140,593</b>  |
| II Other loans and advances<br>(Unsecured, considered good) |                    |                    |
| Advance Income Tax (Net of provision for taxes)             | 19,973,104         | 22,881,528         |
| Advances to Contractors and Suppliers                       | 82,517,278         | 116,443,637        |
| <b>Total of II</b>                                          | <b>102,490,382</b> | <b>139,325,165</b> |
| <b>Grand total (I to II)</b>                                | <b>233,285,915</b> | <b>220,465,758</b> |

**14 INVENTORIES (valued at lower of cost or net realizable value)**

|                                                              | 31 MARCH 2016<br>₹   | 31 MARCH 2015<br>₹   |
|--------------------------------------------------------------|----------------------|----------------------|
| Work-in-progress for Real Estate Development (Refer Note 28) | 8,329,275,480        | 6,703,297,930        |
| <b>Total</b>                                                 | <b>8,329,275,480</b> | <b>6,703,297,930</b> |

**15 CASH AND BANK BALANCES**

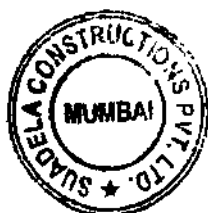
|                                                    | 31 MARCH 2016<br>₹ | 31 MARCH 2015<br>₹ |
|----------------------------------------------------|--------------------|--------------------|
| I Cash and Cash Equivalents                        |                    |                    |
| a) Balances with Banks:                            |                    |                    |
| On Current Account                                 | 23,791,686         | 34,715,883         |
| b) Cash on Hand                                    | 170,538            | 112,558            |
|                                                    | 23,962,224         | 34,828,441         |
| II Other Bank balances                             |                    |                    |
| Deposits remaining maturity of less than 12 months | -                  | 189,800,000        |
| <b>Total</b>                                       | <b>23,962,224</b>  | <b>224,628,441</b> |

**16 SHORT TERM LOANS AND ADVANCES**

|                                                             | 31 MARCH 2016<br>₹ | 31 MARCH 2015<br>₹ |
|-------------------------------------------------------------|--------------------|--------------------|
| I Advance to contractors and suppliers                      | 36,266,818         | 288,205,801        |
| II Other loans and advances<br>(Unsecured, considered good) |                    |                    |
| - Balances with Statutory authorities                       | 104,579,943        | 50,117,810         |
| - Prepaid Expenses                                          | 9,665,864          | 693,756            |
| - Staff Loan                                                | 1,450,601          | 1,334,966          |
| - Gratuity Fund (Refer Note 27)                             | 887,931            | 1,134,386          |
| <b>Total of II</b>                                          | <b>116,584,339</b> | <b>53,280,918</b>  |
| <b>Grand total (I to II)</b>                                | <b>152,851,157</b> | <b>341,486,719</b> |

**17 OTHER CURRENT ASSETS**

|                                    | 31 MARCH 2016<br>₹ | 31 MARCH 2015<br>₹ |
|------------------------------------|--------------------|--------------------|
| I Interest accrued                 |                    |                    |
| Interest accrued on Fixed Deposits | -                  | 9,807,894          |
| <b>Total</b>                       | <b>-</b>           | <b>9,807,894</b>   |



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

**18 OTHER INCOME**

|                               | 31 MARCH 2016    | 31 MARCH 2015     |
|-------------------------------|------------------|-------------------|
|                               | ₹                | ₹                 |
| <u>Interest income on:-</u>   |                  |                   |
| - Fixed Deposit ( Net )       | 93,680           | 60,873,300        |
| - Staff Loan                  | 75,064           | 42,726            |
| - Income tax refund           | 459,300          | 327,044           |
| - Delayed Payments            | 2,186,197        | 4,485,409         |
| Insurance claim received      | 33,271           | 36,226            |
| Miscellaneous Income          | -                | 167,013           |
| Brokerage Income              | 1,071,716        | -                 |
| Cancellation Charges Of Flats | 684,009          | 1,274,065         |
| Transfer Charges              | 547,800          | -                 |
| <b>Total</b>                  | <b>5,151,037</b> | <b>67,205,783</b> |

**19 EMPLOYEE BENEFITS EXPENSE**

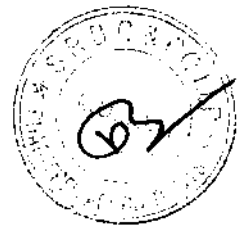
|                                  | 31 MARCH 2016     | 31 MARCH 2015     |
|----------------------------------|-------------------|-------------------|
|                                  | ₹                 | ₹                 |
| <u>Staff Cost:-</u>              |                   |                   |
| Salaries, wages and allowances   | 18,145,630        | 11,531,070        |
| Contribution to Provident fund   | 874,592           | 638,307           |
| Gratuity Expense (Refer Note 27) | 132,738           | (102,185)         |
| Staff Welfare Expenses           | 343,372           | 325,761           |
| <b>Total</b>                     | <b>19,496,332</b> | <b>12,392,953</b> |

**20 FINANCE COSTS**

|                               | 31 MARCH 2016     | 31 MARCH 2015    |
|-------------------------------|-------------------|------------------|
|                               | ₹                 | ₹                |
| <u>Interest expenses on:-</u> |                   |                  |
| Vehicle loan                  | 48,157            | 91,537           |
| Refund To Customers           | 18,173,462        | 2,240,327        |
| <b>Total</b>                  | <b>18,221,619</b> | <b>2,331,864</b> |

**21 DEPRECIATION & AMORTIZATION**

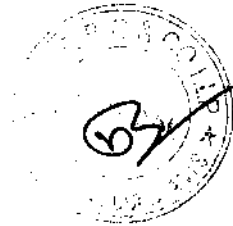
|                                      | 31 MARCH 2016    | 31 MARCH 2015    |
|--------------------------------------|------------------|------------------|
|                                      | ₹                | ₹                |
| I Depreciation of tangible assets    | 1,971,087        | 2,684,299        |
| II Amortization of intangible assets | 15,969           | 255,762          |
| <b>Total</b>                         | <b>1,987,056</b> | <b>2,940,061</b> |



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

**22 OTHER EXPENSES**

|                                                | 31 MARCH 2016     | 31 MARCH 2015     |
|------------------------------------------------|-------------------|-------------------|
|                                                | ₹                 | ₹                 |
| Advertisement                                  | 22,580,003        | 24,037,272        |
| Professional and Legal Fees                    | 9,155,555         | 19,346,030        |
| Brokerage on Sale of Flats                     | 12,391,957        | 14,317,779        |
| Rates and Taxes                                | 447,456           | 741,820           |
| Exhibition Expense                             | 3,163,638         | 2,207,845         |
| Bank Charges/Commission                        | 69,978            | 52,820            |
| Power and Fuel Charges                         | 822,667           | 504,955           |
| Rent for Office                                | 662,400           | 334,702           |
| Communication Expenses                         | 134,302           | 153,975           |
| Insurance Charges                              | 56,554            | 119,589           |
| Loss on Sale of Assets                         | 1,860,589         | 16,290            |
| Preliminary Expenses written off               | -                 | 809,343           |
| Printing & Stationery                          | 289,489           | 141,773           |
| Repairs & Maintenance - Others                 | 133,696           | 117,397           |
| Exchange Loss                                  | 688,142           | 0                 |
| Security Charges                               | 198,513           | 133,971           |
| Auditor's Remuneration (Excluding Service Tax) |                   |                   |
| Audit Fees                                     | 800,000           | 600,000           |
| Reimbursement of Expenses                      | 27,367            | 27,367            |
| Swachh Bharat Cess                             | 452,463           |                   |
| Travelling and Conveyance Expenses             | 368,496           | 256,224           |
| Miscellaneous Expenses                         | 1,104,491         | 1,207,788         |
| <b>Total</b>                                   | <b>55,407,756</b> | <b>65,126,940</b> |



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

**23 a) CONTINGENT LIABILITY**

|                               | 31 MARCH 2016 | 31 MARCH 2015 |
|-------------------------------|---------------|---------------|
|                               | ₹             | ₹             |
| Disputed income tax liability | 2,006,225     | -             |

The Company has filed an appeal for Assessment Year 2009-10 and Assessment Year 2014-15 with the Commissioner of Income Tax (Appeals), in respect of certain disallowances made amounting to Rs. 2,213,017 and Rs. 3,333,527 respectively. The Company does not expect the disallowances to succeed and hence no provision has been recognized in the financial statements.

**b) CAPITAL COMMITMENTS**

|                                                   | 31 MARCH 2016 | 31 MARCH 2015 |
|---------------------------------------------------|---------------|---------------|
|                                                   | ₹             | ₹             |
| For Purchase of Fixed Asset                       | -             | 6,957,740     |
| For Purchase of Material and work orders executed | 1,891,525,154 | 2,349,046,128 |

**24 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:-**

Based on the information available, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act 2006, to whom the Company owes dues. This has been relied upon by the auditors.

**25 EARNING PER SHARE (EPS):-**

|                                                                                                  | 31 MARCH 2016 | 31 MARCH 2015 |
|--------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                  | ₹             | ₹             |
| The following reflects the profit and share data used in the basic and diluted EPS computations: |               |               |
| Net Profit/(Loss) after tax                                                                      | (89,961,726)  | (15,586,035)  |
| Weighted Average No. of Shares outstanding during the year                                       | 41,182,458    | 41,182,458    |
| Nominal Value per Share                                                                          | 10/-          | 10/-          |
| Earnings per Shares -- Basic / Diluted                                                           | (2.18)        | (0.38)        |

**26 RECOGNITION OF DEFERRED TAX ASSET:-**

The Company has no taxable income during the year accordingly no provision has made in respect of the Income Tax Act, 1961. Further in view of uncertainty of availment of tax benefit on accumulated business losses and unabsorbed depreciation, the Company has not recognized deferred tax assets as a matter of prudence.

**27 EMPLOYEE BENEFITS:-**

**Defined contribution plans**

The Company makes Provident Fund contribution to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 869,439 (previous year ₹ 638,307) in the Statement of Profit & Loss and Inventorised ₹ 2,711,973 (previous year ₹ 2,399,771) for Provident Fund contribution. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**Defined benefit plans**

The Company has one defined plan, viz., gratuity benefits, for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

Privilege leave up to 90 days is allowed to be accumulated and is encashable while serving in the company or at the time of superannuation, resignation or death whichever is earlier.

The following tables summarize the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.



|                                                                                                         | 31 MARCH 2016<br>₹ | 31 MARCH 2015<br>₹ |
|---------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>I Changes in the Present Value of Defined Benefit Obligation:-</b>                                   |                    |                    |
| i. Present Value of Defined Benefit Obligation as at beginning of the year                              |                    |                    |
| ii. Interest Cost                                                                                       | 2,064,159          | 2,083,408          |
| iii. Current Service Cost                                                                               | 163,895            | 193,965            |
| iv. Liability Transferred/Acquisitions                                                                  | 684,420            | 702,269            |
| v. Benefits Paid                                                                                        | -                  | 639,256            |
| vi. Actuarial (gains) / losses on Obligation                                                            | (122,185)          | (69,231)           |
| vii. Present Value of Defined Benefit Obligation as at the end of the year                              | 199,988            | (1,485,508)        |
|                                                                                                         | 2,990,277          | 2,064,159          |
| <b>II Changes in the Fair value of Plan Assets:-</b>                                                    |                    |                    |
| i. Fair value of plan assets at beginning of the year                                                   | 3,198,545          | 2,165,672          |
| ii. Expected return on Plan assets                                                                      | 253,964            | 188,413            |
| iii. Contributions                                                                                      | 543,149            | 209,510            |
| iv. Assets Transferred/Acquisitions                                                                     | -                  | 639,256            |
| v. Benefits Paid                                                                                        | (122,185)          | (69,231)           |
| vi. Actuarial gain / (loss) on Plan assets                                                              | 4,735              | 64,925             |
| vii. Fair Value of plan assets as at the end of the year                                                | 3,878,208          | 3,198,545          |
| <b>III Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets:-</b> |                    |                    |
| i. Present Value of Funded Obligation as at end of the year                                             | 2,990,277          | 2,064,159          |
| ii. Fair Value of Plan Assets as at end of the year                                                     | 3,878,208          | 3,198,545          |
| iii. Funded Asset / (Liability) recognized in the Balance Sheet                                         | 887,931            | 1,134,386          |
|                                                                                                         |                    |                    |
|                                                                                                         | 31 MARCH 2016<br>₹ | 31 MARCH 2015<br>₹ |
| <b>IV Recognition of Actuarial gains / losses:-</b>                                                     |                    |                    |
| i. Actuarial gains / (losses) on Plan assets for the period                                             | 4,735              | 64,925             |
| ii. Actuarial (gains) / losses on Obligation for the period                                             | 199,988            | (1,485,508)        |
| iii. Actuarial (gains) / losses recognized in the Statement of profit and loss / inventories            | 195,253            | (1,550,433)        |
| <b>V Amount recognized in the Balance Sheet:-</b>                                                       |                    |                    |
| i. Fair Value of Plan Assets as at end of the year                                                      | 3,878,208          | 3,198,545          |
| ii. Present Value of Defined Benefit Obligation as at the end of the year                               | (2,990,277)        | (2,064,159)        |
| iii. Net Asset / (Liability) recognized in the Balance Sheet                                            | 887,931            | 1,134,386          |
| <b>VI Expenses recognized in Statement of profit and loss / inventories:-</b>                           |                    |                    |
| i. Current Service Cost                                                                                 | 684,420            | 702,269            |
| ii. Interest Cost                                                                                       | 163,895            | 193,965            |
| iii. Expected Return on Plan Assets                                                                     | (253,964)          | (188,413)          |
| iv. Net Actuarial (gain) / Loss recognized in the year                                                  | 195,253            | (1,550,433)        |
| v. Total Expenses recognized in the Statement of profit and loss / inventories *                        | 789,604            | (842,612)          |

\* Employee Benefits expense recognised in the Statement of Profit & Loss ₹ 132,738 (previous year (income) ₹ 102,185); Inventorised ₹ 656,865 (previous year ₹ -740,427)

**VII The major category of plan assets as a percentage of the fair value of total plan assets are as follows:**

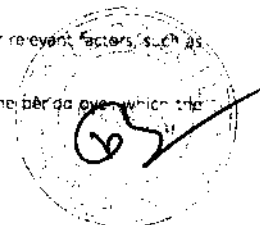
|                         | 31 MARCH 2016 | 31 MARCH 2015 |
|-------------------------|---------------|---------------|
| Investment with insurer | 100%          | 100%          |

**VIII The principal assumptions used in determining gratuity obligations for the Company's plans are shown below**

|                                                          | 31 MARCH 2016                                     | 31 MARCH 2015                                     |
|----------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| i. Discount Rate (per annum)                             | 8.07%                                             | 7.94%                                             |
| ii. Expected rate of return on assets                    | 8.07%                                             | 7.94%                                             |
| iii. Rate of increase in compensation levels (per annum) | 5.00%                                             | 5.00%                                             |
| iv. Attrition Rate (per annum)                           | 2.00%                                             | 2.00%                                             |
| v. Retirement Age                                        | 58 years                                          | 58 years                                          |
| vi. Mortality                                            | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

Amounts for the current and previous periods are as follows:

|                                                            | 31 MARCH 2016 | 31 MARCH 2015 | 31 MARCH 2014 | 31 MARCH 2013 | 31 MARCH 2012 |
|------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                                            | ₹             | ₹             | ₹             | ₹             | ₹             |
| Defined benefit obligation                                 | 2,990,276     | 2,064,159     | 2,083,408     | 1,577,488     | 572,096       |
| Plan assets                                                | 3,878,208     | 3,198,545     | 2,165,672     | 1,488,742     | 705,155       |
| Surplus / (deficit)                                        | 887,932       | 1,134,386     | 82,264        | (88,706)      | 133,059       |
| Experience adjustments on plan liabilities (gains)/ losses | 243,830       | (1,683,295)   | 197,738       | 440,688       | (10,136)      |
| Experience adjustments on plan assets (losses)/ gains      | 4,735         | 64,925        | 38,660        | 38,755        | 40,658        |

**28 WORK-IN-PROGRESS FOR REAL ESTATE DEVELOPMENT**

The Company is engaged in real estate development. As per the Company's business plan, the projects will have residential apartments along with the social infrastructure like club house, etc. The Company has acquired land and the project is under construction. Till the construction is completed the cost of unallocated land and expenses on the project is included under the head "Inventories". Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

The details of expenditure incurred till March 31, 2016 on the project and debited to Inventories are as follows:-

|                                                   | 31 MARCH 2016 | 31 MARCH 2015 |
|---------------------------------------------------|---------------|---------------|
|                                                   | ₹             | ₹             |
| <b>Land for Development &amp; Construction</b>    |               |               |
| Opening Balance                                   | 2,628,841,339 | 2,628,841,339 |
| Additions                                         | 3,671,665     | -             |
| Closing Land for development and construction (A) | 2,632,513,004 | 2,628,841,339 |
| <b>Work-in-Progress</b>                           |               |               |
| Opening Balance                                   | 4,074,456,591 | 2,613,458,329 |
| Addition during the year                          |               |               |
| Land Development Rights                           | -             | 437,000,001   |
| Materials consumed                                | 367,414,188   | 215,001,123   |
| Contractor Expenses                               | 961,808,024   | 687,381,525   |
| Other Construction Charges                        | 78,392,373    | 13,384,585    |
| Employee Benefit Expenses                         | 58,414,906    | 46,622,567    |
| Travelling Expenses                               | 2,638,195     | 1,878,500     |
| Office Expenses                                   | 27,591,842    | 19,535,075    |
| Legal & Professional Charges                      | 48,953,837    | 28,935,601    |
| Finance Cost                                      | 65,443,535    | -             |
| Rates and Taxes                                   | 5,597,083     | -             |
| Depreciation                                      | 6,051,902     | 11,259,285    |
| Subtotal                                          | 1,622,305,885 | 1,460,998,262 |
| Closing Work - In - Progress (B)                  | 5,696,762,476 | 4,074,456,591 |
| Total (A + B)                                     | 8,329,275,480 | 6,703,297,930 |

**29 EXPENDITURE IN FOREIGN CURRENCY:**

|                     | 31 MARCH 2016 | 31 MARCH 2015 |
|---------------------|---------------|---------------|
|                     | ₹             | ₹             |
| Brokerage           | 698,687       | -             |
| Exhibition Expenses | 1,650,801     | 1,074,415     |
| Professional Fees   | -             | 598,095       |
|                     | 2,349,488     | 1,672,510     |

**30 VALUE OF IMPORTS CALCULATED ON CIF BASIS**

|                       | 31 MARCH 2016 | 31 MARCH 2015 |
|-----------------------|---------------|---------------|
|                       | ₹             | ₹             |
| Construction Material | 31,799,718    | -             |
|                       | 31,799,718    | -             |



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

**31 RELATED PARTY TRANSACTIONS:-**

**I Related party where control exist**

| Description of relationship | Names of related parties                      |
|-----------------------------|-----------------------------------------------|
| A. Holding Company          | JP Morgan India Property Mauritius Company II |

**II Others**

|                                                                                                                                                      |                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| A. Key Management Personnel (KMP)                                                                                                                    | Mr. Surendra L. Hiranandani and Ms. Neha S. Hiranandani |
| B. Others                                                                                                                                            |                                                         |
| (i) Party having a substantial interest in voting power and the power to direct by agreement, the financial and operating policies of the enterprise | Shoden Developers Private Limited                       |
| (ii) Enterprise over which Key management personnel is able to exercise significant influence.                                                       | Hiranandani Realtors Private Limited                    |

**III Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016:**

| Particulars                                     | Holding Company | Party having a substantial interest in voting power and the power to direct policies of the enterprise | Enterprise over which Key management personnel is able to exercise significant influence. | Total                      |
|-------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------|
| <b>a) Transactions During the year</b>          |                 |                                                                                                        |                                                                                           |                            |
| Services received - Project Management Services | -               | 27,946,785<br>(16,718,270)                                                                             | -                                                                                         | 27,946,785<br>(16,718,270) |
| <b>b) Balance at Balance Sheet date</b>         |                 |                                                                                                        |                                                                                           |                            |
| Trade Payables                                  | -               | 5,364,536<br>(4,620,801)                                                                               | -                                                                                         | 5,364,536<br>(4,620,801)   |

\*Figures in Brackets represents previous year figure



**SUADELA CONSTRUCTIONS PRIVATE LIMITED**

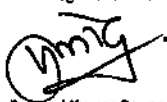
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016**

32 The Company has issued share capital of Rs. 411,824,580 during the period. As per the provisions of Section 203 of the Companies Act, 2013, the Company is required to appoint a full time Company Secretary. The Company did not have a full time Company Secretary for the part of the current period. The vacancy has been filled during the period. During the period of vacancy, the Company had taken adequate measures to fill up the vacancy and to ensure compliances with regulatory and legal compliances

33 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

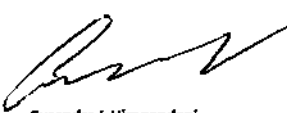
As per our report of even date

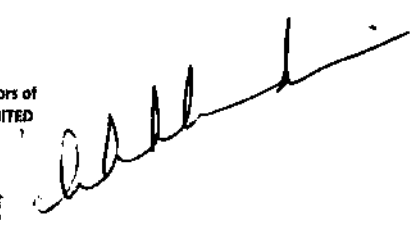
For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Reg. No. 324982E/ E300003

  
per Pramod Kumar Bapna  
Partner  
Membership No.: 105497  
Place : Mumbai  
Date : 30 SEP 2016



For and on behalf of the Board of Directors of  
SUADELA CONSTRUCTIONS PRIVATE LIMITED

  
Surendra L Hiranandani  
Director  
DIN - 00011487  
Place : Mumbai  
Date : 29 SEP 2016

  
Neha S Hiranandani  
Director  
DIN - 01954865  
Place : London  
Date : 29 SEP 2016

  
Ravi Sah  
Membership No.: A34945  
Company Secretary  
Place : Mumbai  
Date : 29 SEP 2016

