S R B C & CO LLP
Chartered Accountants

5th Floor, Block B 2
Nirlon Knowledge Park
Off Western Express Highway
Goregaon (East), Mumbai-400 063, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 3000

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 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 MUMBAI CHARTERED ACCOUNTANTS

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

Annexure 1 referred to in paragraph 1 to report on otherunder 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.

(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.

(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

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

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.

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 ₹	31 MARCH 2015 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	3	**411,824,580**	411,824,580
Reserves and surplus	4	**1,711,343,963**	1,801,305,689
		2,123,168,543	2,213,130,269
2 Non-current liabilities			
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
		800,435,268	18,200,197
3 Current liabilities			
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
		5,828,010,274	5,287,511,131
TOTAL		**8,751,614,085**	7,518,841,597
II. ASSETS			
1 Non-current assets			
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
		245,525,224	239,620,613
2 Current assets			
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
		8,506,088,861	7,279,220,984
TOTAL		**8,751,614,085**	7,518,841,597

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 ₹	31 MARCH 2015 ₹
I.	**INCOME**			
	Other income	18	**5,151,037**	67,205,783
	TOTAL		**5,151,037**	67,205,783
II.	**EXPENSES**			
	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
	TOTAL		**95,112,763**	82,791,818
III.	Profit / (Loss) before tax (II - I)		**(89,961,726)**	(15,586,035)
IV.	**Tax expense:**			
	Current tax		-	-
	Deferred tax		-	-
			-	-
V.	Profit / (Loss) for the year (III-IV)		**(89,961,726)**	(15,586,035)
VI.	**Earnings per Equity Share:**			
	Basic and Diluted	25	**(2.18)**	(0.38)
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 PVT. LTD. MUMBAI

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

PARTICUALRS	FOR THE YEAR ENDED 31 MARCH 2016	FOR THE YEAR ENDED 31 MARCH 2015
	₹	₹
Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(89,961,726)	(15,586,035)
Adjustments for:		
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)
Miscellenous 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)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
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
Adjustments for increase / (decrease) in operating liabilities:		
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)
Net cash flow from / (used in) operating activities (A)	(1,008,467,613)	(915,841,949)
Cash flow from investing activities		
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
Net cash flow from / (used in) investing activities (B)	196,717,572	795,703,222
Cash flow from financing activities		
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)
Net cash flow from / (used in) financing activities (C)	800,883,824	(3,257,604)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(10,866,217)	(123,396,331)
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 PVT. LTD. ★ MUMBAI

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) Amendmend 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

SUADELA CONSTRUCTIONS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 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. Deprecation 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 PVT. LTD. ★ MUMBAI

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 & Machinary	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 arrangments 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.

SUADELA CONSTRUCTIONS PVT. LTD. MUMBAI

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 liablities 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 PVT. LTD. ★ MUMBAI

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

3 SHARE CAPITAL

	31 MARCH 2016 ₹	31 MARCH 2015 ₹
I Authorised		
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
II Issued, Subscribed & fully Paid up		
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
TOTAL	411,824,580	411,824,580

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

	31 MARCH 2016		31 MARCH 2015	
Equity Shares Class A of ₹ 10 each	**No. of Shares**	**₹**	No. of Shares	₹
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
Equity Shares Class B of ₹ 10 each	**No. of Shares**	**₹**	No. of Shares	₹
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
Equity Shares Class C of ₹ 10 each	**No. of Shares**	**₹**	No. of Shares	₹
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 ₹	31 MARCH 2015 ₹
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 : 2,85,51,970) Equity Shares Class B of ₹ 10 each fully paid up	285,519,700	285,519,700
TOTAL	285,615,780	285,615,780

SUADELA CONSTRUCTIONS PVT. LTD. MUMBAI

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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

		31 MARCH 2016		31 MARCH 2015	
	Equity Shares Class A of ₹ 10 each	No. of Shares	% of Holding	No. of Shares	% of Holding
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%
	TOTAL	19,608	100.00%	19,608	100.00%
	Equity Shares Class B of ₹ 10 each	No. of Shares	% of Holding	No. of Shares	% of Holding
i	JP Morgan India Property Mauritius Company II, Holding Company	28,551,970	100.00%	28,551,970	100.00%
	TOTAL	28,551,970	100.00%	28,551,970	100.00%
	Equity Shares Class C of ₹ 10 each	No. of Shares	% of Holding	No. of Shares	% of Holding
i	Shoden Developers Private Limited	12,610,880	100.00%	12,610,880	100.00%
	TOTAL	12,610,880	100.00%	12,610,880	100.00%

As per records of the company,including its register of shareholders/members and other declarations received from shareholders regarding beneficials 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 ₹	31 MARCH 2015 ₹
Equity shares bought back by company		
Class B of ₹ 10 each	3,121,280	3,121,280
Class C of ₹ 10 each	1,378,717	1,378,717
	4,499,997	4,499,997

4 RESERVES AND SURPLUS

			31 MARCH 2016 ₹	31 MARCH 2015 ₹
I	**Capital Redemption Reserve**			
	Balance as per the last financial Statements		44,999,970	44,999,970
	Closing Balance	Total of I	44,999,970	44,999,970
II	**Securities Premium Account**			
	Balance as per the last financial Statements		2,013,142,530	2,013,142,530
	Closing Balance	Total of II	2,013,142,530	2,013,142,530
III	**Deficit in the Statement of profit and loss**			
	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	Total of III	(346,798,537)	(256,836,811)
		Total (I + II+III)	1,711,343,963	1,801,305,689

SUADELA CONSTRUCTIONS PVT. LTD. ★ MUMBAI

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)
Total	750,527,486	23,022	-	-

(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 aquired 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 ₹
Others:-		
Car Deposits	385,000	350,000
Retention from Contractors	46,937,225	15,597,101
Total	47,322,225	15,947,101

7 LONG TERM PROVISIONS

	31 MARCH 2016 ₹	31 MARCH 2015 ₹
Provision for employee benefits		
Provision for leave benefits (Refer Note 27)	2,585,557	2,230,074
Total	2,585,557	2,230,074

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 PVT. LTD. ★ MUMBAI

SUADELA CONSTRUCTIONS PRIVATE LIMITED

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

9 TRADE PAYABLES

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

10 OTHER CURRENT LIABILITIES

		31 MARCH 2016 ₹	31 MARCH 2015 ₹
(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) Others:-			
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
	Total	5,630,070,518	5,225,276,147

11 SHORT TERM PROVISIONS

		31 MARCH 2016 ₹	31 MARCH 2015 ₹
Provision for employee benefits			
Provision for leave benefits (Refer Note 27)		578,428	252,818
	Total	578,428	252,818

SUADELA CONSTRUCTIONS PVT. LTD. ★ MUMBAI

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

12 FIXED ASSETS

In ₹

a) Property,Plant & Equipments

PARTICULARS	TEMPORARY STRUCTURES	LEASEHOLD IMPROVEMENTS	COMPUTERS	FURNITURE AND FIXTURES	PLANT AND MACHINERY	VEHICLES	TOTAL
Cost							
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**
Depreciation							
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**
Net Block							
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
Cost		
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**
Depreciation		
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**
Net Block		
At 31 March 2015	15,969	15,969
At 31 MARCH 2016	-	-

SUADELA CONSTRUCTIONS PVT. LTD. ★ MUMBAI

* *Depreciation expense charged to P/L - ₹ 1,987,056 (previous year ₹ 2,904,061); Inventories ₹ 6,051,902 (previous year ₹ 11,259,285)*

13 LONG TERM LOANS AND ADVANCES

	31 MARCH 2016 ₹	31 MARCH 2015 ₹
I Security Deposits		
(Unsecured, considered good)		
Towards Joint development agreement	64,000,000	64,000,000
Others	66,795,533	17,140,593
Total of I	130,795,533	81,140,593
II Other loans and advances		
(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
Total of II	102,490,382	139,325,165
Grand total (I to II)	233,285,915	220,465,758

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

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

15 CASH AND BANK BALANCES

	31 MARCH 2016 ₹	31 MARCH 2015 ₹
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
Total	23,962,224	224,628,441

16 SHORT TERM LOANS AND ADVANCES

	31 MARCH 2016 ₹	31 MARCH 2015 ₹
I Advance to contractors and suppliers	36,266,818	288,205,801
II Other loans and advances		
(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
Total of II	116,584,339	53,280,918
Grand total (I to II)	152,851,157	341,486,719

17 OTHER CURRENT ASSETS

	31 MARCH 2016 ₹	31 MARCH 2015 ₹
I Interest accrued		
Interest accrued on Fixed Deposits	-	9,807,894
Total	-	9,807,894

SUADELA CONSTRUCTIONS PVT. LTD. ★ MUMBAI

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

18 OTHER INCOME

		31 MARCH 2016 ₹	31 MARCH 2015 ₹
Interest income on:-			
- 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	-
	Total	5,151,037	67,205,783

19 EMPLOYEE BENEFITS EXPENSE

		31 MARCH 2016 ₹	31 MARCH 2015 ₹
Staff Cost:-			
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
	Total	19,496,332	12,392,953

20 FINANCE COSTS

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

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
	Total	1,987,056	2,940,061

SUADELA CONSTRUCTIONS PVT. LTD. ★ MUMBAI

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
	Total	55,407,756	65,126,940

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 Assessement 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 reognized 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.

SUADELA CONSTRUCTIONS PVT. LTD. MUMBAI

S R B C & CO LLP

		31 MARCH 2016 ₹	31 MARCH 2015 ₹
I	**Changes in the Present Value of Defined Benefit Obligation:-**		
i.	Present Value of Defined Benefit Obligation as at beginning of the year	2,064,159	2,083,408
ii.	Interest Cost	163,895	193,965
iii.	Current Service Cost	684,420	702,269
iv.	Liability Transferred/Acquisitions	-	639,256
v.	Benefits Paid	(122,185)	(69,231)
vi.	Actuarial (gains) / losses on Obligation	199,988	(1,485,508)
vii.	Present Value of Defined Benefit Obligation as at the end of the year	2,990,277	2,064,159
II	**Changes in the Fair value of Plan Assets:-**		
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
III	**Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets:-**		
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 ₹	31 MARCH 2015 ₹
IV	**Recognition of Actuarial gains / losses:-**		
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)
V	**Amount recognized in the Balance Sheet:-**		
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
VI	**Expenses recognized in Statement of profit and loss / inventories:-**		
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 reconginsed 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 PVT. LTD. ★ MUMBAI

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 ₹
Land for Development & Construction			
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
Work-in-Progress			
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 P. LTD. MUMBAI

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
a) Transactions During the year				
Services received - Project Management Services	-	27,946,785	-	27,946,785
	-	(16,718,270)	-	(16,718,270)
b) Balance at Balance Sheet date				
Trade Payables	-	5,364,536	-	5,364,536
	-	(4,620,801)	-	(4,620,801)

*Figures in Brackets represents previous year figure

SUADELA CONSTRUCTIONS PVT. LTD. ★ MUMBAI

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

S R B C & CO LLP MUMBAI

SUADELA CONSTRUCTIONS PVT. LTD. MUMBAI