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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SMART VALUE HOMES (PEENYA PROJECT) PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SMART VALUE HOMES (PEENYA PROJECT) PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1 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 purposes 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, the Statement of Profit and Loss, and the 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 prescribed under Section 133 of the Act, as applicable.

(e) On the basis of the written representations received from the directors as on March 31, 2016 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(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 does not have any pending litigations which would impact its financial position;

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.

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2 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Sathya P. Koushik
Partner
Membership No. 206920

Place: Bengaluru
Date: May 12, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (1)(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

1. **Report on the Internal Financial Controls Over Financial Reporting 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 **SMART VALUE HOMES (PEENYA PROJECT) PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

2. **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 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.

3. **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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Company's internal financial controls system over financial reporting.

4. 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.

5. 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.

6. Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Sathya P. Koushik
Partner
Membership No. 206920

Place: Bengaluru
Date: May 12, 2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013.We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

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(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2016 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company does not pay any managerial remuneration and hence reporting under clause (xi) of the CARO 2016 Order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

for **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Sathya P.Koushik
Partner
Membership No. 206920

Place : Bengaluru
Date: May 12, 2016

Smart Value Homes (Peenya Project) Private Limited

Balance Sheet as at 31 March, 2016

(in Rs)

	Particulars	Note No	As at 31 March, 2016	As at 31 March, 2015
I	**EQUITY AND LIABILITIES**			
1	**Shareholders' Funds**			
	Share capital	3	25,000,000	25,000,000
	Reserves and surplus	4	803,905,043	720,066,049
			828,905,043	**745,066,049**
2	**Non - Current Liabilities**			
	Other Long-term liabilities	5	17,077,434	4,616,492
	Long-term provisions	6	2,456,179	1,607,412
			19,533,613	**6,223,904**
3	**Current Liabilities**			
	Short-term borrowings	7	832,853,152	936,975,839
	Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	8	-	-
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	8	393,702,176	220,935,213
	Other current liabilities	9	104,794,302	17,493,631
	Short term provisions	10	7,187,095	5,414,513
			1,338,536,725	**1,180,819,196**
	TOTAL		**2,186,975,381**	**1,932,109,149**
II	**ASSETS**			
1	**Non-Current Assets**			
	Fixed assets			
	Tangible assets	11	384,313	438,930
	Deferred Tax Assets (Net)	30	3,744,989	1,092,926
	Long term loans and advances	12	15,717,854	4,000,000
			19,847,156	**5,531,856**
2	**Current Assets**			
	Inventories	13	1,318,302,986	926,412,887
	Trade receivables	14	211,723,943	133,343,642
	Cash and cash equivalents	15	20,640,261	7,705,478
	Short term loans and advances	16	176,103,676	297,225,280
	Other current assets	17	440,357,359	561,890,006
			2,167,128,225	**1,926,577,293**
	TOTAL		**2,186,975,381**	**1,932,109,149**

See accompanying notes forming part of the financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Sathya P. Koushik
Partner

Director

Director

Place: Bengaluru
Date: May 12, 2016

Deloitte Haskins & Sells LLP Chartered Accountants Bengaluru

Smart Value Homes (Peenya ...

Smart Value Homes (Peenya Project) Private Limited

Statement of Profit and Loss for the year ended 31 March, 2016

(In Rs)

	Particulars	Note No	For the Year Ended 31 March, 2016	For the Year Ended 31 March, 2015
	REVENUE			
I.	Revenue from operations	18	1,073,229,003	849,166,607
II.	Other income	19	997,557	244,034
III.	**Total revenue (I + II)**		**1,074,226,560**	**849,410,641**
IV.	**EXPENSES**			
	Cost of sales	20	871,662,636	631,458,313
	Employee Benefits Expense	21	13,634,822	9,456,497
	Finance costs	22	252,401	382,871
	Depreciation expenses	11	261,561	361,433
	Other expenses	23	59,216,622	64,232,150
	Total expenses		**945,028,042**	**705,891,264**
V.	**Profit/(Loss) before tax (III- IV)**		**129,198,518**	**143,519,377**
VI.	**Tax expense:**			
	(1) Current tax expense		48,011,586	50,169,562
	(2) Deferred tax		(2,652,063)	(794,720)
VII.	**Profit/(Loss) for the year(V-VI)**		**83,838,995**	**94,144,535**
VIII.	Earnings Per equity Share (of Rs. 10/- each)			
	- Basic (In Rs)	29	33.54	37.66
	- Diluted (In Rs)		33.54	37.66
	See accompanying notes forming part of the financial statements			

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Sathya P. Koushik
Partner

Director

Director

Place: Bengaluru
Date: May 12, 2016

Deloitte Haskins & Sells LLP Chartered Accountants Bengaluru

Smart Value Homes (Peenya Project) Pvt. Ltd.

Smart Value Homes (Peenya Project) Private Limited

Cash Flow Statement for the year ended 31 March, 2016

(in Rs)

Particulars		For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Cash Flow from Operating Activities			
Profit / (loss) before tax		129,198,518	143,519,377
Adjustments for:			
Depreciation expenses		261,561	361,433
Operating Profit / (loss) before Working Capital Changes		**129,460,079**	**143,880,810**
Adjustments for:			
(Increase)/Decrease in Inventories		(290,769,070)	24,951,748
(Increase)/Decrease in Trade Receivables		(78,380,301)	(67,627,180)
(Increase)/Decrease in Loans and Advances		121,121,604	38,476,531
(Increase)/Decrease in Other current assets		121,532,647	(234,451,486)
(Decrease) / Increase in Trade Payables,Other Current Liabilities and provisions		266,915,715	(41,757,406)
(Decrease)/Increase in Other Long-term liabilities		12,460,942	5,188,632
Cash used in operations		**282,341,616**	**(131,338,351)**
Direct taxes paid		(64,346,850)	(56,255,658)
Net cash used in operating activities	**A**	**217,994,766**	**(187,594,009)**
Cash flow used in investing activities			
Capital expenditure on fixed assets		(206,944)	(239,089)
Net cash used in investing activities	**B**	**(206,944)**	**(239,089)**
Cash flow from financing activities			
Inter Corporate Deposit (net)		30,000,000	(156,500,000)
Finance costs paid		(100,730,353)	(99,658,043)
Increase /(Decrease) in short-term borrowings from banks (net)		(134,122,686)	440,543,588
Net cash from/(used in) financing activities	**C**	**(204,853,039)**	**184,385,545**
Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	**12,934,783**	**(3,447,553)**
Cash and cash equivalents at the beginning of the year		7,705,478	11,153,031
Cash and cash equivalents at the end of the year(Refer Note 16)		20,640,261	7,705,478
See accompanying notes forming part of the financial statements			

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Sathya P. Koushik
Partner

Director

Director

Place:Bengaluru
Date: May 12, 2016

Note 1: CORPORATE INFORMATION

Smart Value Homes (Peenya Project) Private Limited (SVHPPL) (formerly known as Smart Value Homes (Boisar Project) Private Limited was incorporated on 19th March 2013 and is a subsidiary of Tata Value Homes Ltd (TVHL) (formerly known as Smart Value Homes Ltd). TVHL is a subsidiary of Tata Housing Development Company Limited (THDC). THDC is subsidiary of Tata Sons Ltd (TSL). TSL is the holding company of the Tata Group which is one of India's largest and oldest corporate groups with interests in diverse businesses including steel, telecom, automobiles, information technology, hotels etc. The equity shares of SVHPPL, TVHL, THDC & TSL are not listed on any stock exchanges. SVHPPL was promoted with the main interest of development of Real Estate in India. Since its inception, it has been constructing prestigious residential buildings/complexes by name New Haven & Riva.

SVHPPL is into real estate development and key activities of SVHPPL include project conceptualizing and designing, development, management and marketing.

Note 2: BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1. **Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2. **Revenue Recognition**

In respect of recognising revenue for projects the Company has followed the Percentage of Completion method as per the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) for recognising revenue from projects, based on estimation of the outcome of the project when the following are completed:

a. All critical approvals for commencement have been obtained;

b. At least 25% of development/costs for the project have been incurred;

c. At least 25% of the saleable project area is secured by contracts or agreements with buyers and;

d. At least 10% of the total revenue as per the aforementioned sale agreements have been realised in respect of each such contract and it is expected that the parties will comply with the payment terms of the contracts.

For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including land costs, borrowing costs and construction and development costs as compared to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. The changes to estimates also include changes arising out of cancellation of contracts. In such cases any revenues attributable to such contracts previously recognised are reversed and the costs in relation thereto are carried forward and accounted in accordance with the accounting policy for Inventory.

3. **Other Income**

Interest income is recognised on an accrual basis on a time proportion basis.

4. **Fixed Assets (Tangible Assets)**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

5. **Depreciation / Amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act.

Leasehold improvements are amortised over the period of lease. Cost of Software is amortised over a period of 3 year on a straight line basis.

6. **Investments**

Investments are capitalised at cost plus brokerage, stamp charges and other attributable expenses. Long-term investments are carried at cost of acquisition, net of diminution in value, if any, which is other than temporary. Current investments are valued at lower of cost and fair value.

7. **Inventories**

Inventories are valued as follows:

a. Construction Material is valued at cost. Cost is determined on a weighted average basis.

b. Construction Work-in-progress at cost. Cost includes material costs, justifiable overheads and borrowing costs attributable to each project.

c. Finished goods are stated at lower of cost and net realisable value.

Deloitte Haskins & Sells LLP Chartered Accountants Bangalore

Smart Value Homes (Peenya Project) Pvt. Ltd.

8. **Impairment of Assets**

The carrying amounts of assets / cash generating units are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised in the Statement of Profit and Loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

9. **Borrowing Costs**

'Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

10. **Employee Benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans
The Company's contributions to Provident fund and employee's state insurance scheme are considered as defined contribution plans and are recognised as expenses in the Statement of Profit and Loss.

Defined benefit plans
The net present value of the Company's obligation towards gratuity to employees is actuarially determined at the end of each year based on the projected unit credit method. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

Other long term employee benefits
Other long term employee benefits comprising compensated absences, long service awards, and post-retirement medical benefits and ex-directors pension obligations are provided based on an actuarial valuation determined at the end of each year based on the projected unit credit method. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

11. **Provision for Taxation**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income-Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax liabilities are recognised for all timing differences. Deferred tax asset is recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situations where the Company has unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period as per the provision of Income-tax Act, 1961. MAT credit is reviewed at each balance sheet date and the carrying amount of MAT credit is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income-Tax during such specified period.

12. **Operating Leases**

Lease payments in respect of commercial and residential premises taken on an operating lease are recognised as an expense in the Statement of Profit and Loss in accordance with the terms of the lease agreement/arrangement.

13. **Transactions in Foreign Exchange**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currency as at the balance sheet date are stated at the rates of exchange prevailing at the balance sheet date and the resultant gains/losses are adjusted to the statement of profit and loss for the period.

14. **Accounting for Provisions, Contingent Liabilities and Contingent assets**

A provision is recognised when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

15. **Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

16. **Operating cycle and basis of classification of assets and liabilities**

The real estate development projects under taken by the Company generally run over a period ranging upto 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of 5 years. Borrowings in connection with such projects are classified as short term (i.e. current) since they are payable over the term of the respective projects.

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Smart Value Homes (Peenya Project)

Smart Value Homes (Peenya Project) Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2016

Note 3: Share Capital

(In Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Authorised		
30,10,000 Ordinary Equity Shares of Rs 10 each	30,100,000	30,100,000
Issued, Subscribed and fully Paid-up		
2,500,000 Equity Shares of Rs. 10/- each	25,000,000	25,000,000
(Previous Year 2,500,000 Equity Shares of Rs 10/- each)		
Total	25,000,000	25,000,000

3.1 Reconciliation of number of equity shares and amount Outstanding at the beginning and at the end of the year:

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
At the beginning of the year	2,500,000	25,000,000	2,500,000	25,000,000
During the year partly paid shares made fully paid up	-	-	-	-
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,500,000	25,000,000	2,500,000	25,000,000

3.2 The Ordinary Shares rank *pari-passu*, having voting rights and are subject to preferences and restrictions as per Companies Act, 2013.The shareholders of equity shares are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings, at the event of dissolution.

3.3 Shares held by Holding Company

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number Of Shares	%	Number Of Shares	%
Tata Value Homes Limited (*Formerly Known as Smart Value Homes Limited*)	1,275,000	51%	1,275,000	51%

3.4 Details of equity shares held by shareholders holding more than 5% of Ordinary Shares in the Company:

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number Of Shares	% Holding	Number Of Shares	% Holding
Tata Value Homes Limited (*Formerly Known as Smart Value Homes Limited*)	1,275,000	51%	1,275,000	51%
Portman India Residential 2	1,225,000	49%	1,225,000	49%
Total	2,500,000	100%	2,500,000	100%

Note 4: Reserves and Surplus

(In Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
1) **Securities Premium account**		
Opening balance	575,008,300	575,008,300
Premium on shares issued during the year	-	-
Closing Balance	575,008,300	575,008,300
2) **Surplus in the Statement of Profit and Loss**		
Opening balance	145,057,749	50,913,214
Add: Profit / (Loss) for the year	83,838,995	94,144,535
Closing Balance	228,896,743	145,057,749
Total	803,905,043	720,066,049

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Smart Value Homes (Peenya Project) Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2016

Note 5: Other Long-Term liabilities:

(in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Trade Payables		
- Retention money payable	16,659,478	4,561,472
Others		
Security and other deposits received	-	11,534
Liability towards Gratuity	417,956	43,486
Total	**17,077,434**	**4,616,492**

Note 6: Long-term Provisions

(in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Provision for employee benefits		
- Provision for compensated absences	2,207,391	1,498,854
- Provision for long term service award	248,788	108,558
Total	**2,456,179**	**1,607,412**

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Smart Value Homes (Peenya Project) Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2016

Note 7: Short-term borrowings

(in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
From Banks - Secured (refer note 7.1)	802,853,152	936,975,839
Inter-Corporate Deposit - Unsecured (refer note 7.2)	30,000,000	-
Total	**832,853,152**	**936,975,839**

7.1 Short-term borrowings from banks is in the nature of cash credit facility but repayable in monthly fixed installments starting from January 2016 upto August 2016. Interest is charged at 1.3% above the base rate. This loan is secured by Land (25.50 acres), Building (both present and future) and Hypothecation of stocks and receivables situated at Sheshagirirao palya, Dasanapura Hobli, Bangalore.

7.2 Inter - corporate deposits are taken from Holding company (lender) and are repayable within 3 years from the date of agreement or within 45 days of demand made in writing by the lender. The rate of interest shall be 12% p.a.

Note 8: Trade Payables

(in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
- Trade payables (refer note 35)		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		
-Other than acceptances	373,487,448	206,148,818
- Retention monies payable	20,214,728	14,786,395
Total	**393,702,176**	**220,935,213**

Note 9: Other Current Liabilities

(in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
-Advances from customers	14,288,641	11,326,612
-Advance from Related Party(Tata Housing Development Company Limited)	80,000,000	-
-Statutory remittances (Contributions to VAT, Service Tax, etc.)	8,131,570	5,253,062
-Employees Contribution to Provident Fund & ESIC	81,305	89,058
-Interest accrued and not due on borrowings	390,678	-
-Security and other deposits received	1,264,561	136,534
-Liability towards Gratuity	637,547	688,365
Total	**104,794,302**	**17,493,631**

Note 10: Short Term Provisions

(in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Provision for tax (net of advance tax) - (Rs Nil (P. Y. Rs. 70,630,439 /-))	-	4,617,410
Provision for Customer Compensation(Refer Note 34)	6,126,009	-
Provision for employee benefits		
- For compensated absences	1,061,086	797,103
Total	**7,187,095**	**5,414,513**

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Smart Value Homes (Peenya Project) Pvt Ltd Bangalore

Smart Value Homes (Peenya Project) Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2016

Note 11: Fixed Assets

(In Rs.)

PARTICULARS	Gross Block				Depreciation/Amortisation				Net Block
	As at 1 April, 2015	Additions	Disposals	As at 31 March, 2016	As at 1 April, 2015	For the year	Disposals	As at 31 March, 2016	As at 31 March, 2016
Tangible assets*									
Computers	421,436	206,944	-	628,380	246,620	167,863	-	414,483	213,897
	(290274)	(131,162)	-	(421,436)	(28,759)	(217,861)	-	(246,620)	(174,816)
Office Equipments	233,409	-	-	233,409	114,448	55,702	-	170,150	63,259
	(207,464)	(25,945)	-	(233,409)	(17,573)	(96,875)	-	(114,448)	(118,961)
Furniture & Fixtures	221,353	-	-	221,353	76,200	37,996	-	114,196	107,157
	(139,371)	(81,982)	-	(221,353)	(29,503)	(46,697)	-	(76,200)	(145,153)
Total	**876,198**	**206,944**	**-**	**1,083,142**	**437,268**	**261,561**	**-**	**698,829**	**384,313**
Previous Year	(637,109)	(239,089)	-	(876,198)	(75,835)	(361,433)	-	(437,268)	(438,930)

*All Assets are owned and used by the Company.

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Notes forming part of the financial statements for the year ended 31 March, 2016

Note 12: Long Term Loans and Advances (in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Other Advances - Unsecured, considered good		
Advance Income tax (Net of Provision of Tax Rs. 123,463,435 /-(PY Rs. Nil))	11,717,854	-
Advance for Project(refer note 24)	4,000,000	4,000,000
Total	**15,717,854**	**4,000,000**

Note 13: Inventories (Valued at lower of cost and net realisable value) (in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Construction Material	25,578,792	-
Construction work-in-progress	1,292,724,194	926,412,887
Total	**1,318,302,986**	**926,412,887**

Note 14: Trade Receivables (in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, Considered Good	17,582,275	9,619,991
Other Trade receivables		
- Unsecured, Considered Good	194,141,668	123,723,651
Total	**211,723,943**	**133,343,642**

Note 15: Cash and Cash Equivalents (in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Cash and cash equivalents-		
Cheques on hand	5,188,144	3,369,330
Balances with Banks		
- In Current Accounts	15,452,117	4,336,148
Total	**20,640,261**	**7,705,478**

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Smart Value Homes (Peenya Project) Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2016

Note 16: Short Term Loans and Advances (unsecured, considered good) (in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Security Deposits	3,590,025	3,332,525
Mobilisation Advance	115,899,587	249,458,692
Supplier advances	7,290,901	-
Prepaid expenses	254,221	233,494
Balance with government authorities		
- Service tax credit receivable	31,854,790	29,794,092
- VAT credit receivable	17,214,152	14,406,477
Total	**176,103,676**	**297,225,280**

Note 17: Other Current Assets (in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Unbilled Revenue (Refer Note 17.1)	440,357,359	561,890,006
Total	**440,357,359**	**561,890,006**

17.1 Unbilled revenue represents future instalments receivable from customers.

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Smart Value Homes (Peenya Project) Pvt Ltd

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Note 18: Revenue from Operations (in Rs.)

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Sale of properties	1,070,855,003	846,883,387
Other Operating Revenue		
- Forfeiture and other income from customers	2,374,000	2,283,220
Total	**1,073,229,003**	**849,166,607**

Note 19: Other Income (in Rs.)

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Delayed Payment Charges	997,501	242,824
Sundry Balances Written-back	56	1,210
Total	**997,557**	**244,034**

Note 20: Cost of Sales (in Rs.)

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Cost of Sales of Projects	871,662,636	631,458,313
Total	**871,662,636**	**631,458,313**

Note 21: Employee Benefits Expense (in Rs.)

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Salaries and wages	11,780,506	8,697,401
Contribution to Provident and Other Funds	1,410,784	456,542
Staff Welfare Expenses	443,532	302,554
Total	**13,634,822**	**9,456,497**

Note 22: Finance costs (in Rs.)

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Interest expense on:		
-Interest on delayed/ deferred payment of income tax	252,401	382,871
Total	**252,401**	**382,871**

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Smart Value Homes (Peenya Project) Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2016

Note 23: Other Expenses (in Rs.)

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Selling expenses :-		
- Advertisement & Publicity	36,471,460	30,912,663
- Business Promotion	11,768,189	29,063,045
Legal and Professional fees	744,232	1,477,174
Travelling and Coveyance Expenses	9,132	60,897
Insurance	514,334	312,844
Rates and taxes	6,050	66,300
Director's sitting fees	28,000	-
Payment to Statutory auditors(net of service tax input credit):		
- Audit fees	500,000	300,000
- Reimbursement of expense	-	3,550
Donation	-	-
Expenditure on corporate social responsibility (Refer Note 25)	1,673,081	1,402,380
Customer Compensation	6,126,009	-
Miscellaneous expenses	1,376,135	633,297
Total	**59,216,622**	**64,232,150**

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Smart Value Homes (Peenya Project) Private Ltd

Smart Value Homes (Peenya Project) Private Limited

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Note 24: Commitments:

a)The company had entered into agreement with Apollo Telehealth Services Private Limited("Apollo") on 20th February 2014 for delivery of health care and related services to residents of "The Senior Living Project" (Riva) in the Company's Peenya project,Bengaluru.In accordance with the agreement the services to be rendered by Apollo to the company shall commence from March 2016 with an extention of six months grace period or the actual date of possession as handed over to the residents for a period of 5 years. As per the agreement the compay would provide Apollo infrastructure of 500 Square feet covered space,furniture,electricity,water necessary for them to provide these services. For these health care services the Company is required to pay Apollo a total of Rs.63.80 Mio which includes Rs.2.62 Mio as reimbursement of capital expenses incurred by them six months before the commencement of services as well as Rs 61.18 Mio in equal installements every quarter for 20 quarters starting from 3 months prior to the date of commencement of services. The company has paid Rs. 4,000,000 as advance against this project(included under Note 13-Long Term Loans and Advances).This advance is non-refundable unless there is breach of contract by Apollo.

b)The company enters into construction contracts with vendors.The final amounts payable under such contracts will be based on actual measurements and negotiated rates,which are determinable as and when the work under the said contracts are completed.

Note 25: Corporate Social Responsibility

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities"

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rs.	Rs.
(a) Gross amount required to be spent by the Company during the year.	1,461,114	756,478

(b) Amount spent during the year on:

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	- (-)	- (-)	- (-)
(ii) On purposes other than (i) above	1,673,081 (1,402,380)	- (-)	1,673,081 (1,402,380)

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Notes forming part of the financial statements for the year ended 31 March, 2016

Note 26: Expenses transferred to Construction Work in progress:

(in Rs.)

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Salaries and wages	20,021,816	20,149,012
Interest and other borrowing costs	101,121,029	99,658,043
Contribution to Provident and Other Funds	653,099	613,886
Electricity expenses	179,609	140,461
Staff Welfare Expenses	443,435	326,974

Note 27: Details of costs and revenue in respect of contracts in progress:

(in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Contract revenue recognised during the year	1,070,855,003	846,883,387
Aggregate of contract costs incurred upto the reporting date	3,518,079,619	2,237,329,470
Profit recognised upto the reporting date	556,525,671	357,333,304
Advances received for contracts in progress	14,288,641	11,326,612
Amount of Work-in-progress and the value of inventories	1,318,302,986	926,412,887
Unbilled Revenue Recognised	440,357,359	561,890,006

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Notes forming part of the financial statements for the year ended 31 March, 2016

Note 28: Leasing transaction

The Company has entered into operating leases in respect of guest house accomodation. The terms of the said lease include terms for renewal, increase in rents in future periods for premises and terms of cancellation. The total lease payments recognized in the Statement of Profit and Loss for the year amounts to Rs 205,126/-(P. Y. Rs. 174,361/-).

Note 29: Earnings Per Share

In accordance with the Accounting Standard on "Earnings Per Share" (AS-20) notified by the Companies Act,the Earning Per Share has been computed by dividing the Net Profit After Tax by the weighted average number of ordinary shares.

(in Rs.)

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Profit / (Loss) after Tax - (in Rs.)	83,838,995	94,144,535
Number of equity shares	2,500,000	2,500,000
Weighted average number of equity shares outstanding during the year	2,500,000	2,500,000
Weighted average number of equity shares for diluted EPS	2,500,000	2,500,000
Basic earnings per share of Rs. 10 each - (in Rs.)	33.54	37.66
Diluted earnings per share of Rs. 10 each - (in Rs.)	33.54	37.66
Face Value Per Share - (in Rs.)	10.00	10.00

Note 30: Deferred Tax Liabilities / Assets (net)

(in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	1,582,544	1,066,051
Difference in book balance & tax balance of fixed assets	42,356	26,875
Provision for Customer Compensations	2,120,089	-
Tax effect of items constituting deferred tax assets	**3,744,989**	**1,092,926**
Net deferred tax assets	**3,744,989**	**1,092,926**

Note 31: Segment Reporting

As the Company is engaged only in the business of development of property and related activities in India, separate segmental information have not been provided.

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Notes forming part of the financial statements for the year ended 31 March, 2016

Note 32: Employee Benefits

32.1 The Company's contributions paid / payable during the year towards Provident Fund recognized in the Statement of Profit and Loss or Construction work-in-progress is disclosed in the table below.

(In Rs.)

Benefit (Contribution to)	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Provident Fund	1,008,380	860,641
Total	1,008,380	860,641

These funds and the schemes thereunder are recognised by the Income-tax authorities and administered by trusts.

32.2 Details of the funded post retirement gratuity plan are given below, which is certified by the actuary and relied upon by the auditors.

The company makes annual contributions to the Tata Value Homes Limited Employees' Gratuity Scheme, which is being administered by Kotak Mahindra Old Mutual Life Insurance Ltd. The scheme provides for Gratuity benefits to vested employees on retirement, death while in employment or on termination of employment as per Company's Gratuity Scheme. Vesting occurs on completion of five years.

Benefit Description	As at 31st March 2016	As at 31st March 2015
Benefit Type	Gratuity Valuation as per Act or Company Scheme whichever is more beneficial	Gratuity Valuation as per Act or Company Scheme whichever is more beneficial
Projected Benefit Obligation	1,958,740	1,363,878
Current Liability	637,547	688,363
Non Current Liability	417,956	43,486

A) Changes in Benefit Obligation:

(In Rs.)

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Opening Defined Benefit Obligation	**1,363,878**	**628,385**
Interest Cost	109,656	37,424
Service Cost	424,621	380,414
Liability Transferred	-	275,745
Benefits Paid	(528,462)	-
Actuarial (Gain) / Loss on obligations	589,047	41,910
Closing Defined Benefit Obligation	**1,958,740**	**1,363,878**

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B) Change in Plan Assets: (In Rs.)

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Plan assets at the beginning of the year	632,027	-
Expected Return on Plan Assets	50,815	-
Employer's Contribution	731,851	628,385
Benefits Paid	(528,467)	-
Actuarial Gain/(Loss) on Plan Assets	17,006	3,642
Plan Assets at the end of the year / period	**903,237**	**632,027**

Expected rate of return on assets is taken on the basis of the benchmark rate on government securities for the tenure of the payment.

C) Reconciliation of fair value of assets and obligations:

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Present value of the Obligation as at the end of the period	**1,958,740**	**1,363,878**
Fair value of plan assets as at the end of the period	903,237	632,027
Un-funded Liability as at the end of the period	-	-
Amount Recognised in the Balance Sheet under "Other Long Term Liabilities"	**417,056**	**43,486**
Amount Recognised in the Balance Sheet under "Other Current Liabilities"	**637,347**	**688,365**

D) Expenses Recognised during the year :

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Current Service Cost	624,621	260,414
Net Interest Cost	58,891	57,434
Actuarial Loss /(Gain) recognised	372,041	138,258
Expenses Recognised during the year	**1,055,503**	**456,106**

E) Assumptions and Definitions:

Date of Valuation	As at 31 March, 2016	As at 31 March, 2015
Discounting Rate	7.84%	8.04%
Rate of Salary Increase	7%	7%
Retirement Age	60	60
Mortality Table	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Attrition Rate	17%	17%
Maximum Gratuity payable per person	1,000,000	1,000,000
Contribution expected to be paid to the plan during next financial year	637,347	688,365

F) Experience Adjustment (Gratuity): (In Rs.)

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015	For the Year Ended 31 March , 2014
Defined Benefit Obligation	1,958,740	1,363,878	628,385
Fair value of plan assets	903,237	632,027	-
Funded status Deficit	1,055,503	731,851	628,385
Experience (gain) / loss adjustments on plan liabilities	587,417	141,900	-
Experience gain / (loss) adjustments on plan assets	17,006	3,642	-

Note: The Company was incorporated on 19th March 2013 and hence the above disclosure has been given to the extent data is available with the Company.

G)Investment Pattern

The details with respect to the investment made by Fund managers (Kotak Mahindra Old Mutual Life Insurance Ltd) into major categories of plan assets have not been disclosed, as the same has not been provided by the Fund managers to the Company.

33.3 Unfunded Leave Encashment and Sick Leave:

Assumptions:

Date of Valuation	As at 31 March, 2016	As at 31 March, 2015
Discounting Rate	7.84%	8.00%
Retirement Age	60	60
Future Salary Rise	7%	7%
Mortality Table	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Withdrawal Rates	10% to 2% p.a age related on graduated scale	10% to 2% p.a age related on graduated scale

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Note 33: Related Party Transactions

As per Accounting Standard on "Related Party Disclosures" (AS-18) notified by the Companies Act, the Related Parties of the Company are as follows:

33.1 List of Related Parties and Relationships

Sr. No.	Name of related party and nature of relationship
1	**Ultimate Holding Company** Tata Sons Limited
2	**Holding Company** Tata Value Homes Ltd (formerly known as Smart Value Homes Ltd) Tata Housing Development Co. Ltd.
3	**Company with significant influence** Portman India Residential 2, Mauritius
4	**Fellow Subsidiaries with whom transactions are entered** Tata Capital Financial Services Limited Tata AIG General Insurance Company Infiniti Retail Limited Promont Hilltop Pvt. Ltd. Tata Business Support Services Ltd. e-Nel Financials Limited (merged with Tata Business Support Services Limited vide its Order dated 08.05.2015, the Appointed date i.e. 01.04.2014 (Effective date: 01.07.2015))

33.2 Transactions with related parties

(In Rs.)

Sr. No.	Particulars	Holding Company	Fellow Subsidiaries and Joint Ventures	Company with significant influence
1	**Receiving of service(expenses)**			
	Tata Value Homes Ltd (formerly known as Smart Value Homes Ltd)	79,896,385	-	-
		(78,937,823)	(-)	(-)
	Tata Capital Financial Services Limited	-	-	-
		(-)	(213,742)	(-)
	Tata AIG General Insurance Company	-	17,091	-
		(-)	(211,050)	(-)
	Infiniti Retail Limited	-	2,000	-
		(-)	(227,422)	(-)
	Tata Business Support Services Ltd.	-	4,351,719	-
		(-)	(1,618,229)	(-)
	e-Nel Financials Limited	-	-	-
		(-)	(3,818,772)	(-)
2	**Receiving of Services (Income)**			
	Promont Hilltop Pvt. Ltd.	-	-	-
		(-)	(3,608)	(-)
3	**ICD accepted during the year**			
	Tata Value Homes Ltd (formerly known as Smart Value Homes Ltd)	35,000,000	-	-
		(-)	(-)	(-)
5	**ICD Repaid during the year**			
	Tata Value Homes Ltd (formerly known as Smart Value Homes Ltd)	-	-	-
		(351,500,000)	(-)	(-)
6	**Interest on ICD**			
	Tata Value Homes Ltd (formerly known as Smart Value Homes Ltd)	433,071	-	-
		(26,404,603)	(-)	(-)
7	**Reimbursement of expenses**			
	Tata Housing Development Company Limited	6,998,256	-	-
		(-)	(-)	(-)
8	**Liabilities**			
	a) **Outstanding Payable**			
	Tata Value Homes Ltd (formerly known as Smart Value Homes Ltd)	165,338,961	-	-
		(113,948,640)	(-)	(-)
	Tata Housing Development Company Limited	8,447,302	-	-
		(-)	(-)	(-)
	Tata Business Support Services Ltd.	-	402,942	-
		(-)	(1,095,281)	(-)
	e-Nel Financials Limited	-	-	-
		(-)	(3,126,455)	(-)

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Smart Value Homes (Peenya Project) Pvt Ltd

	b)	**Advances received** Tata Housing Development Company Limited	80,000,000	-	-
			(-)	(-)	(-)
	c)	**Inter-Corporate Deposits** Tata Value Homes Ltd (formerly known as Smart Value Homes Ltd)	30,000,000	-	-
			(-)	(-)	(-)
	d)	**Interest on ICD outstanding** Tata Value Homes Ltd (formerly known as Smart Value Homes Ltd)	395,076	-	-
			(-)	(-)	(-)

Figures in brackets relate to the previous year.

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Notes forming part of the financial statements for the year ended 31 March, 2016

Note 34: Details of Provisions

The Company has made provision for customer compensation based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at 1 April, 2015	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2016
Provision for customer compensation	- (-)	6,126,009 (-)	- (-)	- (-)	6,126,009 (-)

Note: Figures in brackets relate to the previous year.

Of the above, the following amounts are expected to be incurred within a year:

Particulars	As at 31 March, 2016	As at 31 March, 2015
Provision for customer compensation	6,126,009	-

Note 35: Micro, Small and Medium Enterprises

There are no micro enterprises and small enterprises, to which the Company owes dues which are outstanding as at the Balance sheet date. The information regarding micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

Note 36: Expenditure in foreign currency (on accrual basis) for the period:

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Professional Fees		61,864
Total	-	**61,864**

Note 37: Earnings in Foreign Currency (on accrual basis) for the year:

Particulars	For the Year Ended 31 March , 2016	For the Year Ended 31 March , 2015
Sale of Properties	1,762,148	-

Note 38: The amounts disclosed in Notes 21-23 are net of amounts transferred to Construction Work in progress as stated in Note 26.

Note 39: In respect of Transfer pricing regulations under Section 92 to 92F of the Indian Income Tax Act, 1961, the Management confirms that its specified Domestic Transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for tax.

Note 40: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Director Director

Place: Bengaluru
Date: May 12, 2016

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Smart Value Homes (Peenya Project) Pvt Ltd