

KALYANIWALLA & MISTRY (Regd.)

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODREJ BUILDCON PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **GODREJ BUILDCON PRIVATE LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the 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 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 judgements 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 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 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 judgement, 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 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 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 A", a statement on the matters specified in the paragraph 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 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the 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 B"; and
 - 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 has made provision, as required under the applicable law or accounting standard for material foreseeable losses, if any, on long term contracts including derivative contracts.

**KALYANIWALLA
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- iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W**



**FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Dated: May 03, 2016**

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2016.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

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

(b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have immovable property and hence the provisions of sub clause (c) of paragraph 3(i) of the Order are not applicable.
- ii. The inventory includes construction work in progress and cost of development rights in identified land. Physical verification of inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed on such 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 Act. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us and the records examined by us, the Company has not advanced any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and Section 186 of the Act. Therefore, the provisions of Clause 3 (iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India for maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records are generally been made and maintained. We have not, however, made a detailed examination of the records with a view to examine whether they are accurate and complete.
- vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2016, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute.

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& MISTRY**

- viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company does not have any loans or borrowings from financial institutions, banks or government or debenture holders. Hence the provisions of paragraph 3(viii) of the Order are not applicable.
- ix. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us and based on the documents and records examined by us, on an overall basis, the term loan has been applied for the purpose for which the loan was obtained.
- x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company by its officers or employees, has been noticed or reported during the year.
- xi. The Company is a private limited company, hence the provisions of section 197 read with Schedule V of the Act, are not applicable. Hence, the provisions of paragraph 3(xi) of the Order are not applicable.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company, hence the provisions of paragraph 3(xii) of the Order are not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence the provisions of Section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 hence the provisions of paragraph 3(xvi) of the Order are not applicable.

**For KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W**



**FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: May 03, 2016**

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2016.

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 **GODREJ BUILDCON 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.

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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). 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 Act.

Auditors' 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 judgment, 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.

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

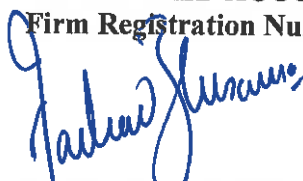
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W**



**FARHAD M. BHESANIA
PARTNER**

Membership Number 127355

Place: Mumbai

Date: May 03, 2016

GODREJ BUILDCON PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	500,000	500,000
Reserves & Surplus	3	992,726,067	(14,191,917)
Total Shareholders' Funds		993,226,067	(13,691,917)
Non Current Liabilities			
Long Term Borrowing	4	5,000,000,000	5,000,000,000
Deferred Tax Liabilities	5	67,320,000	-
Total Non Current Liabilities		5,067,320,000	5,000,000,000
Current Liabilities			
Short Term Borrowing	6	-	7,500,000,000
Trade Payables (Refer Note 22)			
Outstanding dues of micro and small enterprises		69,613,505	86,728,092
Outstanding dues of creditors other than micro and small enterprises		1,716,265,132	179,471,804
Other Current Liabilities	7	7,061,050,358	6,032,986,822
Short Term Provisions	8	70,183,833	-
Total Current Liabilities		8,917,112,828	13,799,186,718
Total Equity And Liabilities		14,977,658,895	18,785,494,801
ASSETS			
Non Current Assets			
Fixed Assets	9		
Tangible Assets		3,758,560	2,324,144
Intangible Assets		301,767	381,337
Total Fixed Assets		4,060,327	2,705,481
Long Term Loan & Advances	10	36,085,703	36,557,381
Deferred Tax Assets	11	-	174,000
Total Non Current Assets		40,146,030	39,436,862
Current Assets			
Inventories	12	12,865,213,863	16,172,877,530
Trade Receivables	13	2,775,315	66,098,032
Cash & Bank Balance	14	731,361	229,493
Short Term Loans & Advances	15	61,554,407	103,946,451
Other Current Assets	16	2,007,237,919	2,402,906,433
Total Current Assets		14,937,512,865	18,746,057,939
Total Assets		14,977,658,895	18,785,494,801

ACCOUNTING POLICIES

1

The accompanying notes 1 to 28 form an integral part of financial statements.

As per our Report of even date.
For KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W

Signatures to the Balance Sheet and Notes to Financial Statements
For and on behalf of the Board


FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Mumbai, Dated : May 03, 2016


MOHIT MALHOTRA
DIRECTOR
DIN No. 07074531


ASPY COOPER
DIRECTOR
DIN No. 00026134

GODREJ BUILDCON PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the Year Ended 31.03.2016 Rupees	For the Year Ended 31.03.2015 Rupees
INCOME			
Revenue from Operations	17	14,256,454,056	5,963,412,505
Other Income	18	95,504	-
		<u>14,256,549,560</u>	<u>5,963,412,505</u>
EXPENDITURE			
Cost of sales	19	12,712,027,771	5,974,623,860
Finance Cost	20	6,873,526	-
Depreciation		1,479,279	1,781,072
Profit / (Loss) Before Tax		<u>1,536,168,984</u>	<u>(12,992,427)</u>
Tax Expense			
Current Tax		461,757,000	-
Deferred Tax		67,494,000	(284,000)
		<u>529,251,000</u>	<u>(284,000)</u>
Profit/ (Loss) After Tax		<u><u>1,006,917,984</u></u>	<u><u>(12,708,427)</u></u>
Earning per share Basic in Rs. (Refer Note 27)		20,138.36	(254.17)
Earning per share Diluted in Rs. (Refer Note 27)		-	-

ACCOUNTING POLICIES

1

The accompanying notes 1 to 28 form an integral part of financial statements

As per our Report of even date.

For KALYANIWALLA & MISTRY

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W

Signatures to the Statement of Profit & Loss and Notes to Financial Statements

For and on behalf of the Board

FARHAD M. BHESANIA
PARTNER

Membership Number 127355

Mumbai, Dated : May 03, 2016

MOHIT MALHOTRA
DIRECTOR

DIN No. 07074531

ASPY COOPER
DIRECTOR

DIN No. 00026134

GODREJ BUILDCON PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the Year Ended 31.03.2016 Rupees	For the Year Ended 31.03.2015 Rupees
Cash Flow from Operating Activities		
Profit/ (Loss) Before Taxation	1,536,168,984	(12,992,427)
Adjustment for:		
Depreciation	1,479,279	1,781,072
Interest Expense	6,873,526	-
Interest Income	(95,504)	-
Operating Profit/(Loss) before working capital changes	1,544,426,285	(11,211,355)
Adjustment for:		
Decrease /(Increase) in Inventory	3,307,663,668	(4,576,510,818)
Decrease /(Increase) in Trade Receivable	63,322,716	(66,098,032)
Decrease in Short Term Loans & Advances	42,392,044	13,456,583
Decrease/ (Increase) in Other Current Assets	395,668,514	(2,402,906,433)
Increase in Current Liabilities	2,547,742,277	2,074,011,655
	7,901,215,504	(4,969,258,400)
Taxes Paid (Net)	(397,879,511)	(30,919,307)
Net Cash Flow from Operating Activities	7,503,335,993	(5,000,177,707)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(2,834,125)	(2,124,036)
Net Cash Flow from Investing Activities	(2,834,125)	(2,124,036)
Cash Flow from Financing Activities		
(Repayment) of Short Term Borrowings	(7,500,000,000)	-
Proceeds from Long Term Borrowings	-	5,000,000,000
Net Cash Flow from Financing Activities	(7,500,000,000)	5,000,000,000
Net Increase/ (Decrease) in Cash & Cash Equivalents	501,868	(2,301,743)
Cash & Cash Equivalents -Opening Balance	229,493	2,531,236
Cash & Cash Equivalents -Closing Balance	731,361	229,493
Notes :		
1. Cash and Cash Equivalents:		
Cash and Cheques on Hand and Balances with Banks	731,361	229,493
Cash and Cash Equivalents	731,361	229,493
2. The cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on 'Cash Flow Statement', and presents cash flows by operating, investing and financing activities.		
3. Figures for the previous year have been regrouped/ restated wherever necessary to conform to current year's classification.		
As per our Report of even date. For KALYANIWALLA & MISTRY CHARTERED ACCOUNTANTS Firm Registration Number 104607W For and on behalf of the Board  FARHAD M. BHESANIA PARTNER Membership Number 127355 Mumbai, Dated : May 03, 2016  MOHIT MALHOTRA DIRECTOR DIN No. 07074531  ASPY COOPER DIRECTOR DIN No. 00026134		

GODREJ BUILDCON PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1

Accounting Policies

a) Company Overview

Godrej Buildcon Private Limited (the Company) was incorporated on September 21, 2010. The Company is a real estate developer engaged primarily in the business of real estate construction, development and other related activities

b) Basis of Preparation

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and on going concern basis 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 Act') / The Companies Act, 1956, as applicable. The accounting policies have been consistently applied by the Company.

c) Operating Cycle

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realization of project into cash & cash equivalents and range from 3 to 7 years. Accordingly Assets & Liabilities have been classified into current & non-current based on operating cycle of respective projects.

d) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in case of construction.

Carrying amount of cash generating units / assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

e) Depreciation / Amortization

Depreciation has been provided on written down value basis, at the rates determined with reference to the useful lives specified in Schedule II of the Companies Act, 2013.

Intangible Assets are amortized over a period of 6 years.

Assets costing less than Rs.5,000/- are depreciated at 100% in the year of acquisition.



GODREJ BUILDCON PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

f) Inventories

Inventories are valued as under:

- a) Completed Flats - At Lower of Cost or Net realizable value
- b) Construction Work-in-Progress - At Cost

Construction Work in Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

g) Revenue Recognition

The Company is following the "Percentage of Completion Method" of accounting. As per this method, revenue from sale of properties is recognized in Statement of Profit & Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company on transfer of significant risk and rewards to the buyer.

Effective 1st April 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance Note), project commencing on or after the said date or project which has already commenced, but where the revenue is recognized for the first time on or after the above date, construction revenue on such project has been recognized on percentage of completion method provided the following thresholds have been met:

- (a) All critical approvals necessary for the commencement have been obtained;
- (b) The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;
- (c) At least 25 percent of the saleable project area is secured by contracts or agreements with buyers; and
- (d) At least 10 percent of the agreement value is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognized in the financial statements for the period in which such changes are determined. Revenue from projects is recognized net of revenue attributable to the land owners. Losses, if any, are fully provided for immediately.

Interest income is accounted on an accrual basis at contracted rates.



GODREJ BUILDCON PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

h) Borrowing Cost

Interest and Finance charges incurred in connection with borrowing of funds, which are incurred for the development of long term projects, are transferred to Construction Work-in-Progress as a part of the cost of the projects at weighted average of the borrowing cost.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

i) Earnings Per Share

The basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

j) Provision For Taxation

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax is recognized 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 assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

k) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are translated at the year end exchange rates. Forward exchange contracts, remaining unsettled at the year end, backed by underlying assets or liabilities are also translated at year end exchange rates. The premium payable on foreign exchange contracts is amortized over the period of the contract. Exchange gains / losses are recognized in the Statement of Profit and Loss.

l) Provisions and Contingent Liabilities

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from the past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.



GODREJ BUILDCON PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
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NOTE 2

**SHARE CAPITAL
AUTHORISED**

50,000 Equity shares of Rs. 10/- each

500,000	500,000
500,000	500,000

ISSUED, SUBSCRIBED & PAID UP

50,000 Equity shares of Rs. 10/- each, fully paid up

(51% shares have been pledged against secured term loan. Refer Note (4(a) & 6(a))

500,000	500,000
500,000	500,000

(a) Reconciliation of number of shares:

	31.03.2016		31.03.2015	
	No. of Shares	Rs.	No. of Shares	Rs.
Number of Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Movement during the year	-	-	-	-
Number of Shares outstanding at the end of the year	50,000	500,000	50,000	500,000

(b) Shareholding information:

Equity Shares are held by:

Godrej Properties Limited (Holding Company and its nominee) 50,000 50,000

(c) Shareholders holding more than 5% of Equity Shares:

Godrej Properties Limited (Holding Company and its nominee)

No. of Shares	%	No. of Shares	%
50,000	100%	50,000	100%

(d) Rights, preferences and restrictions attached to shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTE 3

RESERVES & SURPLUS

Surplus/ (Deficit) from Statement of Profit & Loss

Balance as per last Balance Sheet

Profit/ (Loss) for the Year

Closing Balance

(14,191,917)	(1,483,490)
1,006,917,984	(12,708,427)
992,726,067	(14,191,917)

NOTE 4

LONG TERM BORROWINGS

Secured Term Loan (Refer Note 4(a))

5,000,000,000	5,000,000,000
5,000,000,000	5,000,000,000

(a) Secured term loan : Total Sanction amount Rs. 500.00 crores bearing interest @ CPLR minus 630 BPS and secured by way of exclusive mortgage and charge of movable and immovable property, right, title, interest in the designated account / escrow account and receivables of the project situated at Bandra Kurla Complex at Mumbai and pledge of 51% of equity shares of Company held by the holding company. Company will repay a certain percentage of all sales receipts from the project, which percentage receivables is subject to review on a quarterly basis. However maximum principle outstanding shall not exceed as below from the date of first disbursement :

	Rs. in crores	Rs. in crores
At the end of 56th Month	400	400
At the end of 57th Month	300	300
At the end of 58th Month	200	200
At the end of 59th Month	100	100
At the end of 60th Month	NIL	NIL

NOTE 5

DEFERRED TAX LIABILITY (NET)

Liabilities

Others

Assets

On Fixed Asset

67,690,000

(370,000)	-
67,320,000	-



GODREJ BUILDCON PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
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NOTE 6

SHORT TERM BORROWINGS

Secured Term Loan (Refer Note 6(a))

-	7,500,000,000
-	7,500,000,000

- (a) Secured term loan: Sanction amount Rs. 750.00 crores bearing interest @ CPLR minus 510 BPS and secured by way of exclusive mortgage and charge of movable and immovable property, right, title, interest in the designated account / escrow account and receivables of the project situated at Bandra Kurla Complex at Mumbai and pledge of 51% of equity shares of the Company held by the Holding company. From 6th month from the date of first disbursement, Company will repay a certain percentage of all sales receipts from the project, percentage of sales receivables is subject to review on a quarterly basis. However maximum principle outstanding shall not exceed as below from the date of first disbursement :

	Rs. in crores
At the end of 53rd Month	650
At the end of 54th Month	550
At the end of 55th Month	450
At the end of 56th Month	350
At the end of 57th Month	250
At the end of 58th Month	150
At the end of 59th Month	50
At the end of 60th Month	NIL

NOTE 7

OTHER CURRENT LIABILITIES

Advance received against Sale of Units	71,430,067	302,394,155
Advances from Holding Company	6,848,067,552	5,491,041,407
Investor Education & Protection Fund	-	-
Statutory Dues	132,861,198	120,878,070
Deposit - Others	7,893,690	7,187,883
Other Liabilities	-	-
Outstanding dues of micro and small enterprises	-	-
Outstanding dues of creditors other than micro and small enterprises	797,851	111,485,307
	7,061,050,358	6,032,986,822

NOTE 8

SHORT TERM PROVISION

Other Provision

For Taxation (Net of Advance Tax & Tax deducted at source of Rs 398,446,693/- (Previous Year Rs. Nil))	70,183,833	-
	70,183,833	-



GODREJ BUILDCON PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 9
FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 1st April, 2015 Rs.	Additions Rs.	Deductions Rs.	As at 31st March, 2016 Rs.	Upto 1st April, 2015 Rs.	For the Year Rs.	Deductions Rs.	Upto 31st March, 2016 Rs.	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Tangible Assets										
Office Equipment	1,077,046	487,074	-	1,564,120	585,114	362,693	-	947,807	616,313	491,932
Furniture & Fixtures	2,406,934	2,290,230	-	4,697,164	1,041,985	744,810	-	1,786,795	2,910,369	1,364,949
Computer	1,722,692	56,821	-	1,779,513	1,255,429	292,206	-	1,547,635	231,878	467,263
Intangible Assets										
Licenses & Software	476,333	-	-	476,333	94,996	79,570	-	174,566	301,767	381,337
Total	5,683,005	2,834,125	-	8,517,130	2,977,524	1,479,279	-	4,456,803	4,060,327	2,705,481
Previous Year	3,558,969	2,124,036	-	5,683,005	1,196,452	1,781,072	-	2,977,524	2,705,481	



GODREJ BUILDCON PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
NOTE 10		
LONG TERM LOANS & ADVANCES		
Advance Tax and Tax Deducted at Source (Net of Provision for Tax Rs. Nil, Previous Year Rs. Nil)	36,085,703	36,557,381
	<u>36,085,703</u>	<u>36,557,381</u>
NOTE 11		
DEFERRED TAX ASSET (NET)		
Assets		
On Fixed Asset	-	174,000
	<u>-</u>	<u>174,000</u>
NOTE 12		
INVENTORIES		
Construction Work in Progress	12,865,213,863	16,172,877,530
	<u>12,865,213,863</u>	<u>16,172,877,530</u>
NOTE 13		
TRADE RECEIVABLES		
Unsecured Considered good		
Outstanding for a period exceeding six months from the date they are due for payment	61,747	9,354,506
Others	2,713,568	56,743,526
	<u>2,775,315</u>	<u>66,098,032</u>
NOTE 14		
CASH & BANK BALANCE		
Cash & Cash Equivalents		
Cash on hand	7,571	16,302
Balances with Bank - on Current Account	723,790	213,191
	<u>731,361</u>	<u>229,493</u>
NOTE 15		
SHORT TERM LOANS & ADVANCES		
Secured		
Advances to Vendors (Secured Against Bank Guarantees received from vendors)	10,955,541	36,113,339
Unsecured, Considered good		
Deposits	10,276,378	7,536,003
Other Loan and Advances	40,322,488	60,297,109
	<u>61,554,407</u>	<u>103,946,451</u>
NOTE 16		
OTHER CURRENT ASSETS		
Unbilled Revenue	2,007,237,919	2,402,906,433
	<u>2,007,237,919</u>	<u>2,402,906,433</u>



GODREJ BUILDCON PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year Ended 31.03.2016 Rupees	For the Year Ended 31.03.2015 Rupees
NOTE 17		
REVENUE FROM OPERATIONS		
Sales	14,256,454,056	5,963,412,505
	<u>14,256,454,056</u>	<u>5,963,412,505</u>
NOTE 18		
OTHER INCOME		
Reimbursement of Lease Expenses Received	2,352,692	15,396,465
Less: Reimbursement of Lease Expenses Paid	2,352,692	15,396,465
Interest Received On Income Tax Refund	95,504	-
	<u>95,504</u>	<u>-</u>
NOTE 19		
COST OF SALES		
Opening Stock	16,172,877,530	11,596,366,712
Add : Expenditure during the year		
Development Rights	4,432,995,772	2,877,355,157
Construction, Material & Labour	1,826,996,402	1,352,248,459
Architect Fees	9,742,270	28,813,604
Other Cost	747,477,843	2,452,222,143
Interest	2,387,151,817	3,840,495,315
	<u>9,404,364,104</u>	<u>10,551,134,678</u>
Less : Closing Stock	12,865,213,863	16,172,877,530
	<u>12,712,027,771</u>	<u>5,974,623,860</u>
NOTE 20		
FINANCE COST		
Interest Expense		
Term Loan	1,126,641,775	1,442,859,593
Others	1,258,937,648	2,372,586,868
Interest on Income Tax	6,873,526	-
Total Interest Expense	<u>2,392,452,949</u>	<u>3,815,446,461</u>
Add: Other Borrowing Cost	1,572,394	25,048,854
Total Finance Cost	<u>2,394,025,343</u>	<u>3,840,495,315</u>
Less: Capitalised to Project	2,387,151,817	3,840,495,315
Net Finance Cost	<u>6,873,526</u>	<u>-</u>



GODREJ BUILDCON PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 21

a) Contingent Liabilities

Matters	Current Year Rs.	Previous Year Rs.
I) Guarantees		
Guarantees given by Bank, counter guaranteed by the Holding Company	1,000,000	1,000,000
II) Other Money for which Company is contingently liable		
Letter of credit opened by Bank on behalf of the Company	19,309,482	15,140,691

b) Commitments

- i) The Company enters into construction contracts for Civil, Elevator, External Development, MEP work etc. with its vendors. The total amount 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.
- ii) The Company has entered into development agreements with owners of land for development of projects. Under the agreements the Company is required to pay certain payments/ deposits to the owners of the land and share in built up area/ revenue from such developments in exchange of undivided share in land as stipulated under the agreements.

NOTE 22

Dues to Micro and Small Enterprise

Disclosure of trade payables and other liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small & Medium Enterprises Development Act 2006". There is no amount overdue as on 31st March, 2016 to Micro & Small Enterprises on account of principal amount together with interest and also during the previous year.

Particulars	Current Year	Previous Year
The principal amount remaining unpaid to suppliers	-	-
The interest due thereon remaining unpaid to suppliers	-	-
The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-



GODREJ BUILDCON PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 23

Amounts* paid to Auditors

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees	510,000	290,000
Audit under other statues	200,000	230,000
Certification	10,000	2,000
Taxation Matters	118,000	93,750
Total	838,000	615,750

* Represents amount net of applicable taxes

NOTE 24

Expenditure in Foreign Currency

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Architect Fees	7,407,072	4,189,403
Advertisement	924,356	-
Construction & Material	51,523,085	-
Travelling Expenses	348,376	2,181,285
Other Expenditure	123,855	-
Total	60,326,744	6,370,688

Foreign exchange loss of Rs. 33,994/- incurred during the year has been transferred to Project in progress. (Previous Year Rs. 45,039/-)

NOTE 25

Segment Information

As the Company has only one business segment, disclosure under Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

NOTE 26

Related Party Disclosure

Related party disclosures as required by AS-18, "Related Party Disclosures", are given below:

1. Relationships:

i) Shareholders:

Godrej Properties Limited (GPL) holds 100% of the Share Capital of the Company. GPL is the Subsidiary of Godrej Industries Limited (GIL). GIL is subsidiary of Godrej & Boyce Manufacturing Company Limited (G&B), the Ultimate Holding Company.

ii) Other Related party in Godrej Group, where common control exists:

Natures Basket Limited (NBL) (Common Group control exists).



GODREJ BUILDCON PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. The following transactions were carried out with the related parties in the ordinary course of the business:

Amount in Rs.					
Sr.No	Particulars	GPL	G&B	GIL	NBL
1	Purchase of Fixed Assets	-	472,449	-	-
		-	387,360	-	-
2	Expenses charged by other Company	770,302,406	274,545,332	43,423	76,999
		696,287,772	106,940,534	-	32,500
3	Expenses charged to other Companies	-	223,372	-	-
		-	151,592	-	-
4	Advances Received from other Company / Repaid by other Company	16,057,164,911	-	-	-
		4,818,183,063	-	-	-
5	Advances Repaid to other Company / Taken by other Company	15,271,329,110	-	-	-
		3,391,797,023	-	-	-
6	Outstanding Payables /(Receivable)	6,848,067,554	33,865,970	-	-
		5,491,041,407	6,998,580	-	-

Figures in italics are for previous year

NOTE 27

Earnings Per Share

Particulars	Current Year	Previous Year
Profit / (Loss) as per the Statement of Profit & Loss (Rs.)	1,006,917,984	(12,708,427)
Weighted average no. of equity shares outstanding	50,000	50,000
Basic & Diluted Earnings Per Share (Rs.)	20,138.36	(254.17)
Nominal value of shares (Rs.)	10/-	10/-

NOTE 28

Previous year figures have been regrouped wherever necessary to conform to current year's classification.

