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

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **GODREJ HOME CONSTRUCTIONS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), loss (financial performance including Other Comprehensive Income), cash flows and the changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 Ind AS 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 Ind AS 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 of the Ind AS 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 Ind AS financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its loss (financial performance including Other Comprehensive Income), its cash flows and the changes in equity 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 **"Annexure A"**, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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"**.

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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 standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

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

iv. The Company has provided requisite disclosures in the Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes as specified in the Notification G.S.R. 308(E) dated March 30, 2017 of the Ministry of Corporate Affairs, during the period from November 08, 2016 to December 30, 2016. Based on audit procedures performed and relying on the management representation we report that the disclosures are in accordance with relevant books of account maintained by the Company and as produced to us by the Management of the Company – Refer Note 26 to the Ind AS Financial Statements.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Dated: May 3, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2017.

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 comprises of construction work in progress and cost of 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-clauses (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 Sections 185 and 186. 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. In our opinion and according to the information and explanations given to us and the records examined by us, the maintenance of cost records under sub section (1) of section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014.

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, 2017, 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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viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to debenture holders. The Company does not have loans or borrowings from financial institutions, banks or government.

ix. According to the information and explanations given to us, the Company has not raised money through initial public offer or further public offer (including debt instruments) and term loans, hence the provisions of paragraph 3(ix) of the Order are not applicable.

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, 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 explanations 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 explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanations 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 explanations 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 LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Dated: May 03, 2017

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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 Ind AS financial statements for the year ended March 31, 2017.

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 HOME CONSTRUCTIONS PRIVATE LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS 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 Ind AS 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.

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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 Ind AS 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 Ind AS 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 Ind AS 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, 2017, 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 LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Dated: May 3, 2017

GODREJ HOME CONSTRUCTIONS PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	As At 31.03.2017 INR	As At 31.03.2016 INR
A. ASSETS			
Non Current Assets			
Property, Plant and Equipment	2	11,58,842	-
Intangible Assets	2	34,760	-
Deferred Tax Assets (Net)	3 (a)	275,07,656	59,57,901
Income Tax Assets (Net)	4	24,76,083	3,40,000
Total Non Current Assets		**311,77,341**	**62,97,901**
Current Assets			
Inventories	5	22243,06,518	17651,89,333
Financial Assets			
Investments	6	4356,28,424	1416,04,067
Cash and Cash Equivalents	7	20,09,939	4,64,797
Other Current Financial Assets	8	7,40,025	-
Other Current Assets	9	449,04,588	117,61,111
Total Current Assets		**27075,89,494**	**19190,19,308**
TOTAL ASSETS		**27387,66,835**	**19253,17,209**
B. EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	427,00,000	427,00,000
Other Equity	11	(56,86,963)	442,30,995
Total Equity		**370,13,037**	**869,30,995**
Current Liabilities			
Financial Liabilities			
Borrowings	12	16277,31,749	16425,21,324
Trade Payables	13	351,54,991	-
Other Current Financial Liabilities	14	4376,13,912	1760,79,152
Other Current Liabilities	15	6012,53,146	197,85,738
Total Current Liabilities		**27017,53,798**	**18383,86,214**
TOTAL EQUITY AND LIABILITIES		**27387,66,835**	**19253,17,209**
Accounting Policies	1		

The accompanying notes 1 to 31 form an integral part of the Financial Statements

As per our Report of even date
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Mumbai, Dated: May 03, 2017

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

Rajendra K

KARAN BOLARIA
DIRECTOR
DIN : 06618461

RAJENDRA KHETAWAT
DIRECTOR
DIN : 01653574

GODREJ HOME CONSTRUCTIONS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	For the Year Ended 31.03.2017 INR	For the Period 15.04.2015 to 31.03.2016 INR
A. INCOME			
Revenue from Operations	16	6,95,652	-
Other Income	17	163,08,056	32,06,444
Total Income		170,03,708	32,06,444
B. EXPENSES			
Cost of Sales	18	-	-
Finance Costs	19	163,08,056	19,16,208
Depreciation and Amortisation	2	3,28,493	-
Other Expenses	20	714,49,276	72,17,142
Total Expenses		880,85,825	91,33,350
(Loss) Before Tax		(710,82,117)	(59,26,906)
Tax Expense			
Current Tax	3 (b)	3,85,596	-
Deferred Tax	3 (a)	(215,49,755)	(59,57,901)
Profit/ (Loss) for the Year/ Period		(499,17,958)	30,995
Other Comprehensive Income			
Items that will not be subsequently reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Income Tax on above		-	-
Total Comprehensive Income for the Year		(499,17,958)	30,995
Earnings per Equity Share			
Basic	21	(11.69)	0.01
Diluted	21	-	-
Accounting Policies	1		

The accompanying notes 1 to 31 form a integral part of the Financial Statements

As per our Report of even date
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Mumbai, Dated: May 03, 2017

Signatures to the Statements of Profit & Loss and Notes to Financial Statements
For and on behalf of the Board

KARAN BOLARIA
DIRECTOR
DIN : 06618461

Rajendra K

RAJENDRA KHETAWAT
DIRECTOR
DIN : 01653574

GODREJ HOME CONSTRUCTIONS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(a) Equity Share Capital

Particulars	As At 31.03.2017 INR	As At 31.03.2016 INR
Balance at the beginning of the reporting year / period	427,00,000	-
Changes in equity share capital during the year / period	-	427,00,000
Balance at the end of the reporting year / period	427,00,000	427,00,000

(b) Other Equity

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance at 15.04.2015	-	-	-
Total comprehensive income for the period			
i) Additions	442,00,000	-	442,00,000
ii) Profit for the period	-	30,995	30,995
iii) Other Comprehensive Income	-	-	-
Total	442,00,000	30,995	442,30,995
Balance at 31.03.2016	442,00,000	30,995	442,30,995
Total comprehensive income for the year			
i) (Loss) for the year	-	(499,17,958)	(499,17,958)
ii) Other Comprehensive Income	-	-	-
Total	-	(499,17,958)	(499,17,958)
Balance at 31.03.2017	442,00,000	(498,86,963)	(56,86,963)

The accompanying notes 1 to 31 form an integral part of the Financial Statements

As per our Report of even date
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Mumbai, Dated: May 03, 2017

Signatures to the Statement of Changes in Equity & Notes to Financial Statements
For and on behalf of the Board

KARAN BOLARIA
DIRECTOR
DIN : 06618461

Rajendra K

RAJENDRA KHETAWAT
DIRECTOR
DIN : 01653574

GODREJ HOME CONSTRUCTIONS PRIVATE LIMITED

STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2017

Particulars	For the Year Ended 31.03.2017 INR	For the Period 15.04.2015 to 31.03.2016 INR
Cash Flow from Operating Activities		
(Loss) Before Tax	(710,82,117)	(59,26,906)
Adjustment for:		
Depreciation and Amortization	3,28,493	-
Interest Expense	163,08,056	19,16,208
Profit on sale of Investment	(163,08,056)	(32,06,444)
Operating (Loss) before working capital changes	**(707,53,624)**	**(72,17,142)**
Adjustment for:		
(Increase)/ Decrease in Inventories	(2024,29,590)	(15816,65,728)
(Increase)/ Decrease in Financial Assets	(7,40,025)	-
(Increase)/ Decrease in Non Financial Assets	(331,43,477)	(117,61,111)
Increase/ (Decrease) in Non Financial Liabilities	5526,88,885	5,74,380
Increase/ (Decrease) in Financial Liabilities	376,83,048	31,76,940
	2833,05,217	**(15968,92,661)**
Taxes Paid (Net)	(25,21,679)	(3,40,000)
Net Cash Flow from Operating Activities	**2807,83,538**	**(15972,32,661)**
Cash Flow from Investing Activities		
(Purchase) of Property, Plant & Equipment	(15,22,095)	-
(Purchase) of Investments (Net)	(2777,16,301)	(1383,97,623)
Net Cash Flow from Investing Activities	**(2792,38,396)**	**(1383,97,623)**
Cash Flow from Financing Activities		
Interest Paid on Borrowings	-	(3,919)
Proceeds from Issue of Equity Shares Capital	-	869,00,000
Proceeds from Short Term Borrowings	-	16491,99,000
Net Cash Flow from Financing Activities	-	**17360,95,081**
Net Increase in Cash & Cash Equivalents	**15,45,142**	**4,64,797**
Cash & Cash Equivalents - Opening Balance	4,64,797	-
Cash & Cash Equivalents - Closing Balance	**20,09,939**	**4,64,797**

Notes :

1. Reconciliation of Cash and Cash Equivalents as per the Statement of Cash Flows

Cash and Cash Equivalents as per the above comprise of the following:

Particulars	31.03.2017	31.03.2016
Balance with banks and Cash on hand (Refer Note 7)	20,09,939	4,64,797
Cash and Cash Equivalents	20,09,939	4,64,797

As per our Report of even date
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

For and on behalf of the Board

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Mumbai, Dated: May 03, 2017

KARAN SINGH BOLARIA
DIRECTOR
DIN : 06618461

RAJENDRA KHETAWAT
DIRECTOR
DIN : 01653574

Note 1

Basis of accounting and preparation of Financial Statements:

a) Company Overview

Godrej Home Constructions Private Limited (the Company) is engaged primarily in the business of real estate construction, development and other related activities. The Company is a private limited Company incorporated and domiciled in India having its registered office at Godrej One, 5th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai - 400079.

The Financial Statements of the Company for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on May 3, 2017.

b) Basis of accounting

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act"), the relevant provisions and amendments, as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention except certain assets measured at fair value.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. Under previous GAAP financial statements were prepared in accordance with the Accounting Standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provisions of the Act as applicable.

c) Operating cycle

All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

d) Functional and Presentation Currency

These financial statements are presented in Indian rupees which is also the functional currency of the company.

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Godrej Home Constructions Pvt. Ltd.

e) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. 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/ materialize.

i) Evaluation of percentage completion

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.

ii) Useful life and residual value of property, plant and equipment and intangible assets

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on internal technical evaluation. Assumptions are also made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.
The estimation of residual values of assets is based on management's judgment about the condition of such asset at the point of sale of asset.

iii) Fair value measurement of financial instruments

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from the observable market where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these assumptions could affect the fair value of financial instruments.

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Godrej Home Constructions Pvt. Ltd.

f) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Company from April 1, 2017. The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is currently evaluating the effect of the above amendments.

g) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.
The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.
When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
Level 1: quoted prices in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability,
either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

<u>Significant Accounting Policies</u>

a) Property, Plant and Equipment & Depreciation

i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

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- it's purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognized from financial statement, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, plant and equipment recognized in the statement of profit and loss account in the year of occurrence.

ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Depreciation

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

Depreciation on property, plant and equipment of the Company has been provided as per the written down value method as per the useful lives of the respective item of property, plant and equipment.

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

Assets acquired on lease and leasehold improvements are depreciated over the period of the lease on straight line basis.

b) Intangible assets

i) Recognition and Measurement

Items of Intangible Assets are measured at cost less accumulated amortisation and impairment losses, if any. The cost of intangible assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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ii) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Amortisation

Intangible assets are amortised over their estimated useful life on Straight Line Method.

Trademark is amortised over a period of 20 years.

Intangible Assets (other than trademark) are amortised over a period of six years.

c) Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

Goodwill on business combination is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

d) Foreign currency transactions/ translations

Transactions in foreign currencies are translated to the Company's functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

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Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the income statement in the period in which they arise.

e) Financial instruments

I. Financial Assets

i) Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

ii) Initial recognition and measurement

The Company recognises financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

iii) Subsequent measurement

For the purpose of subsequent measurement, the financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through profit or loss
- Equity investments

iv) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

v) Equity investments

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

vi) Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

vii) Impairment of financial assets

The Company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- Trade receivables.
  The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.

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II. Financial Liabilities

i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

iii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to loans and borrowings.

iv) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

III. Share Capital

i) Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares are recognised as a deduction from equity.

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f) Inventories

Inventories comprising of completed flats and construction work-in progress are valued at lower of cost or net realisable value.
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 recognised 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.

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable), construction revenue on such projects, measured at the fair value (i.e. adjusted for discounts, incentives, time value of money adjustments etc.), have been recognised on percentage of completion method provided the following thresholds have been met:

i) All critical approvals necessary for the commencement of the project have been obtained;
ii) The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;
iii) At least 25 percent of the saleable project area is secured by contracts or agreements with buyers; and
iv) At least 10 percent of the contract consideration 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 recognised in the financial statements for the period in which such changes are determined. Revenue from projects is recognised net of revenue attributable to the land owners. Losses, if any, are fully provided for immediately.

The Company has been entering into Development & Project Management agreements with land-owners. Accounting for income from such projects, measured at fair value, is done on accrual basis as per the terms of the agreement.
Company receives maintenance amount from the customers and utilizes the same towards the maintenance of the respective projects. Revenue is recognized to the extent of maintenance expenses incurred by the Company towards maintenance of respective projects. Balance amount of maintenance expenses to be incurred is reflected as liability under the head other current liabilities.

Interest income is accounted on an accrual basis at effective interest rate.

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Dividend income including share of profit in LLP is recognised when the right to receive the same is established.

h) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or OCI.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improve.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

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- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

i) Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, pertaining to development of qualifying assets, are transferred to construction work in progress, as part of the cost of the projects upto the time all the activities necessary to prepare these projects for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period which they are incurred.

j) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

k) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity 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 conversion of all dilutive potential equity shares.

l) Provisions and Contingent Liabilities

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 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.

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Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for

i) possible obligations which will be confirmed only by future events not wholly within the control of the Company or
ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the Financial Statements.

m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

n) Transition to Ind AS

As stated in Note b, the Company's financial statements for the year ended March 31, 2017 are the first annual financial statements prepared in compliance with Ind AS.
The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 15, 2015 as the transition date. Ind AS 101 requires that all Ind AS that are effective for the first Ind AS financial statements for the year ended March 31, 2017, be applied consistently and retrospectively for all fiscal years presented.
All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Previous GAAP as of the Transition Date have been recognised directly in equity at the Transition Date.
In preparing these financial statements, the Company has availed certain exemptions in accordance with Ind AS 101 as explained below:

i) Reconciliations: The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- equity as at March 31, 2016; and
- total comprehensive income for the year ended March 31, 2016.

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NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2017

2 Property, Plant & Equipment and Intangible Assets

INR

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2016	Additions during the year	Deductions during the year	As At 31.03.2017	Upto 31.03.2016	For the year	Deductions	Upto 31.03.2017	As At 31.03.2017	As At 31.03.2016
Property, Plant and Equipment										
Office Equipment	-	2,04,784	-	2,04,784	-	9,197	-	9,197	1,95,587	-
Furniture & Fixtures	-	11,81,006	-	11,81,006	-	3,09,741	-	3,09,741	8,71,265	-
Computers	-	1,01,386	-	1,01,386	-	9,396	-	9,396	91,990	-
Total tangible assets	-	14,87,176	-	14,87,176	-	3,28,334	-	3,28,334	11,58,842	-
Intangible Assets										
Software Licence	-	34,919	-	34,919	-	159	-	159	34,760	-
Total intangible assets	-	34,919	-	34,919	-	159	-	159	34,760	-

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

3 Deferred Tax Assets/ (Liabilities) and Tax Expense

(a) Movement in deferred tax balances

INR

As At 31.03.2017	Net balance April 1, 2016	Recognised in profit or loss	As at March 31, 2017		
			Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/ (liabilities)					
Property, plant and equipment	-	47,069	47,069	47,069	-
Investment in debentures	20,63,402	(20,63,402)	-	-	-
Inventories	44,74,496	262,65,191	307,39,687	307,39,687	-
Mutual Funds	(5,79,997)	(26,99,103)	(32,79,100)	-	32,79,100
Tax Assets/(Liabilities)	**59,57,901**	**215,49,755**	**275,07,656**	**307,86,756**	**32,79,100**

INR

As At 31.03.2016	Net balance as at April 15, 2015	Recognised in profit or loss	As at March 31, 2016		
			Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)					
Investment in debentures	-	20,63,402	20,63,402	20,63,402	-
Mutual Funds		(5,79,997)	(5,79,997)	-	5,79,997
Inventories	-	44,74,496	44,74,496	44,74,496	-
Tax Assets/(Liabilities)	**-**	**59,57,901**	**59,57,901**	**65,37,898**	**5,79,997**

(b) Amounts recognised in Profit and Loss

INR

Particulars	For the Year Ended 31.03.2017	For the Period 15.04.2015 to 31.03.2016
Current income tax	-	-
Adjustment in respect of current income tax of previous year	3,85,596	-
Deferred income tax (Net)		
Origination and reversal of temporary differences	(215,49,755)	(59,57,901)
Tax expense for the year/ period	**(211,64,159)**	**(59,57,901)**

(c) Reconciliation of effective tax rate

INR

Particulars	For the Year Ended 31.03.2017	For the Period 15.04.2015 to 31.03.2016
(Loss) before tax	**(710,82,117)**	**(59,26,906)**
Enacted Tax Rate in India	**29.87%**	**30.90%**
Tax using the Company's domestic tax rate	**(212,32,228)**	**(18,31,414)**
Tax effect of:		
Adjustment for tax of the previous year	3,85,596	-
Other items	(3,17,527)	(41,26,487)
Tax expense recognised	**(211,64,159)**	**(59,57,901)**

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NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2017

		As At 31.03.2017 INR	As At 31.03.2016 INR
4	**Income Tax Assets (Net)**		
	Advance Tax & Tax Deducted At Source (Net)	24,76,083	3,40,000
		24,76,083	**3,40,000**
5	**Inventories**		
	Construction Work in Progress	22243,06,518	17651,89,333
		22243,06,518	**17651,89,333**
6	**Investments**		
	Investments in Mutual Funds carried at Fair Value through Profit or Loss	4356,28,424	1416,04,067
		4356,28,424	**1416,04,067**
	Aggregate Book Value of Quoted Investments & Market Value thereof	4356,28,424	1416,04,067
7	**Cash and Cash Equivalents**		
	Balance With Banks - on Current Account	20,01,133	4,64,679
	Cash on Hand	8,806	118
		20,09,939	**4,64,797**
8	**Other Current Financial Assets**		
	Deposits	7,40,025	-
		7,40,025	-
9	**Other Current Assets**		
	Balances with Government Authorities	123,95,022	114,17,780
	Others (Refer Note 9 (a))	325,09,566	3,43,331
		449,04,588	**117,61,111**

(a) Other Current Assets include advances to the vendors amounting to INR 18,246,757/- (Previous Year INR Nil secured against Bank Guarantees.

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NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2017

	As At 31.03.2017 INR	As At 31.03.2016 INR
10 Equity Share Capital		
Authorised		
4,500,000 Equity Shares of INR 10/- each (Previous Year 4,500,000 Equity Shares of INR 10/- each)	450,00,000	450,00,000
	450,00,000	450,00,000
Issued, Subscribed and Paid up		
4,270,000 Equity Shares of INR 10/- each fully paid up (Previous Year 4,270,000 Equity Shares of INR 10/- each fully paid up)	427,00,000	427,00,000
	427,00,000	427,00,000

Reconciliation of number of shares outstanding at the beginning and end of the year/ period

Equity shares :	No. of Shares	No. of Shares
Outstanding at the beginning of the year / period	42,70,000	-
Issued during the year / period	-	42,70,000
Outstanding at the end of the year / period	42,70,000	42,70,000

Equity shares :	INR	INR
Outstanding at the beginning of the year / period	427,00,000	-
Issued during the year / period	-	427,00,000
Outstanding at the end of the year / period	427,00,000	427,00,000

Rights, preferences and restrictions attached to Equity shares

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting except in case of interim dividend. 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.

Shareholding Information

The Company is a Joint Venture and hence shareholding information with respect to Holding Company or its Ultimate Holding Company and subsidiaries and associates thereof has not been given.

Shareholders holding more than 5% shares in the Company:	No. of Shares	%	No. of Shares	%
Equity shares				
Shubh Properties Cooperatief U.A.	30,88,918	72%	30,88,918	72%
Godrej Properties Limited	10,71,770	25%	10,71,770	25%

11 Other Equity		
Securities Premium (Refer Note 11 (a))		
Opening Balance	442,00,000	-
Additions	-	442,00,000
Closing Balance	442,00,000	442,00,000
Retained Earnings		
Opening Balance	30,995	-
Profit/ (Loss) for the year / period	(499,17,958)	30,995
Closing Balance	(498,86,963)	30,995
	(56,86,963)	442,30,995

(a) The Securities Premium account has been created mainly on account of premium on issue of Equity Shares.

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NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2017

		As At 31.03.2017 INR	As At 31.03.2016 INR
12	**Borrowings**		
	Debentures		
	17.45% Compulsorily Convertible Debentures (CCD) of INR1000/- Each - Class A (Refer Note 12 (a))	1,177,501,147	1,188,200,382
	17.45% Compulsorily Convertible Debentures (CCD) of INR1000/- Each - Class B (Refer Note 12 (b))	408,560,669	412,272,903
	17.45% Compulsorily Convertible Debentures (CCD) of INR1000/- Each - Class C (Refer Note 12 (c))	41,669,933	42,048,039
		1,627,731,749	1,642,521,324

(a) Each Class A CCD shall be compulsorily convertible into Equity Shares on July 15, 2020 or within 5 years from the date of allotment, whichever is earlier, on the basis of the fair market value per share of the company at the time of conversion calculated as per discounted cash flow methodology, or the minimum price determined as per the Indian Exchange Control Regulations for conversion of Class A CCDs into Equity Share, whichever is higher.

(b) Each Class B CCD shall be compulsorily convertible into Equity Shares on July 15, 2020 or within 5 years from the date of allotment, whichever is earlier, on the basis of the fair market value per share of the company at the time of conversion calculated as per discounted cash flow methodology, or the minimum price determined as per the Indian Exchange Control Regulations for conversion of Class B CCDs into Equity Share, whichever is higher.

(c) Each Class C CCD shall be compulsorily convertible into Equity Shares on July 15, 2020 or within 5 years from the date of allotment, whichever is earlier, on the basis of the fair market value per share of the company at the time of conversion calculated as per discounted cash flow methodology, or the minimum price determined as per the Indian Exchange Control Regulations for conversion of Class C CCDs into Equity Share, whichever is higher.

13	**Trade Payables**		
	Dues to Micro and Small Enterprises (Refer Note 25)	122,589	-
	Dues to creditors other than Micro and Small Enterprises	35,032,402	-
		35,154,991	-
14	**Other Current Financial Liabilities**		
	Interest Accrued	431,908,915	172,902,212
	Others	5,704,997	3,176,940
		437,613,912	176,079,152
15	**Other Current Liabilities**		
	Statutory Dues	37,722,290	19,785,738
	Advance received against sale of Flats	563,530,856	-
		601,253,146	19,785,738

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	For the Year Ended 31.03.2017 INR	For the Period 15.04.2015 to 31.03.2016 INR
16 Revenue from Operations		
Other Operating Revenues		
Other Income from Customers	695,652	-
	695,652	-
17 Other Income		
Income from Investment measured at FVTPL (Refer Note 17 (a))	16,308,056	3,206,444
	16,308,056	**3,206,444**

(a) Income from investments measured at FVTPL includes fair valuation impact of INR 10,913,177/- (Previous Year INR 1,877,013/-).

	For the Year Ended 31.03.2017 INR	For the Period 15.04.2015 to 31.03.2016 INR
18 Cost of Sales		
Opening Stock		
Construction Work in progress	1,765,189,333	-
Add: Expenditure during the year / period		
Land	7,035,000	1,500,100,000
Construction, Material & Labour	146,865,516	21,662,109
Architect Fees	9,058,706	7,477,746
Finance Cost	256,703,910	183,562,799
Other Expenses	39,454,053	52,386,679
	2,224,306,518	1,712,802,654
Less : Closing Stock		
Construction Work in progress	2,224,306,518	1,765,189,333
	-	-
19 Finance Costs		
Interest Expense		
On Borrowings	272,995,650	185,439,812
On Income tax	-	39,195
Total Interest Expense	**272,995,650**	**185,479,007**
Other Borrowing cost	16,316	-
Total Finance Cost	**273,011,966**	**185,479,007**
Less: Capitalised to Project	(256,703,910)	(183,562,799)
	16,308,056	**1,916,208**
20 Other Expenses		
Advertisement & Marketing Expenses	60,672,909	2,817,140
Other Expenses	10,776,367	4,400,000
	71,449,276	**7,217,140**

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NOTES FORMING PART OF FINANCIAL STATEMENTS

21 Earnings Per Share

A. Basic Earnings Per Share

The calculation of basic earnings per share is based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

Particulars	For the Year Ended 31.03.2017 INR	For the Period 15.04.2015 to 31.03.2016 INR
Profit / (Loss) for the year/ period, attributable to the owners of the Company	(499,17,958)	30,995

Basic Earnings Per Share (11.69) 0.01

ii. Weighted average number of ordinary shares outstanding at the end of year (basic)

Particulars	As At 31.03.2017 INR	As At 31.03.2016 INR
Weighted average number of Equity Shares at the beginning of the year/ period	42,70,000	-
Weighted Average number of shares issued during the year/ period	-	30,06,410
Weighted average number of Equity Shares at the end of the year/ period	**42,70,000**	**30,06,410**

B. Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

i. Profit attributable to ordinary shareholders (Diluted)

Particulars	For the Year Ended 31.03.2017 INR	For the Period 15.04.2015 to 31.03.2016 INR
Profit / (Loss) for the year / period, attributable to the owners of the Company	(499,17,958)	30,995

Particulars	As At 31.03.2017 INR	As At 31.03.2016 INR
Weighted average number of ordinary shares (basic)	42,70,000	-
Weighted Average number of shares issued during the year (basic)	-	30,06,410
Add: Number of Potential equity shares to be issued to debenture holders (Refer Note 21(a))	NA	NA
Weighted average number of Equity Shares at the end of the year	NA	NA

Diluted Earnings Per Share - -

(a) CCD shall be compulsorily convertible into Equity Share on July 15, 2020 or within 5 years from the date of allotment, whichever is earlier, on the basis of the fair market value per share of the company at the time of conversion calculated as per discounted cash flow methodology, or the minimum price determined as per the indian exchange control regulations for conversion of CCDs into Equity Share, whichever is higher. In view of the same, the dilutive shares cannot be computed as the conversion ratio is not available as at the balance sheet date.

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22 : Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

INR

As At 31.03.2017	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Current								
Current Investments	4356,28,424	-	-	4356,28,424	4356,28,424	-	-	4356,28,424
Cash and Cash Equivalents	-	-	20,09,939	20,09,939	-	-	-	-
Other Current Financial Assets	-	-	7,40,025	7,40,025	-	-	-	-
Total	4356,28,424	-	27,49,964	4383,78,388	4356,28,424	-	-	4356,28,424
Financial Liabilities								
Current								
Borrowings	-	-	16277,31,749	16277,31,749	-	-	-	-
Trade Payables	-	-	351,54,991	351,54,991	-	-	-	-
Other Current Financial Liabilities	-	-	4376,13,912	4376,13,912	-	-	-	-
Total	-	-	21005,00,652	21005,00,652	-	-	-	-

As At 31.03.2016	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Current								
Current Investments	1416,04,067	-	-	1416,04,067	1416,04,067	-	-	1416,04,067
Cash and Cash Equivalents	-	-	4,64,797	4,64,797	-	-	-	-
Total	1416,04,067	-	4,64,797	1420,68,864	1416,04,067	-	-	1416,04,067
Financial Liabilities								
Current								
Borrowings	-	-	16425,21,324	16425,21,324	-	-	-	-
Other Current Financial Liabilities	-	-	1760,79,152	1760,79,152	-	-	-	-
Total	-	-	18186,00,476	18186,00,476	-	-	-	-

B. Financial Risk Management

Risk Management Framework

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk,
- Liquidity Risk and
- Market Risk

The Company's management has overall responsibility for the identification, analysis and mitigation of various risks faced by the Company. The Company's management has devised a risk management policy establishing risk mitigating controls and reviews the effectiveness of the same on a regular basis.

The below mentioned notes explain the sources of risk which the Company is exposed to and how the Company manages the risk.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, unbilled revenue, investments in mutual funds, cash and cash equivalents and balances with banks.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

Customer credit risk is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

The Company has launched its project but has yet not achieved the thresholds for revenue recognition in accordance with the 'Guidance Note on Accounting for Real Estate Transactions' (for entities to whom Ind AS is applicable). Monies received from customers against progress billings is disclosed as advance from customers.

Investments in Mutual Funds

Investments in mutual funds are generally made in debt based funds with approved credit ratings as per the Investment policy of the Company.

Cash & Cash Equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings.

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ii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company invests its surplus funds in debt based liquid scheme of mutual funds which carry no/low mark to market risks. Compulsorily Convertible Debentures (CCDs) are convertible into equity shares within 5 years from the date of issue and hence there will be no contractual cash outflows.

The Company does not have any derivative financial liabilities. The following are the remaining contractual maturities of non derivative financial liabilities at the reporting date.

INR

As At 31.03.2017	Carrying amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Current						
Debentures	16277,31,749	-	-	-	-	-
Trade Payables	351,54,991	351,54,991	294,17,735	57,37,256	-	-
Other Current Financial Liabilities	4376,13,912	13014,48,117	4375,30,264	2590,90,351	6048,27,503	-

INR

As At 31.03.2016	Carrying amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Current						
Debentures	16425,21,324	-	-	-	-	-
Other Current Financial Liabilities	1760,79,152	13045,41,408	31,76,940	4375,30,264	8638,34,205	-

iii. Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency Risk

The Company does not have significant foreign currency transactions and hence is not exposed to currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowings are primarily fixed rate borrowings and hence is not significantly exposed to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management is as follows:

INR

	31.03.2017	31.03.2016
Financial liabilities		
Fixed rate Instruments		
Borrowings	16277,31,749	16425,21,324
Total	16277,31,749	16425,21,324

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit/ loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

23 Capital Management

The Company's policy is to maintain an adequate capital base so as to maximise returns to the co-venturers. A mix of debt and equity is issued as per the terms of the Share Subscription, Share Purchase and Shareholders' Agreement entered into by the three co-venturers and the Company.

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24 Commitments

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.

25 Dues to Micro and Small Enterprises

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 March 31, 2017 to Micro & Small Enterprises on account of principal amount together with interest and also during the previous period.

INR

Particulars	As At 31.03.2017 INR	As At 31.03.2016 INR
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	-	-

26 Specified Bank Note (SBN) Disclosure

In accordance with the Notification No. GSR 308 (E) issued by Ministry of Corporate affairs dated March 30, 2017, the details of the Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 are provided in the table below :-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	33,000	-	33,000
Add: Permitted receipts	-	122,636	122,636
Less: Permitted payments	-	103,898	103,898
Less: Amount deposited in Banks	33,000	-	33,000
Closing cash in hand as on 30.12.2016	-	**18,738**	**18,738**

27 Amounts* paid to Auditors

Particulars	For the Year Ended 31.03.2017 INR	For the Period 15.04.2015 to 31.03.2016 INR
Audit Fees	60,000	60,000
Audit Under Other Statutes	75,000	75,000
Total	**135,000**	**135,000**

*Represents amount net of applicable taxes.

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28 Expenditure in Foreign Currency

The amount of exchange difference included in the Statement of Profit and Loss is INR 27,927/- (net loss). (Previous Period INR NIL)

29 Segment Reporting

A. General Information

Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, the Company has only one reportable segment, namely development of real estate property. The Board of Directors of the Company act as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

B. Information about Products and Services

The Company has revenue from external customer to the extent of INR 695,652/- (Previous Year : INR NIL).

C. Information about Geographical Area

The geographic information analyses the Company's revenue and non current assets by the Company's country of domicile and other countries. In presenting the geographical information, revenue is based on the geographic location of the product and assets are based on the geographic location of the respective non current assets.

The revenue from India is INR 695,652/- (Previous Year: INR NIL). The non current assets other than financial instruments and deferred tax assets from India are INR 3,669,685/- (Previous Year: INR 340,000/-) and from outside India are INR NIL (Previous Year: INR NIL).

D. Information about major customers

There were no reportable major customers for the year ended March 31, 2017 (Previous Year : INR NIL).

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30 Related Party Disclosures

Related party disclosures as required by Ind AS - 24, "Related Party Disclosures", are given below:

1. Relationships:

i) Co - Venturers:

1 Godrej Properties Limited (GPL) holds 25.10% of the Share Capital of Company.
2 Shubh Properties Coöperatief U.A (COOP) hold 72.34% of the Share Capital of Company, the Ultimate Holding Company.
3 Mr. Gagan Chopra (Partner) C/o. Heritage Investments hold 2.56 % of the Share Capital of Company

ii) Key Management Personnel :

1. Mr. Karan Singh Bolaria
2. Mr. Rajendra Khetawat

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

(i) Details relating to parties referred to in items (i), (ii) & (iii) above

INR

Nature of Transactions	Godrej Properties Limited	Shubh Properties Cooperatief U.A (COOP)	Gagan Chopra C/o Heritage Investments	Total
Issue of Equity Share Capital (Including Share Premium)	-	-	-	-
Previous Year	*218,11,900*	*628,63,460*	*22,24,640*	*869,00,000*
Issue of Compulsory Convertible Debentures	-	-	-	-
Previous Year	*4139,49,000*	*11930,31,000*	*422,19,000*	*16491,99,000*
Interest expense on Debenture	685,21,916	1974,85,121	69,88,615	2729,95,651
Previous Year	*465,44,409*	*1341,44,326*	*47,47,159*	*1854,35,894*
Advances Received	-	-	-	-
Previous Year	*53,36,199*	-	-	*53,36,199*
Advances Repaid	-	-		-
Previous Year	*53,36,199*	-	-	*53,36,199*
Loan Received	-	-	-	-
Previous Year	*10,00,000*	-	-	*10,00,000*
Loan Repaid	-	-	-	-
Previous Year	*10,00,000*	-	-	*10,00,000*
Expenses charged by other Companies	373,51,619		-	373,51,619
Previous Year	*380,87,425*	-	-	*380,87,425*
Project taken over/ (transferred)	-	-	-	-
Previous Year	*5,12,044*	-	-	*5,12,044*
Balance Outstanding as at March 31, 2017				
Outstanding Payables (net of receivables)	-	-	-	-
Previous Year	*433,98,461*	-	-	*433,98,461*
Compulsory Convertible Debentures Interest Payable	1084,09,138	3124,42,909	110,56,868	4319,08,915
Previous Year	*433,98,455*	*1250,77,461*	*44,26,296*	*1729,02,212*
Debenture Outstanding	4085,60,669	11775,01,147	416,69,933	16277,31,749
Previous Year	*4122,72,852*	*11881,99,926*	*420,48,546*	*16425,21,324*

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31 First Time Adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

These are the Company's first financial statements prepared in accordance with Ind AS.The Company was incorporated on April 15, 2015, which is considered to be the Company's date of transition to Ind AS. As the Company did not have any transactions as at the date of transition, being the beginning of the earliest period for which the Company presents full comparative information; the Company has not presented an opening Ind AS Balance Sheet as at the date of transition.

This note explains the principal adjustments made by the Company in restating its Indian GAAP (IGAAP) financial statements to Ind AS in the financial statements as at and for the year ended March 31, 2016.
The impact of Ind AS is not material on its statement of cash flows.

Reconciliation of Net Worth reported under IGAAP to IND AS

Particulars	Note	Networth As of March 31, 2016 INR
Net worth as per IGAAP		**877,91,236**
Adjustments on account of application of Ind AS		
Realignment of project cost	A	(90,94,155)
Impact of fair valuation of mutual funds	B	18,77,013
Deferred tax on IND AS adjustments	C	63,56,901
Net worth as per Ind AS		**869,30,995**

Reconciliation of Net Profit reported under IGAAP to Ind AS

Particulars	As At 31.03.2016 INR
Profit after Tax as per IGAAP	**8,91,236**
Adjustments on account of application of Ind AS	
Realignment of project cost	(90,94,155)
Impact of fair valuation of mutual funds	18,77,013
Deferred tax on IND AS adjustments	63,56,901
Total Comprehensive Income as per Ind AS	**30,995**

A. Inventories
The Company has undertaken a detailed exercise to determine the manner of expense allocation to inventory in context with the requirements of Ind AS and accordingly have realligned allocation of expenses to inventory.

B. Financial Instruments:
Under IGAAP investments in mutual funds were measured at lower of cost or market value; while under Ind AS, such investments are required to be measured at fair value with the resultant gain or loss being recognised in profit or loss.

C. Deferred Taxes
Under Ind AS, deferred tax on account of fair value adjustment in relation to Mutual Funds and on other Ind AS differences has been appropriately recognised.

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