

Purva Good Earth Properties Private Limited

Ind AS Financial Statements for the year ended March 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Purva Good Earth Properties Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Purva Good Earth Properties Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Opinion

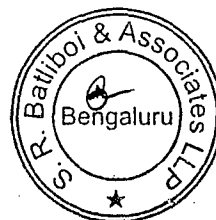
In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on May 29, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and 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 Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

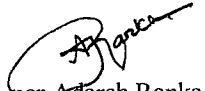


S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Adarsh Ranka
Partner
Membership Number: 209567

Place of Signature: Bengaluru
Date: May 10, 2018



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF PURVA GOOD EARTH PROPERTIES PRIVATE LIMITED

- (i) The Company did not own any property, plant and equipment or investment property during the year. Accordingly the provisions of clause 3(i) (a), (b) and (c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) According to the information and explanations given by the management, the provisions of section 148(1) of the Act are not applicable to the Company and hence reporting under clause 3(vi) are not applicable.
- (vii)
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, goods and service tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to debenture holders. The Company has no outstanding dues to financial institutions, bank or government.

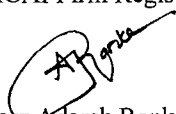


S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans (representing loans with a repayment period beyond 36 months) for the purposes for which they were raised. The Company has not raised any monies by way of initial public offer/ further public offer.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


per Adarsh Ranka
Partner
Membership Number: 209567

Place of Signature: Bengaluru
Date: May 10, 2018



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
IND AS FINANCIAL STATEMENTS OF PURVA GOOD EARTH PROPERTIES PRIVATE
LIMITED**

**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 Purva Good Earth Properties Private Limited ("the Company") as of March 31, 2018 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

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

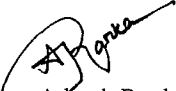
Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

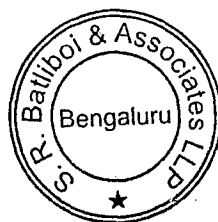
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


per Adarsh Ranka
Partner
Membership Number: 209567

Place of Signature: Bengaluru
Date: May 10, 2018



Purva Good Earth Properties Private Limited
Balance Sheet as at March 31, 2018
(All amounts in Rs. lakhs, unless otherwise stated)

	Note	March 31, 2018	March 31, 2017
ASSETS			
Non-current assets			
(a) Financial assets			
(i) Loans	3	17.57	21.00
(b) Other non-current assets	4a	1,851.10	1,836.60
Total non-current assets		1,868.67	1,857.60
Current assets			
(a) Inventories			
(b) Financial assets	5	25,044.92	22,368.26
(i) Cash and cash equivalents	6	1.89	159.90
(c) Other current assets	4b	1,537.73	1,471.28
Total current assets		26,584.54	23,999.44
Total assets		28,453.21	25,857.04
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	7	1.00	1.00
(b) Other equity	8	(19.99)	(10.71)
Total equity		(18.99)	(9.71)
LIABILITIES			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	9a	28,351.54	25,842.49
Total non-current liabilities		28,351.54	25,842.49
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	9b	20.67	0.67
(ii) Trade payables	10	86.26	11.39
(b) Other current liabilities	11	13.73	12.19
Total current liabilities		120.66	24.26
Total equity and liabilities		28,453.21	25,857.04

Summary of significant accounting policies 2.2

The accompanying notes referred to above form an integral part of the Ind AS financial statements

As per report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Adarsh Ranka
Partner
Membership no.: 209567

Bengaluru
May 10, 2018



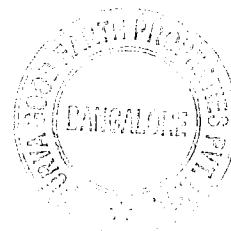
For and on behalf of the Board of Directors
of Purva Good Earth Properties Private Limited

Ashish Puravankara
Director
DIN 00504524

Bengaluru
May 10, 2018

Jasbir Ashish Puravankara
Director
DIN 01918184

Bengaluru
May 10, 2018



Purva Good Earth Properties Private Limited
Statement of Profit and Loss for the year ended March 31, 2018
(All amounts in Rs. lakhs, unless otherwise stated)

	Note	March 31, 2018	March 31, 2017
Income			
Other income	12	3.74	-
Total		3.74	-
Expenses			
Sub-contractor cost		22.98	62.77
(Increase)/ decrease in work-in-progress	13	(2,676.66)	(5,712.96)
Finance costs	14	2,556.45	4,223.13
Other expenses	15	110.25	1,432.56
Total expenses		13.02	5.50
Profit/(loss) for the year		(9.28)	(5.50)
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year (comprising profit and OCI)		(9.28)	(5.50)
Earnings per equity share ('EPS')			
(Nominal value per equity share Rs. 10 (March 31, 2017 - Rs.10)			
Basic (Rs.)		(92.80)	(55.00)
Diluted (Rs.)		(92.80)	(55.00)
Weighted average number of equity shares used in computation of EPS			
Basic - in numbers lakhs		0.10	0.10
Diluted - in numbers lakhs		0.10	0.10

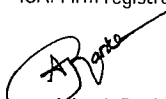
Summary of significant accounting policies

2.2

The accompanying notes referred to above form an integral part of the Ind AS financial statements

As per report of even date

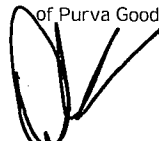
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004


per Adarsh Ranka
Partner
Membership no.: 209567

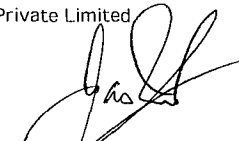


Bengaluru
May 10, 2018

For and on behalf of the Board of Directors
of Purva Good Earth Properties Private Limited


Ashish Puravankara
Director
DIN 00504524

Bengaluru
May 10, 2018


Jasbir Ashish Puravankara
Director
DIN 01918184

Bengaluru
May 10, 2018



Purva Good Earth Properties Private Limited
Statement of Cash flow for the year ended March 31, 2018
(All amounts in Rs. lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
A. Cash flow from operating activities		
Profit/(loss) before tax	(9.28)	(5.50)
Adjustments to reconcile profit after tax to net cash flows		
Interest on borrowings	2,556.43	4,223.05
Operating profit before working capital changes	2,547.15	4,217.55
Working capital adjustments:		
(Increase)/Decrease in other current assets	(113.84)	(58.78)
(Increase)/Decrease in inventories	(2,676.66)	(5,712.96)
Increase/ (decrease) in trade payables	74.87	(13.01)
Increase/(Decrease) in current liabilities	1.54	(20.13)
(Increase)/Decrease in other non-current assets	(11.07)	(1,836.60)
Cash (used in)/ received from operations	(178.01)	(3,423.93)
Income tax paid (net)	-	-
Net cash flows (used in)/from operating activities	(178.01)	(3,423.93)
B. Cash flows from investing activities		
Net cash flows from / (used in) investing activities	-	-
C. Cash flows from financing activities		
Proceeds from secured loans	-	3,500.00
Proceeds from unsecured loans	20.00	-
Net cash (used in)/from financing activities	20.00	3,500.00
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(158.01)	76.08
Cash and cash equivalents at the beginning of the year	159.90	83.82
Cash and cash equivalents at the end of the year (as per note 6 to the Ind AS financial statements)	1.89	159.90

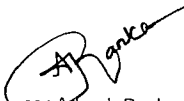
Summary of significant accounting policies

2.2

The accompanying notes referred to above form an integral part of the Ind AS financial statements

As per report of even date


For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004


per Adarsh Ranka
Partner
Membership no.: 209567


Bengaluru
May 10, 2018



For and on behalf of the Board of Directors
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DIN 01918184

Bengaluru
May 10, 2018



Purva Good Earth Properties Private Limited
 Statement of changes in equity for the year ended March 31, 2018
 (All amounts in Rs. lakhs, unless otherwise stated)

A. Equity share capital

Particulars	As at	Movement during	As at	Movement during	As at
	April 01, 2016	2016-17	March 31, 2017	2017-18	March 31, 2018
Equity share capital of face value of Rs. 10 each fully paid	1.00	-	1.00	-	1.00
0.1 lakhs (March 31, 2017 - 0.1 lakhs) equity shares of Rs. 10 each fully paid					
	1.00	-	1.00	-	1.00

Note: Also refer note 7

B. Other equity

Particulars	Reserves and surplus	
	Retained Earnings	Total
Balance as at April 01, 2016	(5.21)	(5.21)
Loss for the year	(5.50)	(5.50)
Other comprehensive income	-	-
Balance as at March 31, 2017	(10.71)	(10.71)
Loss for the year	(9.28)	(9.28)
Other comprehensive income	-	-
Balance as at March 31, 2018	(19.99)	(19.99)


Note: Also refer note 8

Summary of significant accounting policies 2.2

The accompanying notes referred to above form an integral part of the Ind AS financial statements

As per report of even date

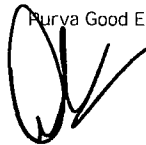
For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm registration number: 101049W/E300004


 per Adarsh Ranka
 Partner
 Membership no.: 209567




Bengaluru
 May 10, 2018

For and on behalf of the Board of Directors of
 Purva Good Earth Properties Private Limited


 Ashish Puravankara
 Director
 DIN 00504524

Bengaluru
 May 10, 2018


 Jasbir Ashish Puravankara
 Director
 DIN 01918184

Bengaluru
 May 10, 2018



1. Corporate information

Purva Good Earth Properties Private Limited (the 'Company') was incorporated on April 10, 2007 under the provisions of the Companies Act applicable in India. The registered office is located at 130/1, Ulsoor Road, Bengaluru 560042, India. The Company is engaged in the business of real estate development.

During the year, the Company has incurred losses of Rs.9.28 lakhs (31 March 2017: Rs.5.50 lakhs) and as at March 31, 2018, it has accumulated losses of Rs.19.99 lakhs (31 March 2017: Rs.10.71 lakhs) against equity capital of Rs.1 lakh (31 March 2017: Rs.1 lakh). The Company is in the initial phase of its operations and in the process of executing a real estate project. Further, Provident Housing Limited, the holding company and Puravankara Limited, the ultimate holding company are committed to provide financial and operational support to the Company for its profitable operations in the foreseeable future.

The Ind AS financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 10, 2018.

2. Significant accounting policies

2.1 Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') notified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Ind AS financial statements of the Company are prepared and presented in accordance with Ind AS.

The Ind AS financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively.

(b) Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first time the following amendment to Ind AS, which are effective for annual periods beginning on or after April 1, 2017. The nature and the impact of the amendment is described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in note 6

(c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.



The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as four years for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

(d) Impairment

A. Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

B. Non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(f) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/inventorised as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

(g) Inventories

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

i. Work-in-progress: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(h) Land

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognized as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company,



whereupon it is transferred to land stock under inventories/ capital work in progress.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(j) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

i) Initial recognition - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion - Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences - The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

(k) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

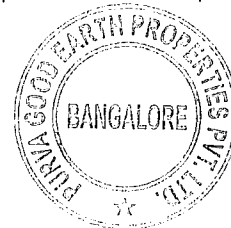
The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity) in correlation to the underlying transaction either in OCI or directly in equity.

(l) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.



A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

(m) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability, except for transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss which are immediately recognized in statement of profit and loss.

- i. Financial assets at fair value through other comprehensive income
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii. Financial assets at fair value through profit or loss
Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.
- iii. Debt instruments at amortized cost
A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) 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.
After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.
- iv. De-recognition of financial asset
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.
- v. Financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The Company's financial liabilities include trade payables and borrowings. The subsequent measurement of financial liabilities depends on their classification, which is described below.
- vi. Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- vii. Financial liabilities at amortized cost
Financial liabilities are subsequently measured at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.
- viii. De-recognition of financial liability
A financial liability is derecognized 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 recognized in the statement of profit or loss.
- ix. Fair value of financial instruments
In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

