

Purva Star Properties Private Limited

Financial Statements

For the year ended 31 March 2017

Independent Auditor's Report

To the Members of Purva Star Properties Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Purva Star Properties Private Limited ("the Company"), which comprises the balance sheet as at 31 March 2017, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

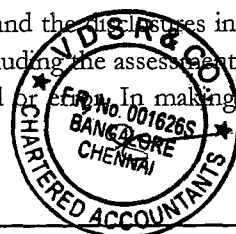
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting standards and the auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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



those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

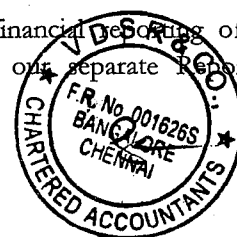
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

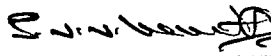
Report on Other Legal and Regulatory Requirements

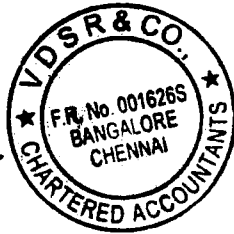
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 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, and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 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".



- 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 derivate contracts for which there were any material foreseeable loss.
 - iii. there were 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 its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

for V D S R & Co.,
Chartered Accountants
FRN – 001626S


Venkatesh Kamath S V
Partner M No – 202626

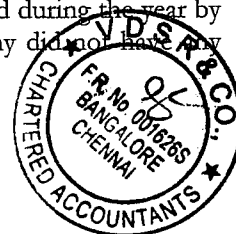


Place: Bangalore
Date: 29.05.2017

Annexure – A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. These fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. As per the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable properties and hence this clause not applicable.
2. The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.
3. The Company has granted unsecured and interest free loan of Rs.54,45,17,664/- outstanding as at 31.03.2017, to a Company covered in the register maintained under section 189 of the Companies Act, 2013 repayable on demand. In our opinion and according to the information and explanations given to us, and having regard to management's representation that unsecured loan are given to a fellow subsidiaries in the interest of the parent company's business, the terms and conditions for such loans are not prima facie prejudicial to the interest of the Company
4. According to information and explanations given to us, the Company has granted loan to its fellow subsidiary referred in 186 of the Companies Act, 2013. The fellow subsidiary Company is engaged in business of providing the infrastructural facilities as defined in schedule VI of Companies Act, 2013. Accordingly, paragraph 3(iv) is not applicable.
5. The Company has not accepted any deposits from the public.
6. According to information and explanations given to us, for the activities carried out by the Company, Central Government has prescribed the maintenance of cost records, under section 148(1) of the Act as per Companies (cost records and audit) Rules. The Company believes that current records available with the Company provide the information under the rules. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, in respect of the activities carried out by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of records.
7.
 - a. According to information and explanations given to us and on the basis of our examinations of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including, income-tax, sales tax, value added tax, duty of customs, service tax, cess, and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance duty of excise and provident fund.



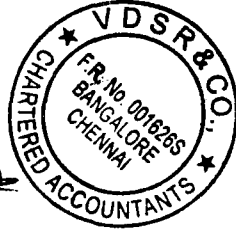
According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

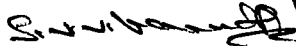
- b. According to the information and explanations given to us and based on the examination of the records of the Company, there are no dues in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax, which have not been deposited with the appropriate authorities on account of any dispute.
8. The Company has availed credit facilities from the bank and has not defaulted in repayment of said dues during the year under review.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided any remuneration during the reporting period. Accordingly paragraph 3(xi) of the Order not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where ever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to him. Accordingly, paragraph 3(xv) of the Order is not applicable.



16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **V D S R & Co.,**
Chartered Accountants
FRN – 001626S




Venkatesh Kamath S V
Partner M No – 202626

Place: Bangalore
Date: 29.05.2017

Annexure – B – to the Auditors' Report

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 Star Properties Private Limited ("the Company") as of 31 March 2017 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

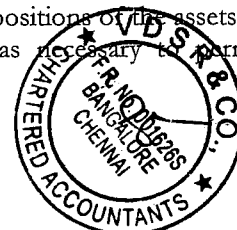
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit



preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

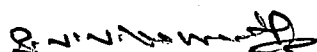
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 V D S R & Co.,
Chartered Accountants
Firm Registration No – 001626S



Venkatesh Kamath S V
Partner M No – 202626



Place: Bangalore
Date: 29.05.2017

Purva Star Properties Private Limited

Balance Sheet

(All amounts in ₹, unless otherwise stated)

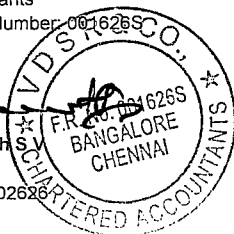
	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	2	2,324,785	3,029,457	3,735,690
(b) Financial Assets				
Loans	3	84,825,166	72,079,441	63,484,086
(c) Deferred tax assets (net)	4	2,472,530	5,113,718	6,294,448
Total non-current assets		89,622,480	80,222,616	73,514,224
Current assets				
Inventories	5	507,908,245	472,049,501	767,752,029
Financial asstes				
Trade receivables	6	103,895,130	267,240,039	502,139,589
Cash and cash equivalents	7	64,501,661	188,130,317	38,799,952
Loans	8	1,343,091,318	928,580,734	50,755,757
Other current assets	9	78,121,346	266,908,472	214,851,290
Total current assets		2,097,517,700	2,122,909,064	1,574,298,616
Total Assets		2,187,140,181	2,203,131,680	1,647,812,841
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	10	100,000	100,000	100,000
Other equity	11	753,671,366	644,347,532	480,835,633
Total equity		753,771,366	644,447,532	480,935,633
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	588,001,241	695,719,595	-
		588,001,241	695,719,595	-
Current Liabilities				
Fiancial Liabilities				
(i) Borrowings	12			130,250,890
Trade Payables	13			
total outstanding dues of micro enterprises and small enterprises		-	336,717	8,348
total outstanding dues of creditors other than micro enterprises and small enterprises		114,371,149	51,003,088	18,622,808
Other financial liabilities	14	60,000,000	60,000,000	-
Other current liabilities	15	665,660,149	743,563,576	1,014,484,186
Current tax liabilities	16	5,336,276	8,061,173	3,510,978
Total current liabilities		845,367,574	862,964,554	1,166,877,210
Total equity and liabilities		2,187,140,181	2,203,131,680	1,647,812,841

The accompanying notes from an integral part of financial statements.

As per our report of even date attached

For V D S R & Co.,
Chartered Accountants
Firm Registration Number: 001626S

Venkatesh Kamath S.V.
Partner
Membership No: 202626



Bengaluru
29-May-17

For and on behalf of the Board of Directors

Ashish Puravankara
Director
DIN 504524

Amanda Joy Puravankara
Director
DIN 7128042

Bengaluru
29-May-17

Purva Star Properties Private Limited

Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in ₹, unless otherwise stated)

	Note	March 31, 2017	For the year ended March 31, 2016
Income			
Revenue From Operations			
Revenue from projects	17	762,052,594	1,110,005,297
Other operating revenues	18	2,378,183	2,275,700
Total Income		764,430,778	1,112,280,998
Expenses			
Material and contract cost	19	502,946,570	545,073,902
(Increase) in inventory of properties under development	20	(35,858,744)	295,702,528
Finance expense, net	21	(4,331,934)	(756,444)
Depreciation and amortization	2	754,673	748,633
Other expenses	22	16,917,624	27,599,790
Total Expenses		480,428,188	868,368,408
Profit before exceptional items and tax		284,002,590	243,912,589
Exceptional Items		-	-
Profit/(loss) before tax		284,002,590	243,912,589
Tax expense:			
Current tax	23	95,774,240	85,354,462
Deferred tax		3,584,696	(4,953,772)
		99,358,935	80,400,690
Profit / (loss) for the year		184,643,655	163,511,899
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		184,643,655	163,511,899
Earnings per equity share			
(1) Basic	24	18,464.37	16,351.19
(2) Diluted		18,464.37	16,351.19

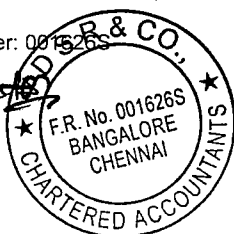
The accompanying notes from an integral part of financial statements.

As per our report of even date attached

For V D S R & Co.,
Chartered Accountants
Firm Registration Number: 001626S

Venkatesh Kamath S V
Partner
Membership No: 202626

Bengaluru
29-May-17



For and on behalf of the Board of Directors

Ashish Puravankara
Director
DIN 504524

Bengaluru
29-May-17

Amanda Joy Puravankara
Director
DIN 7128042

Purva Star Properties Private Limited

Cash Flow Statement

(All amounts in ₹, unless otherwise stated)

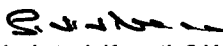
For the year ended

	31 Mar 2017	31 Mar 2016
A. Cash flow from operating activities		
Profit before tax and prior period items	284,002,590	243,912,589
Adjustments for:		
Depreciation and amortization	754,673	748,633
Finance expense, net	4,331,934	16,625,272
Operating profit before working capital changes	289,089,197	261,286,495
Movements in working capital :		
(Increase)/Decrease in trade receivables	163,344,909	234,899,550
(Increase)/Decrease in loans and advances and other current assets	157,770,155	(40,089,427)
(Increase)/Decrease in properties under development	(35,858,743)	289,843,056
Increase/(Decrease) in current liabilities and provisions	(17,596,980)	(246,781,098)
Cash received from operations	556,748,538	499,158,575
Direct taxes paid (net)	(95,774,240)	(80,804,266)
Net cash from operating activities	460,974,298	418,354,310
B. Cash flows from investing activities		
Purchase of fixed assets, including capital advances	(50,000)	(42,400)
Loan to fellow subsidiary company	(414,510,584)	(877,824,977)
Interest received (net)	4,331,934	16,146,038
Net cash (used in) investing activities	(410,228,649)	(861,721,339)
C. Cash flows from financing activities		
Proceeds from/(repayments of) term loans	(107,718,354)	755,719,595
Dividend paid	(75,319,820)	-
Proceeds from/(repayments of) Short term borrowings	-	(130,250,890)
Interest paid	4,331,934	(32,771,310)
Net cash generated from/(used in) financing activities	(174,374,306)	592,697,395
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(123,628,657)	149,330,365
Cash and cash equivalents at the beginning of the year	188,130,317	38,799,952
Cash and cash equivalents at the end of the year	64,501,661	188,130,317
Components of cash and cash equivalents		
Cash and bank balances (as per note 4 to the financial statements)	64,501,661	188,130,317
Less: Bank deposits and margin monies considered separately	-	-
	64,501,661	188,130,317

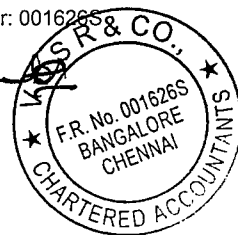
The accompanying notes from an integral part of financial statements.

As per our report of even date attached

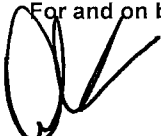
for V D S R & Co.,
Chartered Accountants
Firm Registration Number: 001626S


Venkatesh Kamath S V
Partner
Membership No: 202626


Bengaluru
29-May-17



For and on behalf of the Board of Directors


Ashish Puravankara
Director
DIN 504524

Bengaluru
29-May-17


Amanda Joy Puravankara
Director
DIN 7128042

Purva Star Properties Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

2 Property, plant and equipment

Details of the Company's property, plant and equipment and reconciliation of their carrying amounts from beginning to end of reporting period is as follows:

	Office equipments	Furniture and fixtures	Total
Gross carrying amount			
At 01 April 2015	3,481,756	253,934	3,735,690
Additions	42,400	-	42,400
Disposals/Adjustments	-	-	-
At 31 Mar 2016	3,524,156	253,934	3,778,090
Additions	-	50,000	50,000
Disposals/Adjustments	-	-	-
At 31 Mar 2017	3,524,156	303,934	3,828,090
Accumulated depreciation			
At 01 April 2015	-	-	-
Charge for the year	723,083	25,551	748,633
Adjustments for disposals	-	-	-
At 31 Mar 2016	723,083	25,551	748,633
Charge for the year	725,086	29,586	754,673
Adjustments for disposals	-	-	-
At 31 Mar 2017	1,448,169	55,137	1,503,306
Net block			
At 01 Apr 2015	3,481,756	253,934	3,735,690
At 31 Mar 2016	2,801,073	228,383	3,029,457
At 31 Mar 2017	2,075,987	248,797	2,324,785

Deemed carrying cost

For property, plant and equipment existing as on the date of transition to Ind AS, i.e., April 1, 2015, the Company has used previous GAAP carrying value as deemed costs.

Contractual obligations

There are no contractual commitments pending for the acquisition of property, plant and equipment as at balance sheet date.

Capitalised borrowing cost

There are no borrowing costs capitalised during the year ended 31 March 2017 and 31 March 2016.



Purva Star Properties Private Limited

Statement of changes in equity as at 31 March 2017

(All amounts in ₹, unless otherwise stated)

Particulars	Equity share capital	Retained Earnings	Total
Balance as at 1 April 2015	100,000	480,835,633	480,935,633
Changes equity for the year ended March 31, 2016	-	-	-
Restated balance at April 1, 2015	100,000	480,835,633	480,935,633
Total Comprehensive Income for the year	-	-	-
Profit for the year	-	163,511,899	163,511,899
Dividends including tax on dividend	-	-	-
Any other changes	-	-	-
Balance as at 31 March 2016	100,000	644,347,532	644,447,532
Profit for the year	-	184,643,655	184,643,655
Dividends including tax on dividend	-	(75,319,820)	(75,319,820)
Any other changes	-	-	-
Balance as at 31 March 2017	100,000	753,671,366	753,771,366



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Purva Star Properties Private Limited

Notes to Financial Statements

(All amounts in ₹, unless otherwise stated)

10 Equity Share Capital

Authorized shares

1,00,000 (31 March 2016- 10,000, 31 March 2015- 10,000) equity shares of ₹ 10 each

Issued, subscribed and fully paid up shares

10,000 (31 March 2016- 10,000, 31 March 2015- 10,000) equity shares of ₹ 10 each

	As at		
	31-Mar-17	31 Mar 2016	01-Apr-15
Authorized shares			
1,00,000 (31 March 2016- 10,000, 31 March 2015- 10,000) equity shares of ₹ 10 each	1,00,000	1,00,000	1,00,000
Issued, subscribed and fully paid up shares			
10,000 (31 March 2016- 10,000, 31 March 2015- 10,000) equity shares of ₹ 10 each	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31/03/2017		31 Mar 2016		01/04/2015	
	Number	₹	Number	₹	Number	₹
Balance at the beginning of the period/year	10,000	100,000	10,000	100,000	10,000	100,000
Issued during the period/year	-	-	-	-	-	-
Outstanding at the end of the period/year	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shares held by the holding Company as at reporting date

	31-Mar-17	31 Mar 2016	01/04/2015
No. of shares	10,000	10,000	10,000
Par value of share	10	10	10
Amount in ₹	100,000	100,000	100,000

d. Details of shareholders holding more than 5% shares in the company

	31-Mar-17		31 Mar 2016		01/04/2015	
	Number	% holding in the class	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 10 each fully paid up						
Puravankara Projects Limited	10,000	100.00%	10,000	100.00%	10,000	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date - Nil

f. Shares reserved for issue under options

As on reporting date, Shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment, including terms and amount: Nil

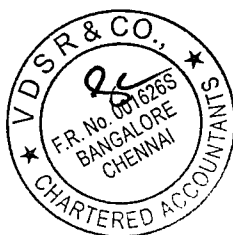
(Company has not reserved any shares for issue under options or otherwise and contracts/ commitments for sale / disinvestment as on reporting date).

g Shares information related to immediately preceding five years from reporting date:

- Share allotted as fully paid up pursuant to contract(s) without payment being received in cash- Nil (31 March 2016- Nil)
- Share allotted as fully paid up bonus shares -Nil (31 March 2016- Nil)

h Shares bought back - Aggregate number and amount- Nil (31 March 2016- Nil)

i Calls unpaid by directors and officers as at reporting date Nil (31 March 2016- Nil)



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Purva Star Properties Private Limited

Notes to Financial Statements

(All amounts in ₹, unless otherwise stated)

	As at		
	31-Mar-17	31-Mar-16	01-Apr-15
3 Loans and advances			
Non current			
Unsecured, considered good			
Security deposits	84,825,166	72,079,441	63,484,086
	<u>84,825,166</u>	<u>72,079,441</u>	<u>63,484,086</u>
4 Deferred tax assets (net)			
Deferred tax asset arising on account of :			
- Depreciation & Impact of financial assets and liabilities carried at amortized cost	2,472,530	5,113,718	6,294,448
	<u>2,472,530</u>	<u>5,113,718</u>	<u>6,294,448</u>
5 Inventories			
Properties held under development			
Land Cost	215,881,616	252,360,291	276,200,866
Material & Construction Cost	292,026,629	219,689,211	491,551,164
	<u>507,908,245</u>	<u>472,049,501</u>	<u>767,752,029</u>
6 Trade Receivables			
(Unsecured, considered good)			
Outstanding for a period exceeding six months	70,795,438	70,111,497	413,671,551
Other receivables	33,099,692	197,128,541	88,468,038
	<u>103,895,130</u>	<u>267,240,039</u>	<u>502,139,589</u>
7 Cash and cash equivalents			
Cash on hand	-	-	-
Balances with banks			
In current accounts	64,501,661	188,130,317	38,799,952
	<u>64,501,661</u>	<u>188,130,317</u>	<u>38,799,952</u>
8 Short Term Loans and Advances			
Loans to related parties	1,343,091,318	928,580,734	50,755,757
	<u>1,343,091,318</u>	<u>928,580,734</u>	<u>50,755,757</u>
9 Other current assets			
Advances to suppliers	2,292,829	208,240,536	161,730,195
Prepaid expenses	4,748,164	9,360,407	730,708
Duties and taxes recoverable	21,954,380	24,390,710	42,011,027
Other Receivables	48,967,412	24,916,819	10,052,459
Other advances	158,561	-	326,901
	<u>78,121,346</u>	<u>266,908,472</u>	<u>214,851,290</u>
11 Other equity			
Retained earnings			
Opening balance	644,347,532	480,835,633	176,389,069
Transferred/adjustment during the year	184,643,655	163,511,899	316,339,957
IND AS Adjustment in Opening Balance	-	-	(11,893,394)
Profit Available for appropriation	<u>828,991,186</u>	<u>644,347,532</u>	<u>480,835,633</u>
Appropriations			
Less: Interim Dividend	62,580,000	-	-
Less: Tax on Interim Dividend	12,739,820	-	-
Balance at the end of the period/year	<u>753,671,366</u>	<u>644,347,532</u>	<u>480,835,633</u>
12 Borrowings			
Non-current			
Secured loans			
Term loans			
From banks	588,001,241	695,719,595	-
	<u>588,001,241</u>	<u>695,719,595</u>	<u>-</u>
Current			
Unsecured			
Interest free loan from related parties repayable on demand	-	-	130,250,890
	<u>-</u>	<u>-</u>	<u>130,250,890</u>
Nature of security	31 Mar 2017	31 Mar 2016	01 Apr 2015
Term loan facility from HDFC Bank - 80 Crores			
Mortgage of property Purva West End on land admeasuring 8 acres located at Begur Hobli, Bengaluru along with developer share of undivided land (UDL) and existing and proposed construction thereon and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Mr. Ashish Puravankara, Managing Director of the Company.	648,001,241	755,719,595	-
13 Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	336,717	8,348
Trade payables	114,371,149	51,003,088	18,622,808
	<u>114,371,149</u>	<u>51,339,805</u>	<u>18,631,156</u>
14 Other financial liabilities			
Current maturities of long term borrowings	60,000,000	60,000,000	-
	<u>60,000,000</u>	<u>60,000,000</u>	<u>-</u>
15 Other current liabilities			
Advances received from customers	338,623,785	215,403,755	160,180,112
Duties and taxes payable	15,940,414	14,144,920	587,059
Other payables	311,095,949	514,014,901	853,717,015
	<u>665,660,149</u>	<u>743,563,576</u>	<u>1,014,484,186</u>
16 Current tax liabilities (net)			
Provision for tax (net of advance tax)	5,336,276	8,061,173	3,510,978
	<u>5,336,276</u>	<u>8,061,173</u>	<u>3,510,978</u>



Purva Star Properties Private Limited

Notes to Financial Statements

(All amounts in ₹, unless otherwise stated)

	Year Ended	
	31/03/2017	31/03/2016
17 Revenue from Operations		
Sale of Properties	762,052,594	1,110,005,297
	<u>762,052,594</u>	<u>1,110,005,297</u>
18 Other operating revenues		
Others	2,378,183	2,275,700
	<u>2,378,183</u>	<u>2,275,700</u>
19 Material and contract cost		
Material and contract costs	502,946,570	545,073,902
	<u>502,946,570</u>	<u>545,073,902</u>
20 Changes in inventory of properties held for sale		
Inventory at the beginning		
Properties under development	472,049,501	767,752,029
Inventory at the end		
Properties under development	507,908,245	472,049,501
	<u>(35,858,744)</u>	<u>295,702,528</u>
21 Finance expenses (net)		
Finance expense:		
Interest		
- Term loans	80,099,725	22,832,510
Bank charges	14,844	19,750
Loan and other processing charges	2,398,680	795,179
Others	1,614,187	337,510
	<u>84,127,436</u>	<u>23,984,948</u>
Finance income:		
Bank deposits		
Interest on loan from related parties	76,661,265	15,909,061
Interest received from customers	2,067,381	236,977
Unwinding of discount relating to refundable security deposits	5,006,017	8,595,354
Others	4,724,707	-
	<u>88,459,371</u>	<u>24,741,392</u>
Finance expense, net	<u>(4,331,934)</u>	<u>(756,444)</u>
22 Other expenses		
Travel and conveyance	110,774	64,763
Repairs and maintenance- others	815,846	275,229
Legal and professional charges	7,124,088	17,815,350
Rates and taxes	1,299,588	1,158,114
Security charges	820,272	647,245
Printing and stationery	540,533	510,550
Audit fees	100,000	100,000
Advertising and sales promotion	3,800,681	2,317,143
Brokerage and referral charges	751,201	3,296,669
Miscellaneous expenses	1,554,642	1,414,727
	<u>16,917,624</u>	<u>27,599,790</u>
24 Earnings per share (EPS)		
Weighted average number of shares outstanding during the period	10,000	10,000
Add: Dilutive effect of stock options	-	-
Weighted average number of shares used to compute diluted EPS	10,000	10,000
Net profit after tax attributable to equity shareholders	184,643,655	163,511,899
Earnings per share (₹):		
Basic	18,464.37	16,351.19
Diluted	18,464.37	16,351.19

Nominal value - Rupees per equity share

* The Company does not have any outstanding dilutive potential equity shares as at 31 March 2017. Consequently, the basic and dilutive earnings per share of the Company remain the same.

25 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	31/03/2017	31/03/2016
Current		
Financial assets		
First charge		
Trade Receivables	103,895,130	267,240,039
	<u>103,895,130</u>	<u>267,240,039</u>
Non-financial assets		
First charge		
Inventories	507,908,245	472,049,501
Total current assets pledged as securities	<u>507,908,245</u>	<u>472,049,501</u>



Purva Star Properties Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

	Year ended 31 Mar 2017	Year ended 31 Mar 2016
23 Income tax		
Current tax		
Current income tax	95,774,240	85,354,462
Deferred tax		
Deferred tax (credit)/ charge	3,584,696	(4,953,772)
Income tax expense reported in the statement of profit and loss	99,358,935	80,400,690

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.608% and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	284,002,590	243,912,589
Effective tax rate in India	34.608%	34.608%
Expected tax expenses	98,287,616	84,413,269
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of non-deductible expenses	417,004	
Deductions allowable under income tax	(2,930,381)	
Income tax expense	95,774,240	84,413,269

24 Deferred tax assets (net)

Deferred tax asset arising on account of :

Less: Deferred tax liability arising on account of :

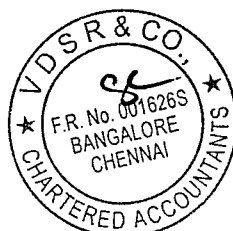
Depreciation & Impact of financial assets and liabilities carried at amortized cost

	31 Mar 2017	31 Mar 2016	01 Apr 2015
	-	-	-
	-	-	-
	-	-	-

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax loss carry forward can be utilized.

Deferred tax arising on all the items has been recognized in the statement of profit and loss except for deferred tax arising on account of provision for employee benefits, a part of which has been recognized in other comprehensive income on account of actuarial gains and losses.



Purva Star Properties Private Limited

Summary of significant accounting policies and other explanatory information

1 Company overview and significant accounting policies

1.1 Company overview

Purva Star Properties Private Limited was incorporated on 13 April 2007 under Companies Act, 1956. The registered office is located at 130/1, Ulsoor Road, Bengaluru 560042, India. The Company is engaged in the business of construction, development and sale of all or any part of housing projects, commercial premises and other related activities.

1.2 Significant accounting policies

a. Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

For all periods up to and including the year ended 31 March 2016, the Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These financial statements for the year ended 31 March 2017 are the first financial statements which the Company has prepared in accordance with Ind AS (see note 50 for explanation for transition to Ind AS). For the purpose of comparatives, financial statements for the year ended 31 March 2016 are also prepared under Ind AS.

The financial statements for the year ended 31 March 2017 were authorized and approved for issue by the Board of Directors on xxxxx May 2017. Amendments to the financial statements are permitted after approval.

b. Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases that are in effect as at 31 March 2017, as summarized below.

In accordance with Ind AS 101, 'First-time Adoption of Indian Accounting Standards' the Company presents three balance sheets, two statement of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS financial statements. In future periods, Ind AS 1, 'Presentation of Financial Statements' requires two comparative periods to be presented for the balance sheet only in certain circumstances.

c. Basis of preparation of financial statements

The financial statements have been prepared on going concern basis under the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

d. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon 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 in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.3.

e. Standards, not yet effective and have not been adopted early by the Company

Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below.

Amendment to Ind AS 7 'Statement of Cash Flows'

The amendments to Ind AS 7, 'Statement of cash flows' inter-alia require 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 effective date of the amendment is 01 April 2017. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

f. Current versus non-current classification

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

(i) An asset is classified as current when it is:

- Expected to be realized or intended to 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

(ii) All other assets are classified as non-current.

(iii) A liability is classified as 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

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of service and the time between the acquisition of assets for development and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as four years for the purpose of current and non-current classification of assets and liabilities which pertain to the project and for all other assets and liabilities the Company has considered twelve months.



Purva Star Properties Private Limited

Summary of significant accounting policies and other explanatory information

g. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

(a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

h. Revenue recognition

Revenue from projects

Revenue from sale of properties is recognized when it is probable that the economic benefits will flow to the Company and it can be reliably measured, which coincides with entering into a legally binding agreement. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes.

Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the customer.

Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method.

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" (guidance note) all projects where revenue is recognized for the first time, construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

(a) all critical approvals necessary for the commencement have been obtained;

(b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;

(c) at least 25 percent of the saleable project area is secured by agreements with buyers; and

(d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts.

Contract revenues represent the aggregate amounts of fair value of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. For projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract, land costs are excluded for the purpose of computing the percentage of completion.

Contract costs include the estimated construction, development, proportionate land cost and other directly attributable costs of the projects under construction. Losses expected to be incurred on projects in progress, are charged to the statement of profit and loss in the period in which these losses are known.

For projects executed through joint development arrangements, which represent barter transactions, whereby the Company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the Company accounts for such developmental rights acquired on a gross basis on the estimated amount to be spent on development or construction of built-up area to be surrendered in lieu of the above rights.

The estimates for saleable area and contract costs are reviewed by the management periodically and the cumulative effect of the changes in these estimates, if any, are recognized in the period in which these changes may be reliably measured.

Unbilled revenue disclosed under other assets represents revenue recognized over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognized profits to date on projects under construction are disclosed as unearned revenue under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables and is net of any provisions for amounts doubtful of recovery.

Revenue from the sale of land is recognized in the period in which the agreement to sell is entered into. Where there is a remaining substantial obligation under the agreement, revenue is recognized on the fulfilment of such obligation.

Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are revisited on a yearly basis.

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.



Summary of significant accounting policies and other explanatory information

i. Inventories

Properties under development

Properties under development represents construction work in progress which are stated at the lower of cost and net realizable value. This comprises of cost of land, construction related overhead expenditure, borrowing costs and other net costs incurred during the period of development.

Properties held for sale

Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure, borrowing costs and other costs incurred during the period of development.

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.

Properties held for development

Properties held for development represents land acquired for future development and construction, and is stated at cost including the cost of land, the related costs of acquisition and other costs incurred to get the properties ready for their intended use.

j. Property, Plant and Equipment (PPE)

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met, any expected costs of decommissioning and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Depreciation and useful lives

Depreciation/amortization on fixed assets is provided on the straight-line method, based on the useful life of asset specified in Schedule II to the Companies Act, 2013. The Management estimates the useful lives of the assets as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013, except shuttering materials whose life is estimated as 7 years. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Plant and machinery	10 years
Office equipments	5 years
Computer equipment	3 years
Vehicles	8 years
Shuttering material	7 years
Leasehold improvements	10 years

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

k. Intangible assets

Recognition and initial measurement

Intangible assets (software) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortization)

The cost of capitalized software is amortized over a period of 6 years from the date of its acquisition on a straight line basis.

l. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

The Company suspends capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

m. 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 insignificant risk of changes in value.

n. Tax expense

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Company operates and generates taxable income.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

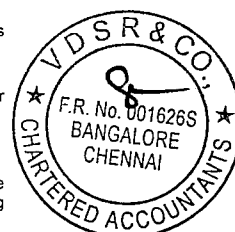
Current and deferred tax for the period

Current and deferred tax are recognized in profit or 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.

o. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



Purva Star Properties Private Limited

Summary of significant accounting policies and other explanatory information

p. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

q. Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

A 'Debt instruments' is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows 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.

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 statement of profit and loss.

Debt Instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognized in other comprehensive income (OCI).

Debt instruments at Fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in the scope of Ind AS 109, 'Financial Instruments', are measured at fair value. Equity instruments which are held for trading and contingent consideration has been recognized by an acquirer in a business combination to which Ind AS 103, 'Business Combinations' applies, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI with subsequent changes in the fair value.

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 FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI.

There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Investment in subsidiaries:

The Company's investment in equity instruments of subsidiaries and joint venture are accounted for at cost.

u. Financial liabilities

Initial recognition

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

Subsequent measurement

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

De-recognition of financial liabilities

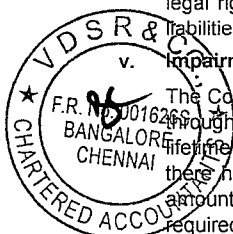
A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition 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 and loss.

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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to the lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.



Summary of significant accounting policies and other explanatory information

w. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

y. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of construction, development and sale of all or any part of housing project which is the only reportable segment. The Company operates primarily in India and there is no other significant geographical segment.

1.3 Significant management judgements in applying accounting policies

- a. The following are significant management judgements in applying the accounting policies of the Company that have a significant effect on the financial statements:
- b. Revenue and inventories – The Company recognizes revenue using the percentage of completion method. This requires forecasts to be made of the outcomes of long-term construction and service contracts, which require assessments and judgements to be made on changes in work scopes, claims and incentive payments to the extent they are probable and they are capable of being reliably measured.
- c. Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.
- d. Recognition of deferred tax liability on undistributed profits – The extent to which the Company can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgement.
- e. Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- g. Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.
- h. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.
- j. Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.
- k. Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.



Purva Star Properties Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ` crore, unless otherwise stated)

26 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories of March 31, 2017 as follows:

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value	Total fair value
Financial assets :					
Trade receivables	103,895,130	-	-	103,895,130	103,895,130
Loans and advances	1,343,091,318	-	-	1,343,091,318	1,343,091,318
Cash and cash equivalents including other bank balances	64,501,661	-	-	64,501,661	64,501,661
Total financial assets	1,511,488,109	-	-	1,511,488,109	1,511,488,109
Financial liabilities :					
Borrowings*	648,001,241	-	-	648,001,241	648,001,241
Trade payables	114,371,149	-	-	114,371,149	114,371,149
	762,372,390	-	-	762,372,390	762,372,390

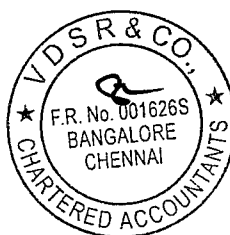
The carrying value and fair value of financial instruments by categories of March 31, 2016 as follows:

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value	Total fair value
Financial assets :					
Trade receivables	267,240,039	-	-	267,240,039	267,240,039
Loans and advances	928,580,734	-	-	928,580,734	928,580,734
Cash and cash equivalents including other bank balances	188,130,317	-	-	188,130,317	188,130,317
Total financial assets	1,383,951,090	-	-	1,383,951,090	1,383,951,090
Financial liabilities :					
Borrowings*	755,719,595	-	-	755,719,595	755,719,595
Trade payables	51,339,805	-	-	51,339,805	51,339,805
Total financial liabilities	807,059,400	-	-	807,059,400	807,059,400

The carrying value and fair value of financial instruments by categories of April 1, 2015 as follows:

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value	Total fair value
Financial assets :					
Trade receivables	502,139,589	-	-	502,139,589	502,139,589
Loans and advances	50,755,757	-	-	50,755,757	50,755,757
Cash and cash equivalents including other bank balances	38,799,952	-	-	38,799,952	38,799,952
Total financial assets	591,695,298	-	-	591,695,298	591,695,298
Liabilities:					
Borrowings	130,250,890	-	-	130,250,890	130,250,890
Trade payables	18,631,156	-	-	18,631,156	18,631,156
Total financial liabilities	148,882,046	-	-	148,882,046	148,882,046

* including current maturities of long term debt



Purva Star Properties Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ crore, unless otherwise stated)

27 Financial risk management

Financial risk factors

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

a. Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

Trade receivables are secured in a form that registry of sold residential/commercial units is not processed till the time the Company does not receive the entire payment. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

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Purva Star Properties Private Limited

Summary of significant accounting policies and other explanatory information

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

31 March 2017	1 year to 2 years	2 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings*	185,716,780	462,284,461	-	648,001,241
Trade payable	114,371,149	-	-	114,371,149
Total	300,087,929	462,284,461	-	762,372,390
31 March 2016	1 year to 2 years	2 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings*	292,841,343	462,878,252	-	755,719,595
Trade payable	51,339,805	-	-	51,339,805
Total	344,181,148	462,878,252	-	807,059,400
01 April 2015	1 year to 2 years	2 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings*	130,250,890	-	-	130,250,890
Trade payable	18,631,156	-	-	18,631,156
Total	148,882,046	-	-	148,882,046

* including current maturities of long term debt

c. Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

	31 Mar 2017	31 Mar 2016	01 Apr 2015
Fixed rate borrowing	648,001,241	755,719,595	-
Interest free borrowing	1,343,091,318	928,580,734	50,755,757
Total borrowings	1,991,092,559	1,684,300,330	50,755,757

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 Mar 2017	31 Mar 2016
Interest rates – increase by 50 basis points (50 bps)	2,667,886	1,347,130
Interest rates – decrease by 50 basis points (50 bps)	(2,667,886)	(1,347,130)

28 Capital Management

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

Particulars	31 Mar 2017	31 Mar 2016	01 Apr 2015
Long term borrowings	588,001,241	695,719,595	-
Current maturities of long term borrowings	60,000,000	60,000,000	-
Less: Cash and cash equivalents	64,501,661	188,130,317	-
Net debt	583,499,579	567,589,278	-
Total equity	753,771,366	644,447,532	-
Gearing ratio	1.29	1.14	-

(i) Equity includes all capital and reserves of the Company that are managed as capital

(ii) Debt is defined long term and short term borrowings



Purva Star Properties Private Limited

(All amounts in ₹, unless otherwise stated)

29 Related party transactions

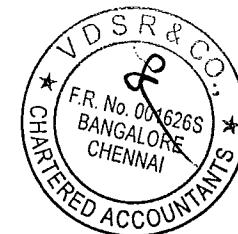
- (i) Holding Company
Puravankara Limited (formerly known as Puravankara Projects Limited)
- (ii) Key management personnel
Mr. Ashish Puravankara
Mr. Nani R Choksey
- (iii) Entities controlled by key management personnel (other related parties):
Handiman Services Limited
- (iv) Entities controlled by key management personnel (Other related parties):
Purva Star Properties Projects Limited

(v) Balances with related parties at the year end are as follows:

Nature of transaction	Holding Company			Key management personnel			Other related parties		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Loans given to									
Puravankara Projects Limited	798,573,654	928,580,734	50,755,757	-	-	-	-	-	-
Starworth Infrastructure and Constructions Limited	-	-	-	-	-	-	387,585,283	92,427,754	-
Melmont Construction Private Limited	-	-	-	-	-	-	1,063,795	499,657	60,800
Centurion Housing & Constructions Private Limited	-	-	-	-	-	-	140,061,090	140,053,740	50,000,180
Prudential Housing & Infrastructure Development Limited	-	-	-	-	-	-	84,497	82,750	180
Purva Ruby Properties Private Limited	-	-	-	-	-	-	1,386,371	1,200,608	604,017
Nile Developers Private Limited	-	-	-	-	-	-	637,095	537,913	36,175
Vaigai Developers Private Limited	-	-	-	-	-	-	478,147	475,960	24,705
Purva Land Limited	-	-	-	-	-	-	71,960	71,113	29,700
Purva Sapphire Land Private Limited	-	-	-	-	-	-	825,048	823,805	-
Purva Realities Private Limited	-	-	-	-	-	-	1,590	491	-
Pune Projects LLP	-	-	-	-	-	-	12,395,448	10,243,452	-
Puravankara Limited (formerly Puravankara Projects Limited)	-	-	-	-	-	-	-	-	-
Loan taken from									
Purva Star Properties Private Limited	-	-	-	-	-	-	-	-	130,065,154
Loans given by									
Pune Projects LLP	-	-	-	-	-	-	-	-	185,736

(vi) The transactions with related parties for the year are as follows

Nature of transaction	Holding Company		Key management personnel		Other related parties	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Loans taken from						
Puravankara Projects Limited	-	122,141,311	-	-	-	-
Loans repaid to						
Puravankara Projects Limited	-	71,369,956	-	-	-	-
Loans given to						
Puravankara Projects Limited	151,954,120	863,000,000	-	-	-	-
Starworth Infrastructure and Constructions Limited	-	-	-	-	295,157,529	92,427,754
Melmont Construction Private Limited	-	-	-	-	564,138	438,857
Centurion Housing & Constructions Private Limited	-	-	-	-	36,577,350	90,053,560
Prudential Housing & Infrastructure Development Limited	-	-	-	-	747	82,570
Purva Ruby Properties Private Limited	-	-	-	-	185,764	598,591
Nile Developers Private Limited	-	-	-	-	99,182	501,738
Vaigai Developers Private Limited	-	-	-	-	478,147	451,255
Purva Land Limited	-	-	-	-	-	41,413
Purva Sapphire Land Private Limited	-	-	-	-	1,243	823,805
Purva Realities Private Limited	-	-	-	-	1,099	491
Pune Projects LLP	-	-	-	-	4,424,517	15,949,514
Loans repaid by						
Puravankara Projects Limited	104,539,094	-	-	-	-	-
Pune Projects LLP	-	-	-	-	2,272,521	5,520,326
Centurion Housing & Constructions Private Limited	-	-	-	-	36,570,000	-
Interest income on loan						
Puravankara Projects Limited	68,995,138	15,909,061	-	-	-	-
Purchase of material and services						
Starworth Infrastructure and Constructions Limited	-	-	-	-	460,580,583	528,536,655
Security and maintenance expenses						
Handiman Services Limited	-	-	-	-	1,230,416	647,245



Purva Star Properties Private Limited

Notes to Financial Statements

(All amounts in ₹, unless otherwise stated)

30 Supplementary statutory information

	31 Mar 2017	31 Mar 2016
i. Earnings in foreign currency (on receipt basis)	Nil	Nil
ii. Expenditure in foreign currency (on accrual basis)	Nil	Nil
iii. Value of imports at CIF basis	Nil	Nil
iv. Contingent liabilities	Nil	Nil
v. Capital commitment	Nil	Nil
vi. Donation to political party	Nil	Nil
In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance Sheet.		

31 DUES TO MICRO AND SMALL ENTERPRISES:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). Disclosures pursuant to the said MSMED Act are as follows:

	31 Mar 2017	31 Mar 2016
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	8,348
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(c) Interest paid under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(d) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(f) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(g) Further interest remaining due and payable for earlier years	-	-

Note: The above information has been determined based on vendors identified by the Company and confirmed by the vendors, which has been relied upon by the auditors.

32 Corporate social responsibility expenses

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, art and culture, healthcare, ensuring environmental sustainability, destitute care and rehabilitation and rural development projects. Gross amount required to be spent by the company during the current year 67 lacs (31 March 2016 - 26 lacs). Company spent nil (31 March 2016 - Nil)

33 Specified bank notes during the period 08.11.2016 to 30.12.2016*

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts			
Withdrawal from the banks	-	-	-
Miscellaneous receipts	-	-	-
(-) Permitted payments			
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

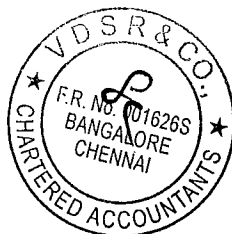


Purva Star Properties Private Limited

(All amounts in ₹, unless otherwise stated)

Reconciliation of Balance Sheet as at 31 March 2016 and 1 April 2015

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Opening Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and Equipments		3,735,690	-	3,735,690	3,029,457	-	3,029,457
Financial Assets							
Loans	2	90,000,000	26,515,914	63,484,086	90,000,000	17,920,559	72,079,441
Deferred tax assets/(liability) (net)	6	(2,451)	(6,296,899)	6,294,448	70,695	(5,043,023)	5,113,718
Total non-current assets		93,733,239	20,219,015	73,514,224	93,100,152	12,877,536	80,222,616
Current assets							
Inventories	4	759,423,958	(8,328,072)	767,752,029	471,790,109	(259,393)	472,049,501
Financial assets							
Trade receivables		502,139,589	-	502,139,589	267,240,039	-	267,240,039
Cash and cash equivalents		38,799,952	-	38,799,952	188,130,317	-	188,130,317
Loans		50,755,757	(0)	50,755,757	928,580,734	-	928,580,734
Other current assets		214,862,090	10,800	214,851,290	254,951,517	(11,956,955)	266,908,472
Total current assets		1,565,981,345	(8,317,272)	1,574,298,616	2,110,692,716	(12,216,348)	2,122,909,064
Total Assets		1,659,714,583	11,901,743	1,647,812,840	2,203,792,867	661,188	2,203,131,679
EQUITY AND LIABILITIES							
Equity							
Equity Share capital		100,000	-	100,000	100,000	-	100,000
Other equity	7	492,729,026	11,893,394	480,835,633	653,569,505	9,221,973	644,347,532
Total equity		492,829,026	11,893,394	480,935,633	653,669,505	9,221,973	644,447,532
Liabilities							
Non-current Liabilities							
Financial Liabilities							
Borrowings	1	-	-	-	695,719,595	-	695,719,595
Total non-current liabilities		-	-	-	695,719,595	-	695,719,595
Current Liabilities							
Financial Liabilities							
Borrowings		130,250,890	-	130,250,890	-	-	-
Trade Payables		18,631,156	-	18,631,156	51,339,805	0	51,339,805
Other financial liabilities		-	-	-	60,000,000	-	60,000,000
Other current liabilities	1	1,014,484,186	-	1,014,484,186	735,002,789	(8,560,787)	743,563,576
Current tax liabilities (Net)		3,510,978	-	3,510,978	8,061,173	-	8,061,173
Total current liabilities		1,166,877,209	-	1,166,877,210	854,403,767	(8,560,787)	862,964,554
Total equity and liabilities		1,659,706,236	11,893,394	1,647,812,842	2,203,792,867	661,186	2,203,131,681

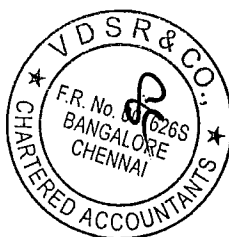


Purva Star Properties Private Limited

(All amounts in ₹, unless otherwise stated)

Reconciliation Statement of Profit and Loss as previously reported under IGAAP and Ind AS

Particulars	Note	IGAAP	Year ended March 31, 2016	
			Effects of transition to Ind AS	Ind AS
Revenue from Operations	4	1,118,566,084	(8,560,787)	1,110,005,297
Other Income		2,275,701	-	2,275,700
Total Income		1,120,841,785	(8,560,787)	1,112,280,998
EXPENSES				
Material and contract cost	4 & 2	542,128,168	2,945,734	545,073,902
Changes in inventory of properties under development and properties held for sale	4 & 2	287,374,456	8,328,072	295,702,528
Finance costs	2	16,625,272	(17,381,716)	(756,444)
Depreciation and amortization expense		748,633	-	748,633
Other expenses		27,619,539	(19,750)	27,599,790
Total Expenses		874,496,069	(6,127,660)	868,368,408
Profit before exceptional items and tax		246,345,716	(2,433,127)	243,912,589
Exceptional Items				
Profit/(loss) before tax		246,345,716	(2,433,127)	243,912,589
Tax expense:				
Current tax		85,431,957	(77,495)	85,354,462
Deferred tax		(73,145)	(4,880,627)	(4,953,772)
		160,986,904	2,524,995	163,511,899
Profit/(loss) for the period		160,986,904	2,524,995	163,511,899
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the period		160,986,904	2,524,995	163,511,899



Purva Star Properties Private Limited

Summary of significant accounting policies and other explanatory information

34 First time adoption of Ind AS

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

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Ind AS optional exemptions

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind-As. The company has accordingly applied the following exemptions.

1 Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

B Ind AS mandatory exemptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 31 March 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Impairment of financial assets based on expected credit loss model.

Impairment of financial assets based on expected credit loss model.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

4 Reconciliations between previous GAAP and Ind AS

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' requires an entity to reconcile equity, total comprehensive income and cash flows for prior years/periods. The following tables represent the reconciliations from previous GAAP to Ind AS.



Purva Star Properties Private Limited

Summary of significant accounting policies and other explanatory information

1 Borrowings

Ind AS 109, 'Financial Instruments' requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss or inventorized as a part of project under development, as the case may be over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss or inventorized as a part of project under development as and when incurred. Accordingly, borrowings as at 01 April 2015 and 31 March 2016 have been reduced with a corresponding adjustment to retained earnings.

2 Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Company has recognized these security deposits at fair value and subsequently measured them at amortized cost. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid rent which would be amortized over a straight line basis over the period of the deposit.

Under the previous GAAP, interest free security deposits towards joint development (that are refundable in cash on completion of the construction) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value and subsequently measured them at amortized cost. Accordingly, the Company has measured these security deposits at fair value. Difference between the fair value and transaction value of the security deposit has been recognized as land cost.

3 Other payable

Under previous GAAP, dividends proposed by the board of directors after balance sheet date but before the approval of the financial statements were considered as adjusting events. However, under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting.

Accordingly, the liability for proposed dividend recognized as on transition date has been reversed with corresponding adjustment to opening retained earnings and dividend in the subsequent period has been recognized in the year of approval in the general meeting.

4 Revenue

- a. Under the previous GAAP, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)", construction revenue for projects commenced on or after 01 April 2012 or where revenue was recognized for the first time after the aforesaid date, was recognized on percentage of completion method provided the following thresholds have been met:

(a) all critical approvals necessary for the commencement have been

(b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;

(c) at least 25 percent of the saleable project area is secured by agreements with buyers; and

(d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts

Under Ind AS, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)", construction revenue is recognized for all the projects whether commenced before or after 01 April 2012, provided the thresholds mentioned above have been met. Accordingly, revenue and properties under development for the period ended 31 March 2016 have been adjusted with a corresponding adjustment to retained earnings.

b. Joint development arrangements

Under the previous GAAP, for projects executed through joint development arrangements prior to 01 April 2012, which represent barter transactions, whereby the Company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the Company accounts for such transactions on net basis and does not ascribe any value to the share of land acquired on such basis. Effective 01 April 2012, in accordance with the Guidance Note, developmental rights acquired through joint development arrangement are recorded on a gross basis on the estimated amount to be spent on development or construction of built-up area to be surrendered in lieu of the above rights.

Under Ind AS, the Company accounts for such developmental rights on gross basis for all the projects retrospectively. Accordingly, land cost has been recognized with a corresponding impact to other current liabilities, revenue and properties under development for the period ended 31 March 2016 has been adjusted with a corresponding adjustment to other current liabilities.

c. Borrowing costs

The Company has capitalized its borrowing cost including its processing fees in accordance with the previous GAAP, the adjustment to the same as per note 4 has resulted in a change of percentage of completion and accordingly, revenue for the period ended 31 March 2016 has been adjusted with corresponding adjustments to properties under development and retained earnings.

d. Security deposits

The Company has capitalized the interest income arising from security deposits as mentioned in note 5, which has resulted in a change of percentage of completion and accordingly, revenue for the period ended 31 March 2016 has been adjusted with corresponding adjustments to properties under development and retained earnings.

5 Change in accounting estimate

Until the year ended 31 March 2016, the Company was recording the lease expenses in respect of an operating lease of an aircraft based on actual consumption/ usage of hours committed under the take or pay lease agreement. During the year ended 31 March 2017, the lease expense in respect of the aforesaid take-or-pay agreement have been accounted on a straight-lined basis over the lease term in accordance with the Ind-AS 17, 'Leases'.

6 Deferred tax

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under IND AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

7 Retained earnings

Retained earnings as at 01 April 2015 and 31 March 2016 has been adjusted consequent to the above Ind AS transition adjustments.

As per our report of even date attached

For V D S R & Co.,
Chartered Accountants
Firm Registration Number: 001626S

Venkatesh Kamath S V
Partner
Membership No: 202626

Bengaluru
29-May-2017



For and on behalf of the Board of Directors

Ashish Puravankara
Director
DIN 504524

Bengaluru
29-May-2017

Amanda Joy Puravankara
Director
DIN 7128042