

## **Independent Auditors' Report**

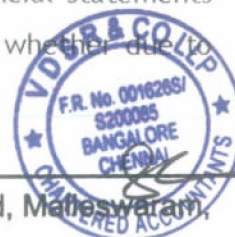
**To the Members of Purva Star Properties Private Limited**

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Purva Star Properties Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



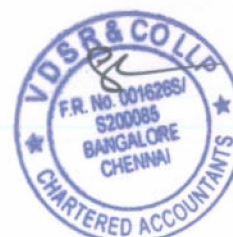
## Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## Opinion

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





## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid 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 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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:

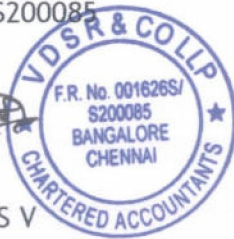
- i. the Company does not have any pending litigations which would impact its financial position.
- ii. the Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable loss.
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For V D S R & Co LLP

Chartered Accountants

FRN No.: 001626S/S200085





Venkatesh Kamath S V

Partner

Membership No 202626

Place: Bengaluru

Date: 10/05/2018



## 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 2018, we report that:

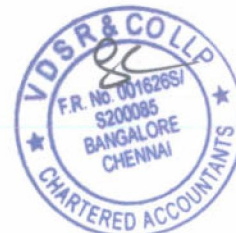
1.

- 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.

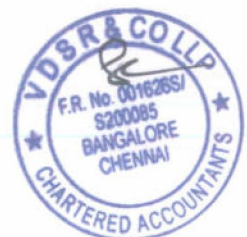
3. According to information and explanations given to us, the Company has granted loan to its holding company and fellow subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").

- a. 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.
- b. Schedule of repayment of principal and payment of interest has not been stipulated and loans are repayable on demand.
- c. There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.



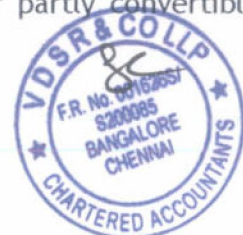
4. According to information and explanations given to us, the Company has not granted any loans, made any investments, extended any guarantees and provided any security to or on behalf of the parties referred in section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits 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 2018 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.

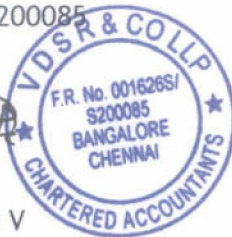
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For V D S R & Co LLP

Chartered Accountants

FRN No.: 001626S/S200085





Venkatesh Kamath S V

Partner

Membership No 202626

Place: Bengaluru

Date: 10/05/2018

## **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")**

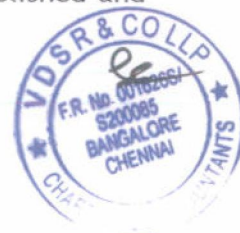
We have audited the internal financial controls over financial reporting of Purva Star Properties Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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.

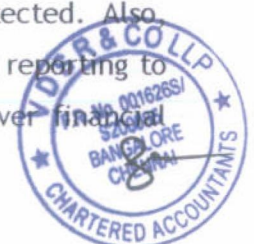
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V D S R & Co LLP

Chartered Accountants

FRN No.: 001626S/S200085





Venkatesh Kamath S V

Partner

Membership No 202626

Place: Bengaluru

Date: 10/05/2018

**PURVA STAR PROPERTIES PRIVATE LIMITED**  
**Balance Sheet for the year ended March 31, 2018**

(All amounts in ₹, unless otherwise stated)

**ASSETS**

**Non-current assets**

(a) Property, plant and equipment

(e) Financial assets

(i) Loans

(f) Deferred tax assets (net)

**Total non-current assets**

**Current assets**

(a) Inventories

(b) Financial assets

(i) Trade receivables

(ii) Cash and cash equivalents

(iv) Loans

(v) Other financial assets

(c) Other current assets

**Total current assets**

**Total assets**

**EQUITY AND LIABILITIES**

**EQUITY**

(a) Equity share capital

(b) Other equity

**Total equity**

**LIABILITIES**

**Non-current liabilities**

(a) Financial liabilities

(i) Borrowings

**Total non-current liabilities**

**Current liabilities**

(a) Financial liabilities

(i) Trade payables

(ii) Other financial liabilities

(b) Other current liabilities

(d) Current tax liabilities (net)

**Total current liabilities**

**Total equity and liabilities**

**Summary of significant accounting policies**

As at  
 Note March 31, 2018 March 31, 2017

1	1,569,396	2,324,784
2a	84,825,166	84,825,166
3	555,283	2,472,530
	<b>86,949,845</b>	<b>89,622,479</b>
4	509,877,715	507,908,245
5	114,977,233	103,895,130
6	18,143,405	64,501,661
2b	597,186,186	1,343,091,318
7	159,079,488	-
8	155,370,859	78,121,346
	<b>1,554,634,887</b>	<b>2,097,517,701</b>
	<b>1,641,584,732</b>	<b>2,187,140,180</b>
9	100,000	100,000
10	739,795,885	753,671,370
	<b>739,895,885</b>	<b>753,771,370</b>
12	-	588,001,241
	-	<b>588,001,241</b>
13	284,231,065	114,371,149
14	546,215,588	60,000,000
15	50,479,294	665,660,149
16	20,762,900	5,336,272
	<b>901,688,847</b>	<b>845,367,570</b>
	<b>1,641,584,732</b>	<b>2,187,140,180</b>
2.1		

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

As per report of even date

For V D S R & Co LLP.,

Chartered Accountants

Firm Registration Number: 001626S/S200085

Venkatesh Kamath S V

Partner

Membership No: 202626

Place: Bengaluru

Date: May 10, 2018



For and on behalf of the Board of Directors

Ashish Ravi Puravankara

Director

DIN 00504524

Place: Bengaluru

Date: May 10, 2018

Amanda Joy Puravankara

Director

DIN 07128042



**PURVA STAR PROPERTIES PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2018**

(All amounts in ₹, unless otherwise stated)

	Note	March 31, 2018	March 31, 2017
<b>Income</b>			
Revenue from operations	17	1,082,275,633	764,430,778
Other income	18	57,208,273	88,459,371
<b>Total</b>		<b>1,139,483,906</b>	<b>852,890,148</b>
<b>Expenses</b>			
Material and contract cost	19	725,010,532	502,946,570
Purchase of land stock		10,704,846	
(Increase)/ decrease in inventory of work-in-progress	20	(1,969,470)	(35,858,744)
Finance costs	21	74,200,092	84,127,436
Depreciation and amortization expense	22	755,388	754,672
Other expenses	23	21,109,231	16,917,624
<b>Total expenses</b>		<b>829,810,619</b>	<b>568,887,558</b>
<b>Profit before tax</b>		<b>309,673,287</b>	<b>284,002,591</b>
<b>Tax expense</b>	24		
Current tax		104,987,762	95,774,240
Deferred tax		1,917,245	3,584,696
<b>Total tax expense</b>		<b>106,905,007</b>	<b>99,358,935</b>
<b>Profit for the year</b>		<b>202,768,280</b>	<b>184,643,655</b>
<b>Other comprehensive income ('OCI')</b>			
Items that reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year (comprising profit and OCI)</b>		<b>202,768,280</b>	<b>184,643,655</b>
<b>Earnings per equity share ('EPS')</b>			
(Nominal value per equity share Rs. 10 (March 31, 2017 - Rs.10)			
Basic (Rs.)		20,277	18,464
Diluted (Rs.)		20,277	18,464
<b>Weighted average number of equity shares used in computation of EPS</b>			
Basic - in numbers		10,000	10,000
Diluted - in numbers		10,000	10,000

**Summary of significant accounting policies**

2.1

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

As per report of even date

**For V D S R & Co LLP.,**  
Chartered Accountants  
Firm Registration Number: 001626S/S200085

**Venkatesh Kamath S V**  
Partner  
Membership No: 202626

Place: Bengaluru  
Date: May 10, 2018



**For and on behalf of the Board of Directors**

*(Signature)*

**Ashish Ravi Puravankara**  
Director  
DIN 00504524

Place: Bengaluru  
Date: May 10, 2018

*(Signature)*

**Amanda Joy Puravankara**  
Director  
DIN 07128042





**PURVA STAR PROPERTIES PRIVATE LIMITED**

**Standalone Statement of cash flow for the year ended March 31, 2018**

(All amounts in ₹, unless otherwise stated)

	31 Mar 2018	31 Mar 2017
<b>A. Cash flow from operating activities</b>		
Profit before tax and prior period items	309,673,287	284,002,591
Adjustments for:		
Depreciation and amortization	755,388	754,673
Finance expense, net	74,200,092	84,127,436
<b>Operating profit before working capital changes</b>	<b>384,628,768</b>	<b>368,884,700</b>
Movements in working capital :		
(Increase)/Decrease in trade receivables	(11,082,103)	163,344,909
(Increase)/Decrease in loans and advances and other current assets	509,576,131	186,911,995
(Increase)/Decrease in properties under development	(1,969,470)	(35,858,743)
Increase/(Decrease) in current liabilities and provisions	56,321,278	(17,596,980)
<b>Cash received from operations</b>	<b>937,474,603</b>	<b>665,685,881</b>
Direct taxes paid (net)	(104,987,762)	(95,774,240)
<b>Net cash from operating activities</b>	<b>832,486,841</b>	<b>569,911,641</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, including capital advances	-	(50,000)
<b>Net cash (used in) investing activities</b>	<b>-</b>	<b>(50,000)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from/(repayments of) term loans	(101,785,652)	(107,718,354)
Dividend paid	(216,643,765)	(75,319,820)
Proceeds from/(repayments of) Short term borrowings	(486,215,588)	(414,510,584)
Interest paid	(74,200,092)	(84,127,436)
<b>Net cash generated from/(used in) financing activities</b>	<b>(878,845,098)</b>	<b>(677,344,260)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(46,358,257)</b>	<b>(107,482,619)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>64,501,661</b>	<b>171,984,279</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>18,143,405</b>	<b>64,501,661</b>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances (as per note 6 to the financial statements)	18,143,405	64,501,661
	<b>18,143,405</b>	<b>64,501,661</b>

The accompanying notes from an integral part of financial statements.

As per our report of even date attached

For V D S R & Co LLP.,  
Chartered Accountants  
Firm Registration Number: 001626S/S200085

Venkatesh Kamath S V  
Partner  
Membership No: 202626



Place: Bengaluru  
Date: May 10, 2018

For and on behalf of the Board of Directors

Ashish Puravankara  
Director  
DIN 504524

Amanda Joy Purav  
Director  
DIN 7128042

Place: Bengaluru  
Date: May 10, 2018



**PURVA STAR PROPERTIES PRIVATE LIMITED**

**Statement of changes in equity for the year ended March 31, 2018**

(All amounts in ₹, unless otherwise stated)

**A. Equity share capital**

Particulars	As at 01 April 2016	Movement during 2016-17	As at March 31, 2017	Movement during 2017-18	As at March 31, 2018
10,000 Equity shares of face value of Rs. 10 each fully paid	100,000	-	100,000	-	100,000
	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>

**B. Other equity**

Particulars	Reserves and surplus			
	Securities premium reserve	General reserve	Retained Earnings	Total
Balance as at 1 April 2016	-	-	653,715,931	653,715,931
Profit for the year	-	-	184,643,655	184,643,655
Other Comprehensive Income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>838,359,586</b>	<b>838,359,586</b>
Dividends (including tax on dividend)	-	-	(75,319,820)	(75,319,820)
IND AS Adjustment in Opening Balance	-	-	(9,368,396)	(9,368,396)
<b>Balance as at March 31, 2017</b>	<u>-</u>	<u>-</u>	<u><b>753,671,370</b></u>	<u><b>753,671,370</b></u>
Profit for the year	-	-	202,768,280	202,768,280
Other Comprehensive Income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>956,439,650</b>	<b>956,439,650</b>
Dividends (including tax on dividend)	-	-	(216,643,765)	(216,643,765)
Others	-	-	-	-
<b>Balance as at March 31, 2018</b>	<u>-</u>	<u>-</u>	<u><b>739,795,885</b></u>	<u><b>739,795,885</b></u>

**Summary of significant accounting policies**

2.1

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

As per report of even date

**For V D S R & Co LLP.,**

Chartered Accountants

Firm Registration Number: 001626S/S200085

**Venkatesh Kamath S V**

Partner

Membership No: 202626

Place: Bengaluru

Date: May 10, 2018



**For and on behalf of the Board of Directors**

**Ashish Ravi Puravankara**

Director

DIN 00504524

Place: Bengaluru

Date: May 10, 2018

**Amanda Joy Puravankara**

Director

DIN 07128042



## Purva Star Properties Private Limited

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

#### 1. Corporate information

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.

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

#### 2. Significant accounting policies

##### 2.1 Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. The standalone financial statements of the Company are prepared and presented in accordance with Ind AS.

The standalone financial statements have been prepared on the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### 2.2 Summary of significant accounting policies

###### (a) Use of estimates

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

###### (b) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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





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

(c) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized 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 income statement when the Property, plant and equipment is de-recognized.

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

(d) Depreciation on property, plant and equipment and investment property.

Depreciation is calculated on straight line method using the following useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013, except certain categories of assets whose life is estimated based on planned usage and technical evaluation thereon:

Category of Asset	Useful lives (in years)	Useful lives as per Schedule II (in years)
Furniture and fixtures	10	10
Computer equipment	3	3
Office equipment	5	5
Motor Vehicles	8	8

Leasehold improvements are amortised over the remaining period of lease or their estimated useful life, whichever is shorter on straight line basis.

The residual values, useful lives and methods of depreciation of property, plant and equipment and investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of computer software are amortized on a written down value basis over a period of six years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when asset is derecognized.





## Purva Star Properties Private Limited

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

#### (f) Impairment

##### A. Financial assets

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

##### B. Non-financial assets

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

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

#### (g) Borrowing costs

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

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

#### (h) Inventories

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

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

ii. Finished goods - Stock of Flats: Valued at lower of cost and net realizable value.

iii. Land stock: Valued at lower of cost and net realizable value.

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

#### (i) Land

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognized as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories/ capital work in progress.

Land/ development rights received under joint development arrangements ('JDA') is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The amount of non-refundable deposit paid by the Company under JDA is recognized as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress/ capital work in progress. Further, the amount of refundable deposit paid by the Company under JDA is recognized as deposits under loans.





## Purva Star Properties Private Limited

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

#### (j) Revenue recognition

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

The Company collects taxes such as sales tax/value added tax, luxury tax, entertainment tax, service tax, etc. on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

The following specific recognition criteria must also be met before revenue is recognized:

#### *Recognition of revenue from real estate development*

Revenue from real estate projects is recognized when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from real estate projects is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements/ other legally enforceable documents. Where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognized by applying the percentage of completion method only if the following thresholds have been met:

- (a) all critical approvals necessary for the commencement of the project have been obtained;
- (b) the expenditure incurred on construction and development costs (excluding land cost) is not less than 25 % of the total estimated construction and development costs;
- (c) at least 25 % of the saleable project area is secured by contracts/agreements with buyers; and
- (d) at least 10 % of the contracts/agreements value are realized at the reporting date in respect of such contracts/agreements.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied, project revenue and project costs associated with the real estate project should be recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).

Further, for projects executed through joint development arrangements, wherein the land owner/possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis on launch of the project.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the land owner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as discussed above.

#### *Interest income*

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

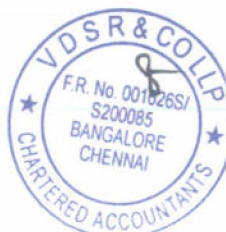
#### *Dividend income*

Dividend income is recognized when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

#### (k) Income taxes

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

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





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

i. Current income tax

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

ii. Deferred income tax

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

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

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

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

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

iii. Minimum alternate tax (MAT)

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward, in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(l) Provisions and contingent liabilities

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

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

(m) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.





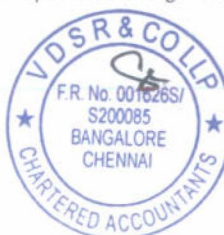
Notes to Ind AS Financial Statements for the year ended March 31, 2018

- ii. Financial assets at fair value through profit or loss  
Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.
- iii. Debt instruments at amortized cost  
A 'debt instrument' is measured at the amortized cost if both the following conditions are met:  
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and  
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.  
After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.
- iv. Equity investment in subsidiaries, joint ventures and associates  
Investment in subsidiaries, joint ventures and associate are carried at cost. Impairment recognized, if any, is reduced from the carrying value.
- v. De-recognition of financial asset  
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.
- vi. Financial liabilities  
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The Company's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.
- vii. Financial liabilities at fair value through profit or loss  
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- viii. Financial liabilities at amortized cost  
Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.
- Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.
- ix. De-recognition of financial liability  
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.
- x. Fair value of financial instruments  
In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

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

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable





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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(n) Cash dividend to equity holders of the Company

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

(p) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management makes judgement, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements.

The key judgements, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*Revenue recognition and valuation of unbilled revenue*

The Company uses the percentage-of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. The percentage of completion is measured by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

*Accounting for revenue and land cost for projects executed through joint development arrangements ('JDA')*

For projects executed through joint development arrangements, the revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Company under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.





*Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

*Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

*Measurement of financial instruments at amortized cost*

Financial instrument are subsequently measured at amortized cost using the effective interest ('EIR') method. The computation of amortized cost is sensitive to the inputs to EIR including effective rate of interest, contractual cash flows and the expected life of the financial instrument. Changes in assumptions about these inputs could affect the reported value of financial instruments.

*Evaluation of control, joint control or significant influence by the Company over its investee entities:*

Judgement is involved in determining whether the Company has control over an investee entity by assessing the Company's exposure/rights to variable returns from its involvement with the investee and its ability to affect those returns through its power over the investee entity. The Company considers all facts and circumstances when assessing whether it controls an investee entity and reassess whether it controls an investee entity if facts and circumstances indicate that there are changes to one or more elements of control. In assessing whether the Company has joint control over an investee the Company assesses whether decisions about the relevant activities require the unanimous consent of the parties sharing control. Further, in assessing whether Company has significant influence over an investee, the Company assesses whether it has the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control of those policies.

*Useful life and residual value of property, plant and equipment, investment property and intangible assets*

The useful life and residual value of property, plant and equipment, investment property and intangible assets are determined based on evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimates the useful life and residual value are sensitive to the actual usage in future period.

*Provision for litigations and contingencies*

Provision for litigations and contingencies is determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimates the ultimate outcome of such past events and measurement of the obligation amount. Due to judgements involved in such estimation the provision is sensitive to the actual outcome in future periods.



**PURVA STAR PROPERTIES PRIVATE LIMITED**

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

(All amounts in ₹, unless otherwise stated)

**1 Property, plant and equipment**

Particulars	Office equipments	Furniture and fixtures	Total
<b>Gross carrying amount at cost</b>			
<b>At April 1, 2016</b>	3,816,242	362,850	4,179,092
Additions		50,000	50,000
Disposals	-	-	-
<b>At March 31, 2017</b>	<b>3,816,242</b>	<b>412,850</b>	<b>4,229,092</b>
Additions			-
Disposals			-
<b>At March 31, 2018</b>	<b>3,816,242</b>	<b>412,850</b>	<b>4,229,092</b>
<b>Accumulated depreciation</b>			
<b>At April 1, 2016</b>	1,015,169	134,467	1,149,636
Charge for the year	725,086	29,586	754,672
Adjustments for disposals	-	-	-
<b>At March 31, 2017</b>	<b>1,740,255</b>	<b>164,053</b>	<b>1,904,308</b>
Charge for the year	725,086	30,302	755,388
Adjustments for disposals	-	-	-
<b>At March 31, 2018</b>	<b>2,465,341</b>	<b>194,355</b>	<b>2,659,696</b>
<b>Net block</b>			
<b>At March 31, 2017</b>	<b>2,075,987</b>	<b>248,797</b>	<b>2,324,784</b>
<b>At March 31, 2018</b>	<b>1,350,901</b>	<b>218,495</b>	<b>1,569,396</b>

**Notes:**

**a. Deemed carrying cost**

For property, plant and equipment existing as on the date of transition to Ind AS, i.e., 01 April 2015, the Company has used previous GAAP carrying value as deemed costs.

**Notes:**

**a. Capitalized borrowing cost**

There are no borrowing costs capitalized during the year ended March 31, 2018 and March 31, 2017.

**b. Property, plant and equipment pledged as security**

No assets has been pledged



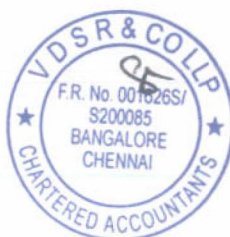


**PURVA STAR PROPERTIES PRIVATE LIMITED**

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

(All amounts in ₹, unless otherwise stated)

<b>2 Loans</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>a Non current</b>		
<b>Unsecured, considered good</b>		
Security deposits	84,825,166	84,825,166
	<b>84,825,166</b>	<b>84,825,166</b>
<b>b Current</b>		
<b>(Unsecured, considered good)</b>		
Loans to fellow subsidiaries	-	544,517,664
Loans to holding company	597,186,186	798,573,654
	<b>597,186,186</b>	<b>1,343,091,318</b>
	<b>682,011,352</b>	<b>1,427,916,484</b>
<b>3 Deferred tax assets (net)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Deferred tax asset arising on account of :</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	242,624	167,358
Impact of financial assets and liabilities carried at amortized cost	312,659	2,305,172
	<b>555,283</b>	<b>2,472,530</b>
<b>4 Inventory</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Land stock	160,153,997	215,881,616
Work-in-progress	349,723,718	292,026,629
	<b>509,877,715</b>	<b>507,908,245</b>
<b>5 Trade receivables</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months	55,165,463	70,795,438
Other receivable	59,811,770	33,099,692
	<b>114,977,233</b>	<b>103,895,130</b>
<b>6 Cash and cash equivalents</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Cash on hand	-	-
Balances with banks		
In current accounts	18,143,405	64,501,661
	<b>18,143,405</b>	<b>64,501,661</b>
<b>7 Other financial assets</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Current</b>		
Unbilled revenue	159,079,488	-
	<b>159,079,488</b>	<b>-</b>
<b>8 Other assets</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Current</b>		
Advances to suppliers	3,103,510	2,292,829
Prepaid expenses	2,300,651	4,748,164
Duties and taxes recoverable	100,745,251	21,954,380
Other advances	254,036	158,561
Other receivables	48,967,412	48,967,412
	<b>155,370,859</b>	<b>78,121,346</b>





PURVA STAR PROPERTIES PRIVATE LIMITED

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

(All amounts in ₹, unless otherwise stated)

	March 31, 2018	March 31, 2017
<b>9 Equity share capital</b>		
<b>Authorized shares</b>		
1,00,000 (31 March 2017- 10,000) equity shares of ₹ 10 each	1,000,000	1,000,000
<b>Issued, subscribed and fully paid-up shares</b>		
10,000 (31 March 2017- 10,000) equity shares of ₹ 10 each	100,000	100,000

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

**Equity shares**

	March 31, 2018		March 31, 2017	
	Number	Rs.	Number	Rs.
Balance at the beginning of the year	10,000	100,000	10,000	100,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

**b. Terms/rights attached to equity shares**

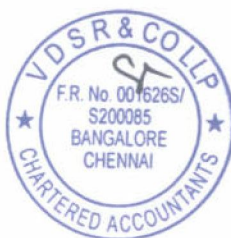
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders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

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 shareholders holding more than 5% shares in the company**

	March 31, 2018		March 31, 2017	
	No of shares	% holding in the class	No of shares	% holding in the class
<b>Equity shares of Rs. 10 each fully paid-up</b>				
Purvankara Limited	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.



**PURVA STAR PROPERTIES PRIVATE LIMITED**

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

(All amounts in ₹, unless otherwise stated)

	March 31, 2018	March 31, 2017
<b>10 Other equity</b>		
Reserves and surplus		
Securities premium	-	-
General reserve	-	-
Retained earnings		
Balance at the beginning of the year	753,671,370	653,715,931
Dividend (including dividend distribution tax) - refer note 11	(216,643,765)	(75,319,820)
Total comprehensive income for the year	202,768,280	184,643,655
IND AS Adjustment in Opening Balance		9,368,396
<b>Balance at the end of the year</b>	<b>739,795,885</b>	<b>753,671,370</b>
<b>Total other equity</b>	<b>739,795,885</b>	<b>753,671,370</b>

**11 Distribution made and proposed**

**Cash dividends on equity shares declared and paid**

Final dividend for the year ended March 31, 2017 ₹ 18,000 per share (March 31, 2016 ₹ 6,258 per share)

Dividend distribution tax (DDT) on final dividend \*

March 31, 2018	March 31, 2017
180,000,000	62,580,000
36,643,765	12,739,820
<b>216,643,765</b>	<b>75,319,820</b>

**Proposed dividends on equity shares \*\***

Proposed dividend for the year ended March 31, 2018 Nil per share (March 31, 2017 ₹18,000 per share)

Dividend distribution tax on proposed dividend \*

-	180,000,000
-	36,643,765
-	<b>216,643,765</b>

\* Net of credit of DDT paid by subsidiaries

\*\* Proposed dividends on equity shares are subject to approval at ensuing annual general meeting and are not recognized as a liability (including DDT thereon) as at the balance sheet date.

**12 Borrowings**

**a Non-current borrowings**

**Secured loans**

**Term loans**

From banks

March 31, 2018	March 31, 2017
546,215,588	648,001,241
<b>546,215,588</b>	<b>648,001,241</b>
(546,215,588)	(60,000,000)
-	<b>588,001,241</b>

Amount disclosed under "Other current financial liabilities" (refer note 14)

**Assets pledged as security**

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

	March 31, 2018	March 31, 2017
<b>Current</b>		
<b>Financial assets</b>		
<b>First charge</b>		
Trade Receivables	114,977,233	103,895,130
<b>Non-financial assets</b>		
<b>First charge</b>		
Inventories	509,877,715	507,908,245

**Details of nature of security, guarantees given by directors and repayment terms of borrowings**

- Category of loan
- Effective interest rate
- Maturity
- Repayment details

e. Nature of security

f. Nature of guarantee

Term loans from banks	Term loans from banks
10-11%	
2015-2020	2015-2020
48 instalments	48 instalments
Underlying project inventory and assignment of project receivables along with Holding Company share in with respect to Purva Westend Project	Underlying project inventory and assignment of project receivables along with Holding Company share in with respect to Purva Westend Project
Nil	Nil



**PURVA STAR PROPERTIES PRIVATE LIMITED****Notes to Ind AS Financial Statements for the year ended March 31, 2018**

(All amounts in ₹, unless otherwise stated)

**13 Trade payables**

March 31, 2018      March 31, 2017

Trade payable

- Total outstanding dues of micro enterprises and small enterprises
- Total outstanding dues of creditors other than micro and small enterprises

-	-
284,231,065	114,371,149
<b>284,231,065</b>	<b>114,371,149</b>

**Disclosures of dues to Micro, Small and Medium enterprises**

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

- i. The principal amount remaining unpaid
- ii. Interest due thereon remaining unpaid
- iii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.
- iv. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year).
- v. The amount of interest accrued during the year and remaining unpaid.
- vi. The amount of further interest remaining due and payable for earlier years

-	-
-	-
-	-
-	-
-	-
-	-

**14 Other financial liabilities**

March 31, 2018      March 31, 2017

**Current**

Current maturities of long term borrowings (refer note 11a)

546,215,588	60,000,000
<b>546,215,588</b>	<b>60,000,000</b>

**15 Other current liabilities**

March 31, 2018      March 31, 2017

- Advances received from customers
- Statutory dues payable
- Other payables\*

-	338,623,785
4,396,315	15,940,414
46,082,979	311,095,949
<b>50,479,294</b>	<b>665,660,149</b>

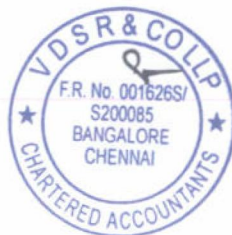
\*Includes amount payable to landowners where the Company has entered into joint development arrangements with landowners for joint development of properties on land in lieu of which, the Company has agreed to transfer certain percentage of constructed area/ revenue proceeds, net of revenue recognised.

**16 Current tax liabilities (net)**

March 31, 2018      March 31, 2017

Provision for income tax [net of advance tax Rs. Rs. 8,00,0000 (31 Mar 2017  
Rs. 7,50,00,000)

20,762,900	5,336,272
<b>20,762,900</b>	<b>5,336,272</b>





**PURVA STAR PROPERTIES PRIVATE LIMITED**

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

(All amounts in ₹, unless otherwise stated)

	March 31, 2018	March 31, 2017
<b>17 Revenue from operations</b>		
Revenue from operations		
Income from Sale of properties	1,082,025,461	762,052,594
	<u>1,082,025,461</u>	<u>762,052,594</u>
Other operating revenues		
Others	250,172	2,378,183
	<u>250,172</u>	<u>2,378,183</u>
	<u>1,082,275,633</u>	<u>764,430,778</u>
<b>18 Other income</b>		
Interest income on:		
Other deposits	-	5,006,017
Loan to holding company	44,354,900	76,661,265
from customers	1,962,466	2,067,381
Unwinding of discount relating to refundable security deposits	10,704,846	-
Others	186,061	4,724,707
	<u>57,208,273</u>	<u>88,459,371</u>
<b>19 Material and contract cost</b>		
Material and contract costs incurred during the year	725,010,532	502,946,570
	<u>725,010,532</u>	<u>502,946,570</u>
<b>20 (Increase)/ decrease in inventory of stock of flats, land stock and</b>		
<b>Inventory at the beginning of the year</b>		
Work-in-progress	507,908,245	472,049,501
<b>Inventory at the end of the year</b>		
Work-in-progress	509,877,715	507,908,245
	<u>(1,969,470)</u>	<u>(35,858,744)</u>
<b>21 Finance costs</b>	March 31, 2018	March 31, 2017
Interest		
- Borrowings	68,077,626	80,099,725
Loan Processing charges	2,398,680	2,398,680
Bank charges	15,588	14,844
Others	3,708,199	1,614,187
	<u>74,200,092</u>	<u>84,127,436</u>



**PURVA STAR PROPERTIES PRIVATE LIMITED**

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

(All amounts in ₹, unless otherwise stated)

**22 Depreciation and amortization expense**

	March 31, 2018	March 31, 2017
Depreciation of property, plant and equipment (refer note 1)	755,388	754,672
	<u>755,388</u>	<u>754,672</u>

**23 Other expenses**

	March 31, 2018	March 31, 2017
Travel and conveyance	146,046	110,774
Repairs and maintenance		
- others	8,232,247	815,846
Legal and professional *	5,133,307	7,224,088
Rates and taxes	514,521	1,299,588
Security	794,587	820,272
Communication costs	108,304	
Printing and stationery	368,374	540,533
Advertising and sales promotion	2,196,792	3,800,681
Brokerage and referral	1,345,776	751,201
Miscellaneous expenses	2,269,278	1,554,642
	<u>21,109,231</u>	<u>16,917,624</u>

\* Payment to auditor [included in legal and professional charges]

As auditor:

Audit fee	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

**Details of CSR expenditure:**

	March 31, 2018	March 31, 2017
(a) Gross amount required to be spent during the year	6,745,000	6,700,000
(b) Amount spent		
Construction/acquisition of any asset	-	-
On purposes other than above	205,000	-
<b>Total</b>	<u>205,000</u>	<u>-</u>
(b) Balance amount unspent		
Construction/acquisition of any asset	-	-
On purposes other than above	6,540,000	-
<b>Total</b>	<u>6,540,000</u>	<u>-</u>





**PURVA STAR PROPERTIES PRIVATE LIMITED**

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

(All amounts in ₹, unless otherwise stated)

March 31, 2018      March 31, 2017

**24 Income tax**

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

Statement of profit and loss:

**Profit or loss section:**

**Current tax:**

Current income tax charge

104,987,762

95,774,240

Excess/short tax of earlier years

**Deferred tax:**

Relating to origination/ reversal of temporary differences

1,917,245

3,584,696

**Income tax expense reported in the statement of profit and loss**

**106,905,007**

**99,358,935**

**OCI section:**

**Deferred tax related to items recognised in OCI during the year:**

Re-measurement gains/(losses) on defined benefit plans

-

-

**Income tax charged to OCI**

-

-

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

**Accounting profit before income tax**

**309,673,287**

**284,002,591**

Effective tax rate in India

34.608%

34.608%

Expected tax expense

107,171,731

98,287,617

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Effect of non-deductible expenses

1,066,911

417,004

Others

(1,333,635)

654,315

**Income tax expense**

**106,905,007**

**99,358,936**



**PURVA STAR PROPERTIES PRIVATE LIMITED**

**Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2018**

(All amounts in ₹, unless otherwise stated)

**25 Fair value measurements**

The fair value of the financial assets and liabilities is determined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company does not have financial assets and liabilities measured at fair value.

The management assessed that the carrying values of cash and cash equivalents, trade receivables, loans, trade payables, borrowings and other financial assets and liabilities (as listed below) approximate their fair values largely either due to their short-term maturities or because they are assets/ liabilities carried at amortised cost and their amortised cost approximates their fair values.

**Break up of financial assets carried at amortized cost**

	Notes	March 31, 2018	March 31, 2017
Loans	2	682,011,352	1,427,916,484
Trade receivables	5	114,977,233	103,895,130
Cash and cash equivalents	6	18,143,405	64,501,661
Other financial assets	7	155,370,859	78,121,346
		<u>970,502,849</u>	<u>1,674,434,622</u>

**Break up of financial liabilities carried at amortized cost**

	Notes	March 31, 2018	March 31, 2017
Borrowings	12	-	588,001,241
Trade payable	13	284,231,065	114,371,149
Other financial liabilities	14	546,215,588	60,000,000
		<u>830,446,653</u>	<u>762,372,390</u>





**PURVA STAR PROPERTIES PRIVATE LIMITED**

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

(All amounts in ₹, unless otherwise stated)

**26 Financial risk management**

The Company's principal financial liabilities, comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables, cash and bank balances and other receivables that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company's management oversees the management of these risks and ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**a. Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. Credit risk arises from cash and cash equivalents, trade receivables and deposits with banks and financial institutions.

*Credit risk management*

Other financial assets like bank deposits and other receivables are mostly with banks and hence, the Company does not expect any credit risk with respect to these financial assets.

With respect to trade receivables/ unbilled revenue, the Company has constituted teams to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss.

**Expected credit loss for trade receivables under simplified approach**

Trade receivables are secured in a form that registration 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.

**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 and also generating cash flow from operations.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows and maintaining debt financing plans.

The break-up of cash and cash equivalents and other bank balances is as below:

Cash and cash equivalents

March 31, 2018	March 31, 2017
18,143,405	64,501,661
<u>18,143,405</u>	<u>64,501,661</u>



**PURVA STAR PROPERTIES PRIVATE LIMITED**

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

(All amounts in ₹, unless otherwise stated)

**Maturities of financial liabilities**

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

March 31, 2018	On demand	Less than 1 year	1 years to 5 years	5 years and above	Total
<b>Financial liabilities - current</b>					
Trade payables	-	284,231,065	-	-	284,231,065
Other financial liabilities	-	280,000,000	266,215,588	-	546,215,588
<b>TOTAL</b>	-	564,231,065	266,215,588	-	830,446,653
March 31, 2017	On demand	Less than 1 year	1 years to 5 years	5 years and above	Total
<b>Financial liabilities - current</b>					
Borrowings	-	-	588,001,241	-	588,001,241
Trade payables	-	114,371,149	-	-	114,371,149
Other financial liabilities	-	60,000,000	-	-	60,000,000
<b>TOTAL</b>	-	174,371,149	588,001,241	-	762,372,390

**c. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real-estate risk.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in interest rate. The entity's exposure to the risk of changes in interest rates relates primarily to the entity's operating activities (when receivables or payables are subject to different interest rates) and the entity's net receivables or payables.

The Company is affected by the price volatility of certain commodities/ real estate. Its operating activities require the ongoing development of real estate. The Company's management has developed and enacted a risk management strategy regarding commodity/ real estate price risk and its mitigation. The Company is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

**Interest rate sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the entity's profit before tax is due to changes in the fair value of financial assets and liabilities.

Particulars	March 31, 2018	March 31, 2017
Interest rates – increase by 50 basis points (50 bps)	2,459,969	2,667,886
Interest rates – decrease by 50 basis points (50 bps)	(2,459,969)	(2,667,886)

**27 Capital Management**

The Company's objectives when managing capital are to maximise 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 comprises long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances. Total equity comprises equity share capital and other equity.

Particulars	March 31, 2018	March 31, 2017
Long term borrowings	-	588,001,241
Current maturities of long term borrowings and finance lease obligations	546,215,588	(60,000,000)
Less: Cash and cash equivalents	(18,143,405)	(64,501,661)
Net debt	528,072,184	463,499,579
Total equity	739,895,885	753,771,370
Gearing ratio	0.714	0.61

In order to achieve the objective of maximize shareholders value, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Any significant breach in meeting the financial covenants would allow the bank to call borrowings. There have been no breaches in the financial covenants of above-mentioned interest-bearing borrowing.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

**28 Construction contracts**

Particulars	March 31, 2018	March 31, 2017
(i) Amount of contract revenue recognised as revenue for the year	1,082,275,633	764,430,778
(ii) Amounts in respect of contracts in progress at the reporting date:		
a. Aggregate amount of costs incurred and recognised	2,621,639,008	1,682,971,175
b. Amount of advances received (net)	-	338,623,785
c. Amount of work in progress and the value of inventories	349,723,718	292,026,629
d. Excess of revenue recognized over actual bills raised (unbilled revenue).	159,079,488	-





**PURVA STAR PROPERTIES PRIVATE LIMITED**

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

(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. Amanda Joy Puravankara

**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		Other related parties	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Loans given to</b>				
Puravankara Projects Limited	597,186,186	798,573,654	-	-
Starworth Infrastructure and Constructions Limited	-	-	-	387,585,283
Melmont Construction Private Limited	-	-	-	1,063,795
Centurion Housing & Constructions Private Limited	-	-	-	140,061,090
Prudential Housing & Infrastructure Development Limited	-	-	-	84,497
Purva Ruby Properties Private Limited	-	-	-	1,386,371
Nile Developers Private Limited	-	-	-	637,095
Vaigai Developers Private Limited	-	-	-	478,147
Purva Land Limited	-	-	-	71,960
Purva Sapphire Land Private Limited	-	-	-	825,048
Purva Realities Private Limited	-	-	-	1,590
Pune Projects LLP	-	-	-	12,395,448
Grand Hills Development Pvt Ltd	-	-	-	300
<b>Dues to</b>				
Handiman Services Limited	-	-	217,913	99,469
Starworth Infrastructure and Constructions Limited	-	-	195,105,015	91,068,377

**vi. The transactions with related parties for the year are as follows**

Nature of transaction	Holding Company		Other related parties	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Interest income on loan</b>				
Puravankara Limited	44,354,900	68,995,138	-	-
<b>Loans given to</b>				
Puravankara Limited	609,542,841	151,954,120	-	-
Starworth Infrastructure and Constructions Limited	-	-	2,028,758	295,157,529
Melmont Construction Private Limited	-	-	86,457	564,138
Centurion Housing & Constructions Private Limited	-	-	45,684,304	36,577,350
Prudential Housing & Infrastructure Development Limited	-	-	280	747
Purva Ruby Properties Private Limited	-	-	2,167,742	185,764
Nile Developers Private Limited	-	-	24,188	99,182
Vaigai Developers Private Limited	-	-	1,883	478,147
Purva Sapphire Land Private Limited	-	-	380	1,243
Purva Realities Private Limited	-	-	17,133	1,099
Pune Projects LLP	-	-	-	4,424,517
<b>Loans repaid by</b>				
Puravankara Limited	850,849,719	104,539,094	-	-
Pune Projects LLP	-	-	12,395,448	2,272,521
Centurion Housing & Constructions Private Limited	-	-	185,745,394	36,570,000
Purva Realities Private Limited	-	-	18,723	-
Melmont Construction Private Limited	-	-	1,150,252	-
Prudential Housing & Infrastructure Development Limited	-	-	83,777	-
Grand Hills Development Pvt Ltd	-	-	300	-
Purva Sapphire Land Private Limited	-	-	825,428	-
Purva Ruby Properties Private Limited	-	-	3,554,113	-
Nile Developers Private Limited	-	-	661,283	-
Vaigai Developers Private Limited	-	-	480,030	-
Starworth Infrastructure and Constructions Limited	-	-	389,614,041	-
<b>Purchase of material and services</b>				
Starworth Infrastructure and Constructions Limited	-	-	689,159,692	460,580,583
<b>Security and maintenance expenses</b>				
Handiman Services Limited	-	-	1,119,504	1,230,416
<b>Dividend paid</b>				
Puravankara Limited	180,000,000	-	-	-



**PURVA STAR PROPERTIES PRIVATE LIMITED**

Notes to Ind AS Financial Statements for the year ended March 31, 2018  
(All amounts in ₹, unless otherwise stated)

**30 Supplementary statutory information**

- i. Earnings in foreign currency (on receipt basis)
- ii. Expenditure in foreign currency (on accrual basis)
- iii. Value of imports at CIF basis
- iv. Contingent liabilities
- v. Capital commitment
- vi. Donation to political party

**March 31, 2018****March 31, 2017**

Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil
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 Standards issued but not yet effective**

Ind AS 115 Revenue from Contracts with Customers

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Indian Accounting Standard (Ind AS) 115, Revenue from Contracts with Customers. Ind AS 115 introduces a five-step model to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer (i.e., when (or as) the customer obtains control of that asset) at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for accounting periods commencing on or after April 1, 2018.

The Company will adopt Ind AS 115 effective from April 1, 2018. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the said standard and the impact on its financial statements in the period of initial application.

**32 Unhedged foreign currency exposure****March 31, 2018****March 31, 2017**

Nil	Nil
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**33 Segmental information**

The Company's business activities fall within a single reportable segment, i.e. real estate development. Hence, there are no additional disclosures to be provided under Ind-AS 108 - Segment information with respect to the single reportable segment, other than those already provided in the financial statements.

The Company is domiciled in India. The Company's revenue from operations from external customers relate to real estate development in India and all the non-current assets of the Company are located in India.

**34 The figures of previous year have been regrouped/reclassified, where necessary, to conform to this year's classification.**

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

As per report of even date

For V D S R & Co LLP.,

Chartered Accountants

Firm Registration Number: 001626S/S200085

  
Venkatesh Kamath S V

Partner

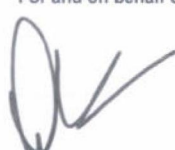
Membership No: 202626

Place: Bengaluru

Date: May 10, 2018



For and on behalf of the Board of Directors



Ashish Ravi Puravankara

Director

DIN 00504524

Place: Bengaluru

Date: May 10, 2018



Amanda Joy Puravankara

Director

DIN 07128042

