RAY & RAY
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INDEPENDENT AUDITOR'S REPORT

To
The Members of
Courtyard Constructions Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Courtyard Constructions Private Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including OtherComprehensive Income), the Statement of Cash flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

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

Opinion

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

Other Matter

1. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date of opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by predecessor auditor and on which predecessor auditor expressed an unmodified opinions in the reports for the year ended March 31, 2017 and March 31, 2016 dated 25thMay, 2017 and 11th May, 2016 respectively, as adjusted for the differences in accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.

2. We draw attention to Note No. 18 in the Ind AS financial statements, which indicates that the Company has accumulated losses and its net worth has been fully eroded as at 31st March, 2018, leading to a material uncertainty about the Company's ability to continue as a "going concern". However, the financial statements of the Company have been prepared on a "going concern" basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

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 Section 143(11) of the Act, we give in "**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:

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a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss , the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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**" and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended, 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

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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For **RAY& RAY**
Chartered Accountants
Firm's Registration No.301072E

Mrinal Kanti Banerjee
Partner
Membership No: 051472

Place: Bangalore
Date: 30th May, 2018

ANNEXURE"A" TO THE INDEPENDENT AUDITORS' REPORT

The AnnexureAreferred to in our report to the members of **Courtyard Constructions Private Limited under the heading 'Report on Other Legal and Regulatory Requirements'** of our report at even date.

We report that:

i. The Company does not have any Fixed Assets as on 31.03.2018.

ii. The company is engaged in the business of real estate development and related services and holds inventories in the form of land, developed and under development of properties. In our opinion and according to the information and explanations given to us, having regard to the nature of inventories, the procedures and frequency of the physical verification by way of title deeds, visits by the management and certification of work completion are reasonable and adequate having regard to the size of the company and nature of its business.

iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, or other parties as listed in the register maintained under section 189 of the Companies Act, 2013.

iv. According to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.

v. The Company has not accepted any deposits during the year and so the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 are not applicable.

vi. To the best of our knowledge and according to the information and explanation given to us, the Central Government has not prescribed for the maintenance of the cost records under section 148(1) of the Companies Act, 2013 in respect of the products of the Company.

vii. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess, Custom Duty, Goods and Services Tax (GST) and other statutory dues applicable to it.

There are no undisputed amounts payables in respect of provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities as at 31st March, 2018 respectively for a period more than six months from the date they became due.

(b) According to the information and explanations given to us, there are no disputed statutory dues which have not been deposited by the company as on 31st March, 2018.

viii. According to the information and explanations given to us, the company has not borrowed any amount from financial institution, bank, Government. The Company has not issued any debentures.

ix. The company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.

x. According to the information and explanations given to us ,no fraud on or by the company has been noticed or reported during the year. Accordingly, the provisions of clause 3(x) of the said order are not applicable.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the provisions of section 197 read with Schedule V to the Act is not applicable to the company.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us by the management all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3(xiv) of the Order is not applicable.

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xv. The company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.Accordingly, the provision of clause 3(xvi) of the Order is not applicable.

For **RAY& RAY**
Chartered Accountants
Firm's Registration No.301072E

RAY & RAY CAs BANGALORE

Mrinal Kanti Banerjee
Partner
Membership No 051472

Place: Bangalore
Date: 30th May, 2018

'Annexure B' to the Independent 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 **Courtyard Construction 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company generally 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 **RAY& RAY**
Chartered Accountants
Firm's Registration No.301072E

RAY & RAY CAs BANGALORE

Mrinal Kanti Banerjee
Partner
Membership No 051472

Place: Bangalore
Date: 30th May, 2018

Courtyard Constructions Private Limited
Balance sheet as at March 31, 2018
(All amounts in Indian Rupees Thousands, except as otherwise stated)

	Notes	As at 31-Mar-18 ₹	As at 31-Mar-17 ₹	As at 01-Apr-16 ₹
Assets				
Current assets				
Inventories	4	53,144	53,144	53,144
Financial assets				
Cash and cash equivalents	7	2,218	2,253	2,430
Bank balance other than cash and cash equivalents				
Loans	5	-	6,644	6,643
Other current assets	6	14	-	3
Current tax assets (net)				
		55,376	**62,041**	**62,220**
Total assets		**55,376**	**62,041**	**62,220**
Equity and liabilities				
Equity				
Equity share capital	8	110	110	110
Other equity	9	(7,688)	(2,743)	(2,564)
Total equity		**(7,578)**	**(2,633)**	**(2,454)**
Current liabilities				
Other current liabilities	10	62,954	64,674	64,674
		62,954	**64,674**	**64,674**
Total liabilities		**62,954**	**64,674**	**64,674**
Total equity and liabilities		**55,376**	**62,041**	**62,220**

As per our report of even date attached
for **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

Mrinal Kanti Banerjee
Partner
Membership No 051472

Bangalore
30th May 2018

for and on behalf of the Board of Directors of
Courtyard Constructions Private Limited

L.S. Vaidyanathan
Director
DIN: 00304652

Ashwini Kumar
Director
DIN: 02034498

Courtyard Constructions Private Limited
Statement of profit and loss for the year ended March 31, [illegible]
(All amounts in Indian Rupees Thousands, except as ot

	Notes	31-Mar-18 ₹	31-Mar-17 ₹
Revenue from operations		-	-
Other income	11	1,809	-
Total income		**1,809**	-
Expenses			
Other expenses	12	6,754	179
Total expenses		6,754	179
Profit/ (Loss) before tax		(4,945)	(179)
Current tax assets (net)	13		
Current tax			
MAT credit entitlement		-	-
Income tax expense		-	-
Profit/ (Loss) for the year		(4,945)	(179)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(4,945)	(179)
Earnings per equity share [nominal value of ` 10 (Previous year - ` 10)]			
Basic		-449.55	-16.27
Diluted		-449.55	-16.27

As per our report of even date attached
for **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

Mrinal Kanti Banerjee
Partner
Membership No 051472

Bangalore
30th May 2018

for and on behalf of the Board of Directors of
Courtyard Constructions Private Limited

L.S. Vaidyanathan
Director
DIN: 00304652

Ashwini Kumar
Director
DIN: 02034498

Courtyard Constructions Private Limited
Statement of Changes in Equity for the year ended March 31, 2018
(All amounts in Indian Rupees Thousands, except as otherwise stated)

a. Equity share capital

	No of Shares	Amount in ₹
Equity shares of ` 10 each issued, subscribed and fully paid		
At April 1, 2016	10,980	110
At March 31, 2017	10,980	110
At March 31, 2018	**10,980**	**110**

b. Other equity

For the year ended March 31, 2018

	Reserves and Surplus	Total
	Retained Earnings	
As at April 1, 2016	(2,564)	(2,564)
Profit for the period	(179)	(179)
Other comprehensive income	-	-
Total comprehensive income	**(2,743)**	**(2,743)**
Less : Transferred during the year		-
Dividend distribution tax	-	-
Transfer from retained earnings	-	-
At March 31, 2017	**(2,743)**	**(7,688)**
As at April 1, 2017	(2,743)	(2,743)
Profit for the period	(4,945)	(4,945)
Other comprehensive income	-	-
Total comprehensive income	**(7,688)**	**(7,688)**
Less: Recoupment of revaluation reserve		-
Cash dividends	-	-
Dividend distribution tax	-	-
Transfer from retained earnings	-	-
At March 31, 2018	**(7,688)**	**(7,688)**

As per our report of even date attached
for **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

Mrinal Kanti Banerjee
Partner
Membership No. 051472

Bangalore
30th May 2018

for and on behalf of the Board of Directors of
Courtyard Constructions Private Limited

L.S. Vaidyanathan
Director
DIN: 00304652

Ashwini Kumar
Director
DIN: 02034498

Courtyard Constructions Private Limited
Statement of Cash Flows for the year ended March 31, 2018
(All amounts in Indian Rupees Thousands, except as otherwise stated)

	Notes	31-Mar-18	31-Mar-17
Operating activities			
Profit/ (Loss) before tax		(4,945)	(179)
Non-cash adjustment to reconcile profit before tax to net cash flows			
Working capital adjustments:			
(Increase)/ decrease in other financial and non-financial assets			
Increase/ (decrease) in provisions			
Increase/ (decrease) in other non-financial liabilities		6,630	2
Current tax assets (net)		(1,720)	-
		(35)	(177)
Net cash flows from/ (used in) operating activities (A)		(35)	(177)
Investing activities			
Interest received		-	-
Net cash flows from/ (used in) investing activities (B)		-	-
Financing activities			
Tax on equity dividend paid		-	-
Net cash flows from/ (used in) financing activities (C)		-	-
Net increase/ (decrease) in cash and cash equivalents		(35)	(177)
Cash and cash equivalents at the beginning of the year	7	2,253	2,430
Cash and cash equivalents at the end of the year	7	**2,218**	**2,253**
Components of cash and cash equivalents			
Cash on hand		-	0
Balance with banks			
- on current account		2,218	2,253
Total cash and cash equivalents		2,218	2,253

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7- Statement of Cash Flow".
(b) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (Rs. Nil)

Reconciliation of liabilities arising from financing activities

Particulars	As at 1st April, 2017	Changes as per statement of cash flows	As at 31st March, 2018
Current borrowings	-	-	-
Non-Current borrowings	-	-	-
Total Liabilities from Financing Activity	-	-	-

As per our report of even date attached
for Ray & Ray
Chartered Accountants
Firm registration number. 301072E

Mrinal Kanti Banerjee
Partner
Membership No 051472

Bangalore
30th May 2018

RAY & RAY CA's Bangalore

for and on behalf of the Board of Directors of
Courtyard Constructions Private Limited

L.S. Vaidyanathan
Director
DIN 00304652

Ashwini Kumar
Director
DIN: 02034498

Courtyard Constructions Private Limited

1 Corporate Information

Courtyard Constructions Private Limited (the Company or 'CCPL') was incorporated on 4th May 1995 under the provisions of the Companies Act applicable in India. Registered office of the Company is located at No-8, 7th Floor, Nitesh Timesquare, M G Road, Bangalore - 560001. CCPL is a real estate developer engaged in the business development, sale, management and operation of residential buildings and retail projects commercial premises and other related activities.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. Refer to note 22 for information on how the Company adopted Ind AS.

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

► Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in INR and all values are rounded off to the nearest thousands except when otherwise indicated

2.2 Summary of significant accounting policies

a) Revenue recognition

Revenue is recognised 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. Revenue does not include sales tax/ value added tax (VAT)/ GST as the same is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue

The specific recognition criteria described below must also be met before revenue is recognised.

i. Recognition of revenue from real estate development

Revenue from real estate projects is recognised 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 creteria must also be met before revenue is recognised.

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. 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 approval necessary for the commencement of the project has been obtained

b) the stage of completion of the project has reached a reasonable level of development, i.e., 25% or more of the construction and development cost related to project has been incurred,

c) at least 25% of the saleable project area is secured by sales contracts/ agreements with buyers,

d) at least 10% of the contract value as per the agreements of sale or any other legally enforcable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including land costs, borrowing costs and construction and development costs as compared to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. The changes to estimates also include changes arising out of cancellation of contracts. In such cases any revenues attributable to such contracts previously recognised are reversed.

When it is probable that total project costs will exceed total eligible project revenues, the expected loss is recognised as an expense immediately when such probability is determined.

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Courtyard Constructions Private Limited

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 project costs include fair value of land being offered for the project and 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

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 landowner, 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.

ii. Recognition of revenue from contractual projects

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The stage of completion on a project is measured on the basis of proportion of the contract work/based upon the contracts/ agreements entered into by the Company with its customers

iii. Unbilled Receivables & Billed Receivables in excess of revenue

Unbilled receivables represents revenue recognized based on Percentage of Completion Method over and above the amount due as per the payment plans agreed with the customers

Billing in excess of revenue represents the amount due as per the payment plans agreed with the customers over and above the revenue recognized based on Percentage of Completion Method.

iv. Share in profits/(loss) from investments in Association of Person ('AOP')

The Company's share in profits from AOP where the Company is a member, is recognized on the basis of such AOP's audited accounts, as per terms of the agreement

v. Income from Sale of Land & Plots

Sale of Land and plots (including development rights) is recognized in the financial year in which the agreement to sell is executed Where the Company has any remaining substantial obligations as per the agreements, revenue is recognized on the percentage of completion method of accounting

vi. Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method. Interest on delayed payment by customers are accounted when reasonable certainty of collection is established

vii. Dividend income

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholder approve the dividend.

b) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant & equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets.

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are expensed as incurred.

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Courtyard Constructions Private Limited

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 the existing asset beyond 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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition 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 asset is derecognised.

c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided 'Written Down Value Method' based on useful life as prescribed The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financil year end and adjusted prospectively, if appropriate.

d) Intangible Fixed Assets

Intangible assets are stated at cost less accumulated amortisation and net of impairements, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets/ Computer software is amortised using straight line method over a period of 5 years, which is estimted by the management to be the useful life of the asset.

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its intangible assets as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

e) Investment Property

Ind AS 101 permits a first-time adopter to measure an item investment property and investment property under construction at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

f) Segment reporting

Identification of segments - The Company's operating businesses are organized and managed separately according to the nature of products

and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Unallocated items - Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment

Segment accounting policies - The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole

g) Foreign currency translation

Functional and presentation currency

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

Foreign currency transactions and balances

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

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

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

h) Impairement of 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) fair value less costs of disposal and its value in use. 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. When 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised 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.

i) Impairement of 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 recognises lifetime expected losses for all contract assets 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.

j) 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The real estate development projects undertaken by the Company generally run over a period ranging upto 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of upto 5 years. Borrowings in connection with such projects are classified as short-term (i.e current) since they are payable over the term of the respective projects.

Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realised / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

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

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k) Fair value measurement

The Company measures financial instruments, such as investments at fair value at each balance sheet date

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
► In the principal market for the asset or liability, or
► In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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

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

l) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

Financial assets
Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
Debt instruments at amortised cost
Debt instruments at fair value through other comprehensive income (FVTOCI)
Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:
► The rights to receive cash flows from the asset have expired, or
► The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities
Initial recognition and measurement

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.

Subsequent measurement

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The measurement of financial liabilities depends on their classification as described below

m) 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.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

n) 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 acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventorisation/ capitalisation are charged to statement of profit and loss.

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

Derecognition

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

p) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less , which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the provident fund are due. There are no other obligations other than the contribution payable to the government administered provident fund.

Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end. The cost of providing benefits under gratuity is determined on the basis of actuarial valuation using the projected unit credit method at each year end.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period for which the services are rendered by the employee.

r) Provisions

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A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. 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 recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond 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 its existence in the financial statements, unless the possibility of an outflow of resources embodying economic benefit is remote

t) Earnings per share

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

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

u) Taxes

Tax expense comprises of current and deferred tax.

Current income tax
Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised

[illegible]

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

Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an 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 the year in which the Company recognizes MAT credit as an asset 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 created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset 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.

v) Land

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Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognised as land advance under loans and advances 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.

Land/ development rights received under joint development arrangements 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. Further, non-refundable deposit amount paid by the Company under joint development arrangements is recognised 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.

w) **Leases**

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the lower of the lease term or the estimated useful life of the asset unless there is reasonable certainty that the Company will obtain ownership, wherein such assets are depreciated over the estimated useful life of the asset.

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

Where the Company is lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

x) **Inventories**

Direct expenditure relating to real estate activity is accounted to inventories. Other expenditure (including borrowing costs) during construction period are accounted to inventories 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) Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv) 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.

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.

3 Significant accoutning judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, 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.

a) **Judgements**

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In the process of applying the accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

i) **Going concern**

These financial statements have been prepared on a going concern basis notwithstanding accumulated losses as at the balance sheet date and a negative net current assets situation.
These financial statements therefore do not include any adjustments relating to recoverability and classification of asset amounts or to classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

ii) **Classification of property**
The Company determines whether a property is classified as investment property or inventory as below

Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Company develops and intends to sell before or during the course of construction or upon completion of construction.

b) Estimates and assumptions

The key 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 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.

i) **Revenue recognition, contract costs 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 projects. The percentage of completion is measured by reference to the stage of the projects determined based on the proportion 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.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

ii) **Accounting for revenue and land cost for projects executed through joint development arrangements ('JDA')**
For projects executed through joint development arrangements, as explained in note 2.2(a) under significant accounting policies 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.

iii) **Estimation of net realizable value for inventory (including land advance)**
Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

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With respect to Land advance given, the net recoverable value is based on the present value of future cash flows which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion the discount rate used and the estimation of sale prices and construction costs

iv) 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. 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.

v) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

vi) Useful lives of property, plant and equipment

There are no property, plant and equipment at the end of each reporting period.

vii) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

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

For projects executed through joint development arrangements, as explained in note 2.2(a) under significant accounting policies, the revenue from the development and transfer of constructed area/revenue sharing arrangement 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

ix) Employee benefits

There are no employees in the company during the reporting period.

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Notes to the financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Thousands, except as otherwise stated)

4 Inventories (valued at lower of cost and net realizable value)

	31-Mar-18	31-Mar-17	01-Apr-16
Land	53,144	53,144	53,144
	53,144	**53,144**	**53,144**

5 Loans (Unsecured, considered good unless otherwise stated)

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Other loans and advances						
Advance towards Participation in Real Estate Development Project	6,644	6,644	6,644	-	-	-
	6,644	6,644	6.644	-	-	-
Less: Provision for doubtful debts/advances*	6,644	-	-	-	-	-
Advances recoverable in cash or kind	-	6,644	6,644	-	-	-
	-	**6,644**	**6,644**	-	-	-

*The Company has advanced to various parties for purchase/joint development of land/properties. Considering the timelines of these advances and the period for conversion of these advances into acquired land /joint development agreements ranging between seven to ten years of time for the recoverability/conversion, the management keeping in view the long term nature of these advances and as an abundant caution, provision has been made on the basis of life time expected credit loss.

6 Other assets

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Others						
Prepaid expenses	14		3	-	-	-
	14	-	**3**	-	-	-

7 Cash and cash equivalent

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Balances with banks:						
– On current accounts	2,218	2,253	2,429	-	-	-
Cash on hand	-	0	1	-	-	-
	2,218	**2,253**	**2,430**	-	-	-

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	31-Mar-18	31-Mar-17	01-Apr-16
Balances with banks:			
On current accounts	2,218	2,253	2,429
Cash on hand	-	0.3	1
	2,218	2,253	2,430
	2,218	**2,253**	**2,430**

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Notes to the financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Thousands, except as otherwise stated)

8 Equity Share Capital

	31-Mar-18	31-Mar-17	01-Apr-16
Authorised shares			
250,000 (As at March 31, 2017 - 250,000; 2016-2,50,000) Equity Shares Rs. 10/- each	2,500	2,500	2,500
Issued, subscribed and fully paid-up shares			
10,980 (As at March 31, 2017 - 10,980; 2016- 10,980 Equity Shares of Rs. 10/- each	110	110	110
Total issued, subscribed and fully paid-up share capital	110	110	110

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

	31-Mar-18 No of Shares		31-Mar-17 No of Shares		01-Apr-16 No of Shares	
Equity shares						
At the beginning of the year	10,980	110	10,980	110	10,980	110
Issued during the year	-	-	-	-	-	-
Bought back during the year	-	-	-	-	-	-
Outstanding at the end of the year	10,980	110	10,980	110	10,980	110

(b) Rights, preferences and restrictions attached to equity shares

During the year ended 31 March 2018, the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (Previous year Rs.Nil)

In 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. The distribution will be in proportion to the number of equity shares held by the shareholders

c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity and preference shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017	As at 1st April 2016	As at 1st April 2016
Nitesh Estates Limited						
5,490(Previous year - Nil) equity shares of ₹10 each fully paid up *	5,490	55		-		
Nitesh Urban Development Private Limited	5,490	55	5,490	55	5,490	55

d) Details of shareholders holding more than 5% shares in the Company

	31-Mar-18 No of Shares	31-Mar-18 Holding percentage	31-Mar-17 No of Shares	31-Mar-17 Holding percentage	01-Apr-16 No of Shares	01-Apr-16 Holding percentage
Equity shares of `10 each fully paid up						
Nitesh Estates Limited	5,490	50.00%	-	-	-	
Nitesh Urban Development Private Limited	5,490	50.00%	5,490	50.00%	5,490	50.00%
D N Bhudrani	-	-	2,745	25.00%	2,745	25.00%
H N Bhudrani	-	-	2,735	24.91%	2,735	24.91%

e) There have been no buy back of shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet.

9 **Other equity**

Retained earnings

	31-Mar-18	31-Mar-17	01-Apr-16
RESERVES AND SURPLUS			
Retained Earnings	(7,688)	(2,743)	(2,564)
Retained Earnings	**(7,688)**	**(2,743)**	**(2,564)**
Balance as per last financial statements	(2,743)	(2,564)	
Profit for the year	(4,945)	(179)	
Other comprehensive income	-	-	
Total	**(7,688)**	**(2,743)**	

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10 Other liabilities

	Current			Non-Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Other payables						
Payable to related parties(Note 14)	62,850	62,850	62,850	-	-	-
Other Liabilities	104	1,824	1,824			
	62,954	**64,674**	**64,674**	-	-	-

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11 Other income

	31-Mar-18	31-Mar-17
Provisions no longer required written back	1,809	-
	1,809	**-**

12 Other expenses

	31-Mar-18	31-Mar-17
Payment to auditors-Refer (i) note below	11	10
Professional and consultancy charges	62	-
Provision for doubtful debts and advances	6,644	
Miscellaneous expenses	37	169
	6,754	**179**

Note (i) - Payment to auditor

	31-Mar-18	31-Mar-17
As auditor:		
Statutory audit fees	10	10
Reimbursement of expenses	1	-
	11	**10**

13 Income Tax

There is no income tax and deferred tax charge for the year and hence no reconciliation has been made

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14 Related Party Disclosure

a List of related parties

Holding Company
Nitesh Estates Limited

Fellow Subsidiary Companies
Nitesh Urban Development Private Limited
Nitesh Housing Developers Private Limited
Nitesh Office Parks Private Limited (formerly Kakanad Enterprises Private Limited)
Nitesh Property Management Private Limited
Nitesh Indiranagar Retail Private Limited
Nitesh Pune Mall Private Limited

Associate of holding company
Nitesh Estates Whitefield

Enterprises owned or significantly influenced by Key Managerial Person
Key management personnel
Mr. L S Vaidyanathan [Director]
Mr Pradeep Narayan[Additional Director]
Mr Ashwini Kumar[Director]

b Transactions with related parties

Particulars	For year ended 31st march 2018	For year ended 31st march 2017
Repaid advance		
Avani Financial & Real Estate P. ltd.	37,850.00	-
Advances received		
Nitesh Estates Limited	37,850	-
Paid for Real Estate Project		
Birch Investment Pvt. Ltd.	-	
HMG Estate & Housing Ltd.	3,760	-
Khubchandani Interbuild Pvt. Ltd.	174	-
Mr. Khubchandani	2,200	-
L S Vaidyanathan	3	-
	5	-

c Amount outstanding at the balance sheet date

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Payable towards Real Estate Project			
Avani Financial & Real Estate P. ltd.(Associate company as on 31.03.2017)	-	37,850	37,850
Advances			
Nitesh Urban Development Pvt. Ltd.	25,000	25,000	25,000
Nitesh Estates Limited	37,850	-	-
Paid for Real Estate Project			
Birch Investment Pvt. Ltd.			
HMG Estate & Housing Ltd.	-	3,760	3,760
Khubchandani Interbuild Pvt. Ltd.	-	174	174
Mr. Khubchandani	-	2,200	2,200
Amount Payable	-	3	3
L S Vaidyanathan			
Guarantee received from the holding company:	-	5	5
Nitesh Estates Limited	1,50,000	1,50,000	1,50,000

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15 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Fair Value through OCI	Amortised Cost	Fair Value through OCI	Amortised Cost	Fair Value through OCI	Amortised Cost
Financial assets						
Cash and cash equivalents	-	2,218	-	2,253	-	2,430
Loans	-	-	-	6,644	-	6,643
	-	**2,218**	-	**8,897**	-	**9,073**

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the period.

The carrying amounts of other payables & cash and cash equivalents are considered to be the same as their fair values. due to their short-term nature

(All amounts in Indian Rupees Thousands, except as otherwise stated)

16 Earnings per share ['EPS']

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-18	31-Mar-17
Profit after tax attributable to shareholders (Amount in Rs)	-4,945	-179
Weighted average number of Equity Shares outstanding during the year		
Effect of dilution:	10,980	10,980
Weighted average number of Equity Shares	10,980	10,980

17 Going Concern

The Company has incurred losses in the current year and previous years and its net worth has been fully eroded by the accumulated losses of the past periods. The Company is facing liquidity issues and is able to operate uninterruptedly with continued support from its holding company Accordingly, the management believes that the Company will continue as a going concern and thereby realize its assets and discharge its liabilities in the normal course of its business and hence the accounts of the Company have been continued to be prepared on the basis of going concern.

18 Disclosure for Specified Bank Notes

Disclosure of details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 has been provided in the table below:

( )

	SBNs	Other denomination notes *	Total
Closing cash in hand as on November 8, 2016	NIL	1,013	1,013
(+) Cash withdrawal	NIL	4,000	4,000
(-) Permitted payments	NIL	4,693	4,693
Closing cash in hand as on December 30, 2016	NIL	320	320

* Permitted receipts and payments of other denomination notes disclosed above should not be construed as permitted receipts and permitted payments as permitted by RBI from time to time pursuant to the introduction of the demonetisation scheme by the Government vide RBI circular - RBI/2016-17/112 dated November 8, 2016. These are general receipts and payments of other denomination notes.

(All amounts in Indian Rupees Thousands, except as otherwise stated)

19 Financial instruments- accounting classification and fair value measurement.

The carrying values of trade and other receivables, other assets, cash and short term deposits, trade and other payables, based on their notional amounts. Company's assets and liabilities which are measeured at amortised cost

	31st March 2018		31st March 2017		1st April 2016	
	Carrying Value	Amortised cost	Carrying Value	Amortised cost	Carrying Value	Amortised cost
Financial assets at amortized cost:						
Cash and cash equivalents	2,218	2,218	2,253	2,253	2,430	2,430
Loans	-	-	6,644	6,644	6,643	6,643
	2,218	**2,218**	**8,897**	**8,897**	**9,073**	**9,073**

20 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain strong credit rating and heathy capital ratios in order to support its business and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio minimal. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. Further, advances received from customers pursuant to agreements, wherein the Company has committed prescribed return to customers contingent on exercise of the option given to such customers on expiry of the prescribed time period, including the amount of such return accrued by the company using effective interest method has been considered as part of net debt by the Company.

	31-Mar-18	31-Mar-17	01-Apr-16
Other current liabilities	62,954	64,674	64,674
Less: Cash and cash equivalents	2,218	2,253	2,430
Net debt	**65,172**	**66,927**	**67,104**
Equity Share Capital	110	110	110
Other Equity	(7,688)	(2,743)	(2,564)
Total capital	**(7,578)**	**(2,633)**	**(2,454)**
Capital and net debt	**57,594**	**64,294**	**64,650**
Gearing ratio	113%	104%	104%

21 Standards issued but not yet effective

The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards when they become effective.

Ind AS 115 Revenue from Contracts with Customers

Introduction of Ind AS 115, Revenue from Contracts with Customers

Ministry of Corporate Affairs has notified Ind AS 115 'Revenue from Contracts with Customers', which is effective from April 01, 2018, early adoption of which is not permitted. The new standard outlines the principle that revenue should be recognised when an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. The Company will adopt Ind AS 115 effective from April 01, 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

Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

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On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 01, 2018. The Company's operation primarily relate to operations in India. The directors of the Company do not anticipate that the application of the new standard in future will have significant impact on the financial statement.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

These amendments are effective for annual periods beginning on or after 1 April 2018.

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22 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP)

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017

Exemptions applied

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

a) The estimates at April 1, 2016 and March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments did not reflect any differences in accounting policies) except for the items where application of Indian GAAP did not require similar estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016 the date of transition to Ind AS and as of March 31, 2017

b) An entity estimates in accordance with Ind AS at the date of tranastion to Ind AS shall be consisitant with estimate made for the same date in accordance with previouse GAAP, unless there is objective evidence that those estimates were in error

The transition from Indian GAAP to Ind AS has not had any material impact on the statement of cash flows, statement of changes in equity and on total comprehensive income and hence no reconciliation has been made

23 Segment reporting

There are no reportable segments other than 'Real Estate business' as per Ind AS 108, "Operating Segment"
The Company does not have transactions of more than 10% of total revenue with any single external customer

24 Prior year comparatives

The figures of the previous years' have been regrouped/reclassified, wherever necessary, to conform with the current year's classification

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