**Hagwood Commercial Developers Private Limited**

# Ind AS Financial Statements together with the Independent Auditors' Report for the year ended 31 March 2018

# Hagwood Commercial Developers Private Limited

**Ind AS financial statements together with the Independent Auditors' Report**

*for the year ended 31 March 2018*

***Contents***

B S R & Co. LLP
Chartered Accountants

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India

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# Independent Auditors' Report

## To the Members of
## Hagwood Commercial Developers Private Limited

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Hagwood Commercial Developers Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows 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 state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditors' 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.

## Independent Auditors' Report *(Continued)*

# Hagwood Commercial Developers Private Limited

**Auditors' Responsibility** ***(Continued)***

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 Auditors' 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 are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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 of the state of affairs of the Company as at 31 March 2018, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Other matters**

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 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 the predecessor auditor, M/s. S G C O & Co. LLP and M/s. S G C O & Co., Chartered Accountants, respectively whose reports for the year ended 31 March 2017 and 31 March 2016 dated 16 May 2017 and 16 May 2016 respectively expressed an unmodified opinion on those financial statements, adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above matter.

## Independent Auditors' Report *(Continued)*

# Hagwood Commercial Developers Private Limited

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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 the paragraphs 3 and 4 of the Order.

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

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;

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

   (c) the Balance sheet, the Statement of profit and loss (including other comprehensive income), the cash flow statement and the Statement of changes in equity dealt with by this report are in agreement with the books of account;

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

   (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the board of directors, none of the directors is 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"; and

   (g) with respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;

      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 which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2018; and

MP

**Independent Auditors' Report *(Continued)***

# Hagwood Commercial Developers Private Limited

**Report on Other Legal and Regulatory Requirements *(Continued)***

iv. the disclosures in the Ind AS financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed. Refer Note 41 of the Ind AS financial statements.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

MPardiwalla

**Mansi Pardiwalla**
*Partner*
Membership No: 108511

Mumbai
28 May 2018

# Hagwood Commercial Developers Private Limited

## Annexure A to the Independent Auditors' Report – 31 March 2018

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets including property, plant and equipment and investment properties.

(b) The Company has a regular programme of physical verification of its fixed assets including property, plant and equipment and investment properties by which the fixed assets including property, plant and equipment and investment properties are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified its fixed assets including property, plant and equipment and investment properties during the year and we are informed that no material discrepancies were noticed on such verification, and the same have been dealt with in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 4 to the Ind AS financial statements, are held in the name of the Company.

(ii) The inventory of construction materials and components have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has not given any loans, or provided any securities or given any guarantees to the parties covered under Section 185 and 186 of the Act. In our opinion and according to the information and explanations given to us, in respect of investments made, the Company has complied with the provisions of Section 186 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company.

# Hagwood Commercial Developers Private Limited

## Annexure A to the Independent Auditors' Report – 31 March 2018 *(Continued)*

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and service tax, Provident fund, Service tax, Works contract tax, Cess and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues of Professional tax, Income tax, Maharashtra labour welfare fund and Value added tax have generally been regularly deposited with the appropriate authorities, though there has been a slight delays in a few cases. As explained to us, the Company did not have any dues on account of Employees' state insurance, duty of excise, duty of customs and sales tax.

According to the information and explanations given to us, no material undisputed amounts payable in respect of Goods and service tax, Provident fund, Service tax, Works contract tax, Cess, Professional tax, Income Tax 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. *The undisputed amounts payable in respect of Value added tax of Rs 50.07 lakhs were in arrears as at 31 March 2018 for a period of more than six months from the date it became payable.*

(b) According to the information and explanations given to us, there are no dues of Goods and Service tax, Value added tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, following dues of Income tax have not been deposited by the Company on account of disputes:

(Rs in lacs)

| Name of the statute | Nature of the dues | Amount of demand under dispute (Rs) | Amount under dispute not deposited (Rs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Income -tax Act, 1961 | Income-tax | 4.82 | 4.82 | AY 2012-2013 | Income Tax Appellate Tribunal |
| Income-tax Act, 1961 | Income-tax | 4.43 | 4.43 | AY 2013-2014 | Income Tax Appellate Tribunal |
| Income-tax Act, 1961 | Income-tax | 6.73 | 6.73 | AY 2014-2015 | Income Tax Appellate Tribunal |

# Hagwood Commercial Developers Private Limited

## Annexure A to the Independent Auditors' Report – 31 March 2018 *(Continued)*

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and financial institution during the year. The Company did not have any dues to debenture holders and loans or borrowings from government during the year.

(ix) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during this period. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with the related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

(xiv) 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. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) 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 with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

# Hagwood Commercial Developers Private Limited

## Annexure A to the Independent Auditors' Report – 31 March 2018 *(Continued)*

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No : 101248W/W-100022

M Pardiwalla

**Mansi Pardiwalla**
*Partner*
Membership No: 108511

Mumbai
28 May 2018

# Hagwood Commercial Developers Private Limited

## Annexure B to the Independent Auditors' Report – 31 March 2018

(Referred to in our report of even date)

**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 Hagwood Commercial Developers 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 ('the Act').

**Auditors' Responsibility**

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

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

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

# Hagwood Commercial Developers Private Limited

## Annexure B to the Independent Auditors' Report – 31 March 2018 *(Continued)*

### 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 the Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 ICAI.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

MPardiwalla

**Mansi Pardiwalla**
*Partner*
Membership No: 108511

Mumbai
28 May 2018

## Hagwood Commercial Developers Private Limited

**Balance sheet**
*as at 31 March 2018*

(Currency : Indian Rupees in Lakhs)

| | *Note* | **31 March 2018** | 31 March 2017 | 1 April 2016 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | *3* | **81.76** | 23.97 | 35.10 |
| Investment property | *4* | **8,942.84** | 8,752.00 | 8,752.00 |
| Investment property under construction | *5* | **2,629.78** | 201.31 | 152.23 |
| Financial assets | | | | |
| Investments | *6* | **7,686.74** | 8,107.42 | 5,995.94 |
| Other financial assets | *7* | **50.64** | 70.75 | 211.62 |
| Deferred tax assets (net) | *8* | **1,932.32** | 1,774.46 | 2,012.26 |
| Other non-current assets | *9* | **384.87** | 147.39 | 257.54 |
| **Other non-current assets** | | **21,708.95** | 19,077.30 | 17,416.69 |
| **Current assets** | | | | |
| Inventories | *10* | **6,316.77** | 7,484.12 | 6,761.97 |
| Financial assets | | | | |
| Trade receivables | *11* | **1,617.42** | 2,231.87 | 2,312.46 |
| Cash and cash equivalents | *12* | **74.34** | 65.87 | 128.64 |
| Loans | *13* | **96.40** | 253.26 | 359.01 |
| Other current assets | *14* | **96.90** | 74.93 | 43.49 |
| **Total current assets** | | **8,201.83** | 10,110.05 | 9,605.57 |
| **Total assets** | | **29,910.78** | 29,187.35 | 27,022.26 |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| Equity share capital | *15* | **1,541.50** | 1,541.50 | 1,541.50 |
| Other equity | *15.1* | **25,799.01** | 25,854.35 | 23,784.05 |
| **Total equity** | | **27,340.51** | 27,395.85 | 25,325.55 |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Financial liabilities | | | | |
| Borrowings | *16* | **32.95** | 3.85 | 13.81 |
| Other financial liabilities | *17* | **223.18** | 168.71 | 77.92 |
| Other non-current liabilities | *18* | **25.30** | 37.05 | 26.39 |
| Provisions | *19* | **4.96** | 4.38 | 2.50 |
| **Total non-current liabilities** | | **286.39** | 213.99 | 120.62 |
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| Borrowings | *20* | **-** | 31.16 | 250.39 |
| Trade payables | *21* | | | |
| Total outstanding dues to micro enterprise and small enterprise (refer note 21) | | **0.54** | 6.37 | 6.07 |
| Total outstanding dues to creditors other than micro enterprise and small enterprise | | **1,132.64** | 542.40 | 850.79 |
| Other financial liabilities | *22* | **125.53** | 113.13 | 43.24 |
| Other current liabilities | *23* | **953.21** | 744.90 | 141.40 |
| Provisions | *24* | **15.46** | 22.74 | 19.44 |
| Current tax liabilities (net) | *25* | **56.50** | 116.81 | 264.76 |
| **Total current liabilities** | | **2,283.88** | 1,577.51 | 1,576.09 |
| **Total equity and liabilities** | | **29,910.78** | 29,187.35 | 27,022.26 |

| | |
|---|---|
| Significant accounting policies | *2.2* |
| Notes to the Ind AS financial statements | *2.3 - 43* |

The accompanying notes form an integral part of these Ind AS financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Mansi Pardiwalla**
*Partner*
Membership No: 108511

Place : Mumbai
Date : 28 May 2018

**For and on behalf of the Board of Directors of**
**Hagwood Commercial Developers Private Limited**
CIN : U45201MH2006PTC164110

**Sudhanshu Chaturvedi**
*Managing Director*
DIN 05151360

**Deepa Hakani**
*Director*
DIN 07155347

**Sagar Gosar**
*Chief Finance Officer*

**Nidhi Chhawchharia**
*Company Secretary*
Membership No: A22240

HAGWOOD COMMERCIAL DEVELOPERS PVT. LTD.

Place : Mumbai
Date : 28 May 2018

# Hagwood Commercial Developers Private Limited

## Statement of profit and loss
*for the year ended 31 March 2018*

(Currency : Indian Rupees in Lakhs)

| | Note | 31 March 2018 | 31 March 2017 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 26 | **2,901.92** | 2,991.89 |
| Other income | 27 | **18.55** | 85.68 |
| **Total Income** | | **2,920.47** | 3,077.57 |
| **Expenses** | | | |
| Cost of construction | 28 | **990.31** | 2,891.65 |
| Increase/ (decrease) in inventories | 28 | **1,167.36** | (722.15) |
| Employee benefits expense | 29 | **59.30** | 53.50 |
| Depreciation expense | 30 | **110.85** | 11.52 |
| Other expenses | 31 | **313.16** | 489.81 |
| **Total Expenses** | | **2,640.98** | 2,724.33 |
| **Profit before tax** | | **279.49** | 353.24 |
| **Less : Tax expense:** | | | |
| Current tax | | **74.98** | 146.45 |
| Short provision of earlier years | | **-** | 10.12 |
| Deferred tax expenses/(credit) | | **(65.95)** | (227.60) |
| **Total tax expenses** | | **9.03** | (71.03) |
| **Profit for the year (A)** | | **270.46** | 424.27 |
| **Other comprehensive income (OCI)** | | | |
| **Items that will not be reclassified subsequently to profit or loss:** | | | |
| - Remeasurement of post employment benefit obligation | | **2.96** | (0.05) |
| - Gains/(losses) from investments in equity instruments measured at fair value through OCI | | **(420.68)** | 2,111.47 |
| - Income tax effect on above | | **91.91** | (465.39) |
| **Items that will be reclassified subsequently to profit or loss** | | **-** | - |
| **Other comprehensive (loss)/ income for the year, net of tax (B)** | | **(325.81)** | 1,646.03 |
| **Total comprehensive (loss)/ income for the year (A+B)** | | **(55.35)** | 2,070.30 |
| **Earnings per equity share** | 32 | | |
| (per equity share of nominal value Rs. 10 each) | | | |
| Basic and diluted (in Rs.) | | **1.75** | 2.75 |
| Significant accounting policies | 2.2 | | |
| Notes to the Ind AS financial statements | 2.3 - 43 | | |

The accompanying notes form an integral part of these Ind AS financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Mansi Pardiwalla**
*Partner*
Membership No: 108511

**For and on behalf of the Board of Directors of Hagwood Commercial Developers Private Limited**
CIN : U45201MH2006PTC164110

**Sudhanshu Chaturvedi**
*Managing Director*
DIN 05151360

**Deepa Hakani**
*Director*
DIN 07155347

**Sagar Gosar**
*Chief Finance Officer*

**Nidhi Chhawchharia**
*Company Secretary*
Membership No: A22240

Place : Mumbai
Date : 28 May 2018

Place : Mumbai
Date : 28 May 2018

Hagwood Commercial Developers Private Limited

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

(Currency : Indian Rupees in Lakhs)

### A) Equity share capital

| Particulars | Note | Number in lakhs | Amount |
|---|---|---|---|
| Equity shares of Rs. 10 each issued, subscribed and paid | | | |
| Balance as at 1 April 2016 | 15 | 154.15 | 1,541.50 |
| Changes in equity share capital for the year ended 31 March 2017 | | - | - |
| **Balance as at the 31 March 2017** | | 154.15 | 1,541.50 |
| Changes in equity share capital for the year ended 31 March 2018 | | - | - |
| **Balance as at the 31 March 2018** | | 154.15 | 1,541.50 |

### B) Other equity

| | Note | Reserves and surplus | | Other comprehensive income | | Total |
|---|---|---|---|---|---|---|
| | 15.1 | Securities premium reserve | Retained earnings | Gain / (loss) on fair value of investments | Gain / (loss) on fair value of defined benefit plans | |
| **Balance as at 1 April 2016** | | 20,964.58 | 2,819.47 | - | - | 23,784.05 |
| Total comprehensive income for the year | | - | 424.27 | 1,646.06 | (0.03) | 2,070.30 |
| **Balance as at the 31 March 2017** | | 20,964.58 | 3,243.74 | 1,646.06 | (0.03) | 25,854.35 |
| Total comprehensive income for the year | | - | 270.46 | (327.95) | 2.15 | (55.34) |
| **Balance as at the 31 March 2018** | | 20,964.58 | 3,514.20 | 1,318.11 | 2.11 | 25,799.01 |

As per our report of even date attached

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Mansi Pardiwalla**
*Partner*
Membership No: 108511

Place : Mumbai
Date : 28 May 2018

**For and on behalf of the Board of Directors of**
**Hagwood Commercial Developers Private Limited**
CIN : U45201MH2006PTC164110

**Sudhanshu Chaturvedi**
*Managing Director*
DIN 05151360

**Deepa Hakani**
*Director*
DIN 07155347

**Sagar Gosar**
*Chief Financial Officer*

**Nidhi Chhawchharia**
*Company Secretary*
Membership No: A22240

HAGWOOD COMMERCIAL DEVELOPERS PVT. LTD.

Place : Mumbai
Date : 28 May 2018

# Hagwood Commercial Developers Private Limited

## Statement of cash flows

*for the year ended 31 March 2018*

(Currency : Indian Rupees in Lakhs)

| | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **A. Cash flows from operating activities:** | | |
| Profit before tax | **279.49** | 353.24 |
| *Adjustments for:* | | |
| Depreciation expense | **110.85** | 11.52 |
| Provision for expected credit loss | **89.29** | 294.92 |
| Remeasurement of defined benefit obligation | **2.96** | (0.05) |
| Dividend income on current investments | **(1.02)** | (2.03) |
| Interest income on short term loans and advances | **(0.41)** | (74.78) |
| **Operating cash flows before working capital changes** | **481.16** | 582.82 |
| **Adjustments for changes in working capital:** | | |
| (Increase) in inventories | **(1,095.75)** | (722.15) |
| Decrease in trade receivables | **614.45** | 80.59 |
| (Increase) in other financial assets | **(69.18)** | (154.05) |
| (Increase)/decrease in other assets | **(259.44)** | 78.71 |
| (Decrease)/increase in provisions | **(6.70)** | 5.18 |
| Increase in other financial liabilities | **54.61** | 159.73 |
| Increase in other liabilities | **196.56** | 614.16 |
| Increase/(decrease) in trade payables | **584.41** | (308.09) |
| **Cash flows generated from operations** | **500.12** | 336.90 |
| Direct taxes paid (net of refunds received) | **(135.29)** | (304.52) |
| **Net cash flows generated from operating activities (A)** | **364.83** | 32.38 |
| **B. Cash flows from investing activities:** | | |
| Payments for property, plant and equipment and investment property | **(359.48)** | (0.39) |
| (Increase) in capital work in progress | **(165.37)** | (49.08) |
| Repayment of loans given | **156.86** | 105.75 |
| Dividend received | **1.02** | 2.03 |
| Interest received | **0.41** | 74.78 |
| **Net cash flows (used in) / generated from investing activities (B)** | **(366.56)** | 133.09 |
| **C. Cash flows from financing activities:** | | |
| Repayment/ proceeds from long-term borrowings | **41.36** | (9.01) |
| Repayment/ proceeds from short-term borrowings | **(31.16)** | (219.23) |
| **Net cash flows generated from/ (used in) financing activities (C)** | **10.20** | (228.24) |
| **Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | **8.47** | (62.77) |
| Cash and cash equivalents at the beginning of the year | **65.87** | 128.64 |
| **Cash and cash equivalents at the end of the year** | **74.34** | 65.87 |

The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Cash Flow Statement prescribed in Companies (Indian Accounting Standard) Rules, 2015, notified under section 133 of the Companies Act, 2013.

The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April ,2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendments.

| **Components of cash and cash equivalents considered only for the purpose of cash flow statement** | | |
|---|---|---|
| Cash in hand | **1.36** | 3.41 |
| In bank- current accounts | **72.98** | 62.46 |
| | **74.34** | 65.87 |

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Chartered Accountants

HAGWOOD COMMERCIAL DEVELOPERS PVT. LTD.

# Hagwood Commercial Developers Private Limited

**Statement of cash flows**
*for the year ended 31 March 2018*

(Currency : Indian Rupees in Lakhs)

**Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities**

| Particulars | 31 March 2017 | Cash flows | Non-cash changes | | 31 March 2018 |
|---|---|---|---|---|---|
| | | | Fair value changes | Current / Non - current classification | |
| Long-term borrowings | 3.85 | 41.36 | - | (12.26) | 32.95 |
| Short-term borrowings | 31.16 | (31.16) | - | - | - |
| Other financial liabilities | 9.77 | - | - | 12.26 | 22.03 |
| **Total liabilities from financing activities** | **44.78** | **10.20** | **-** | **-** | **54.98** |

As per our report of even date attached

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

NPardiwalla

**Mansi Pardiwalla**
*Partner*
Membership No: 108511

Place : Mumbai
Date : 28 May 2018

**For and on behalf of the Board of Directors of**
**Hagwood Commercial Developers Private Limited**
CIN : U45201MH2006PTC164110

**Sudhanshu Chaturvedi**
*Managing Director*
DIN 05151360

**Deepa Hakani**
*Director*
DIN 07155347

**Sagar Gosar**
*Chief Finance Officer*

**Nidhi Chhawchharia**
*Company Secretary*
Membership No: A22240

HAGWOOD COMMERCIAL DEVELOPERS PVT. LTD.

Place : Mumbai
Date : 28 May 2018

## Notes to the Ind AS financial statements

*for the year ended 31 March 2018*

(Currency: Indian Rupees in Lakhs)

### 1 Corporate information

Hagwood Commercial Developers Private Limited (the Company) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of developing, owning and operating of shopping malls, commercial and residential premises.

### 2.1 Basis of preparation

#### (a) Statement of compliance

These standalone Ind AS financial statements (hereinafter "Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The Company's standalone financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act. As these are the Company's first Ind AS financial statements prepared in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported standalone financial position, standalone financial performance and standalone cash flows of the Company is provided in note 2.3 to these Ind AS financial statements.

These Ind AS financial statements for the year ended 31 March 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 28 May 2018.

Details of accounting policies are included in Note 2.2 to the Ind AS financial statements.

#### (b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items:

| Items | Measurement basis |
|---|---|
| Certain financial assets and liabilities | Fair value (refer note 2.2 (A)) |
| Net defined benefit (asset) / liability | Fair value of plan assets less present value of defined obligations |

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**2.1 Basis of preparation *(Continued)***

**(c) Functional and presentation currency**

These Ind AS financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

**(d) Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

***Assumptions and estimation uncertainties***

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 8 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 34 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 19, 24 and 33 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 39 - impairment of financial assets and
- Note 2.2 (B) and 2.2 (C) - estimation of useful life of property, plant and equipment and investment properties.

**(e) Measurement of fair values**

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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**2.1 Basis of preparation *(Continued)***

**(e) Measurement of fair values *(Continued)***

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 39 – financial instruments and
- Note 4 – investment property

**(f) Current vs non-current classification**

All assets and liabilities are classified into current and non-current.

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within twelve months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the balance sheet date; or

(d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

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**2.1 Basis of preparation *(Continued)***

**(f) Current vs non-current classification *(Continued)***

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

**2.2 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS balance sheet at 1 April 2016 for the purposes of the transition to Ind AS, unless otherwise indicated.

***A.* Financial instruments**

***(i) Recognition and initial measurement***

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

***(ii) Classification and subsequent measurement***

*Financial assets*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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**2.2 Significant accounting policies *(Continued)***

***A.* Financial instruments *(Continued)***

***(ii) Classification and subsequent measurement (Continued)***

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designates as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces on accounting mismatch that would otherwise arise.

*Financial assets: Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profit, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

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## 2.2 Significant accounting policies *(Continued)*

### *A.* Financial instruments *(Continued)*

#### *(ii) Classification and subsequent measurement (Continued)*

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset

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## 2.2 Significant accounting policies *(Continued)*

### A. Financial instruments *(Continued)*

#### *(ii) Classification and subsequent measurement (Continued)*

acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost- These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI- These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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**2.2 Significant accounting policies *(Continued)***

### *A.* Financial instruments *(Continued)*

#### *(iii) Derecognition*

*Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

*Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

#### *(iv) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### *B.* Property, plant and equipment

#### *(i) Recognition and measurement*

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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**2.2 Significant accounting policies *(Continued)***

**B. Property, plant and equipment *(Continued)***

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

***(ii) Transition to Ind AS***

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer note 2.3).

***(iii) Subsequent expenditure***

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

***(iv) Depreciation***

Depreciation on Property, Plant and Equipment of the company has been provided as per written down value method as per the estimated useful lives of the respective item of Property, Plant and Equipment indicated in Part 'C' of Schedule II of the Act.

The details are set out as below:

| Asset | Useful life as per Schedule II |
|---|---|
| Furniture and fixtures | 10 years |
| Motor vehicles | 8 years |
| Computers | 3 years |
| Office equipments | 5 years |

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**2.2 Significant accounting policies *(Continued)***

### *B.* Property, plant and equipment *(Continued)*

***(v) Capital work-in progress and capital advances***

Capital work-in progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as 'Other non-current assets'.

### *C.* Investment Property

***(i) Recognition and measurement***

Investment properties are held to earn rentals or for capital appreciation, or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

***(ii) Transition to Ind AS***

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties (refer note 2.3).

***(iii) Subsequent expenditure***

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the item is recognized in Statement of Profit and Loss.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the note no 4 of the Ind AS financial statements.

***(iv) Depreciation***

Depreciation on Investment Property has been provided as per written down value method as per the useful lives indicated in Part 'C' of Schedule II of the Act or based on management estimates using technical evaluation.

**2.2 Significant accounting policies *(Continued)***

### *C. Investment Property (Continued)*

The details are set out as below:

| Asset category | Useful life estimated by the management | Useful life as per Schedule II of the Act |
|---|---|---|
| Building | 5 years | 60 years |

### *D. Impairment*

#### *(i) Impairment of financial instruments*

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

*Trade and other receivables*

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected, etc. and expectations about future cash flows.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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**2.2 Significant accounting policies *(Continued)***

***D. Impairment***

***(i) Impairment of financial instruments (Continued)***

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

*Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

*Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

*Write off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generated sufficient cash flows to be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

***(ii) Impairment of non-financial assets***

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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**2.2 Significant accounting policies *(Continued)***

***D. Impairment (Continued)***

***(ii) Impairment of non-financial assets (Continued)***

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

***E. Employee benefits***

***(i) Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

***(ii) Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined

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## 2.2 Significant accounting policies *(Continued)*

### *E. Employee benefits (Continued)*

#### (ii) *Defined contribution plans*

Defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### *(iii) Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### *(iv) Other long-term employee benefits*

The Company net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The

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## 2.2 Significant accounting policies *(Continued)*

### *E. Employee benefits (Continued)*

#### *(iv) Other long-term employee benefits*

obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognises in profit or loss in the period in which they arise.

### *F. Provisions (other than for employee benefits)*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflows of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

### *G. 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.

#### *(i) Revenue from operations*

Revenue is recognised in accordance with the Guidance Note on "Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" issued by the Institute of Chartered Accountants of India ("ICAI").

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method subject to transfer of significant risk and rewards to the buyer and outcome of the real estate project can be estimated reliably.
Percentage of completion is determined with reference to the entire project cost incurred versus total estimated project cost determined based upon the judgment of management. Accordingly, cost of construction / development is charged to Statement of Profit and Loss in proportion to the revenue recognized during the year and balance costs are carried as part of 'Project Work in Progress' under inventories. Amounts receivable/received are reflected as Debtors/Advances from Customers, respectively, after considering income recognized in the aforesaid manner. The estimates of saleable area and costs are revised periodically by the management and are considered as change in estimate accordingly, the effect of such changes to estimates is recognized in the year when such changes are determined.

Land and transferable development rights (TDR) cost is not included in computing the percentage of project completion for recognizing revenue.

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**2.2 Significant accounting policies *(Continued)***

G. ***Revenue recognition (Continued)***

***(i) Revenue from operations (Continued)***

Revenue from sale of completed properties is recognised upon the transfer of significant risks and rewards to the buyer i.e revenue is recognized either on execution of an agreement or a letter of allotment or a letter of intent.

***(ii) Dividend Income***

Dividend income is recognized in the statement of profit and loss on the date the entity's right to receive the payments is established.

All revenue is stated exclusive of goods and service tax.

***H. Leases***

***(i) Determining whether an arrangement contains a lease***

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

***(ii) Assets held under leases***

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

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**2.2 Significant accounting policies *(Continued)***

***H. Leases (Continued)***

***(iii) Lease payments***

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

***I. Recognition of interest income or expense***

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset that have become credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

***J. Income tax***

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

***(i) Current tax***

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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(Currency: Indian Rupees in Lakhs)

**2.2 Significant accounting policies *(Continued)***

***J. Income tax (Continued)***

***(ii) Deferred tax***

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax assets and liabilities will be realised simultaneously.

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

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**2.2 Significant accounting policies *(Continued)***

***J. Borrowing cost***

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

***K. Foreign exchange translation and accounting of foreign exchange transaction***

***(i) Initial Recognition***

Foreign currency transactions are initially 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. However, for practical reasons, the Company uses a monthly average rate if the average rate approximates the actual rate at the date of the transactions.

***(ii) Conversion***

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

***(iii) Treatment of Exchange Difference***

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

***L. Earnings per share***

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

***M. Cash and cash equivalents***

Cash and cash equivalent comprise of cash on hand and at banks and cheques on hand, which are subject to an insignificant risk of changes in value.

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**2.2 Significant accounting policies *(Continued)***

***N. Recent accounting pronouncements***

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

**(i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, the Ministry of Corporate Affairs (the MCA) 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 transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The amendment will come into force from April 1, 2018. The Company is evaluating the impact of this amendment on its financial statements.

**(ii) Ind AS 115 – Revenue from Contracts with Customers**

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in 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, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The company is evaluating the requirements of the IND AS 115 and the effect on the financial statements is being evaluated.

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**Note 2.3 : First time adoption of Ind AS**

**Explanation of Transition to Ind AS:**
As stated in Note 2.1 of the standalone Ind AS financial statements, these are the Company's first standalone financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company has prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act ('previous GAAP').
The accounting policies set out in Note 2.2 have been applied in preparing these standalone financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening standalone Ind AS balance sheet on the date of transition i.e. 1 April 2016.
In preparing its standalone Ind AS balance sheet as at 1 April 2016 and in preparing the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in standalone financial statements prepared in accordance with previous GAAP. The below note explains the principal adjustments made by the Company in restating its standalone financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's standalone financial position, standalone financial performance and standalone cash flows.

**A) Exemptions and exceptions availed**
**1) Ind-AS optional exemptions :**
Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Deemed cost
As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
– fair value;
– or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. As permitted by Ind AS 101, the Company has elected to measure all of its property, plant and equipment and investment property at their previous GAAP carrying value.

**b) Investments in subsidiaries, jointly controlled entities and associates**

Ind AS 101 provides an exemption to the first-time adopter to measure an investment in subsidiaries, jointly controlled entities and associates at:

a) cost determined in accordance with Ind AS 27; or
b) deemed cost, which shall be its:

i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
ii) previous GAAP carrying amount at that date.

The Company has elected fair value at the date of transition as deemed cost for its investment in fellow subsidiary company.

c) For financial instruments, wherein fair market values are not available (viz. interest free and below market rate security deposits or loans) the Company has elected to adopt fair value recognition prospectively to transactions entered after the date of transition.

**2) Ind AS mandatory exceptions :**

a) Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP apart from the following items where application of Indian GAAP did not require estimation:
- FVTOCI – compulsorily convertible preference shares
- Determination of the discounted value for financial instruments carried at amortised cost.
- Impairment of financial assets based on expected credit loss model
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

b) Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

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**Notes to the Ind AS financial statements *(Continued)***
*as at 31 March 2018*

*(Currency : Indian Rupees in Lakhs)*

**B) Transition to Ind AS - Reconciliations**

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

I. Reconciliation of Balance sheet as at 1 April 2016 and 31 March 2017
II. Reconciliation of Total Comprehensive Income for the year ended 31 March 2017
III. Reconciliation of Equity as at 1 April 2016 and 31 March 2017 between previous GAAP and IND AS

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

**I. Reconciliation of Balance sheet as at 1 April 2016 and 31 March 2017**

| | | As at 31 March 2017 | | | As at 1 April 2016 | | |
|---|---|---|---|---|---|---|---|
| **Particulars** | ***Notes*** | **Previous GAAP** | **Adjustment on transition to Ind AS** | **Ind AS** | **Previous GAAP** | **Adjustment on transition to Ind AS** | **Ind AS** |
| **Assets** | | | | | | | |
| **Non-current assets** | | | | | | | |
| Property, plant and equipment | 5 | 8,775.97 | (8,752.00) | 23.97 | 8,787.10 | (8,752.00) | 35.10 |
| Investment property | 5 | - | 8,752.00 | 8,752.00 | - | 8,752.00 | 8,752.00 |
| Investment property - Under construction | | 201.31 | - | 201.31 | 152.23 | - | 152.23 |
| Financial assets | | | | | | | |
| Investments | 1 | 5,600.00 | 2,507.42 | 8,107.42 | 5,600.00 | 395.94 | 5,995.94 |
| Other financial assets | 6 | 462.75 | (392.00) | 70.75 | 463.02 | (251.40) | 211.62 |
| Deferred tax assets (net) | 3 | 141.10 | 1,633.36 | 1,774.46 | 153.86 | 1,858.40 | 2,012.26 |
| Other non-current assets | | 147.39 | - | 147.39 | 257.54 | | 257.54 |
| **Other non-current assets** | | **15,328.52** | **3,748.78** | **19,077.30** | **15,413.75** | **2,002.94** | **17,416.68** |
| **Current assets** | | | | | | | |
| Inventories | | 7,484.12 | - | 7,484.12 | 6,761.97 | - | 6,761.97 |
| Financial assets | | | | | | | |
| Trade receivables | | 2,231.87 | - | 2,231.87 | 2,312.46 | - | 2,312.46 |
| Cash and cash equivalents | | 65.87 | - | 65.87 | 128.64 | - | 128.64 |
| Loans | 6 | 900.93 | (647.67) | 253.26 | 852.36 | (493.35) | 359.01 |
| Other current assets | | 74.93 | - | 74.93 | 43.49 | - | 43.49 |
| **Total current assets** | | **10,757.72** | **(647.67)** | **10,110.05** | **10,098.92** | **(493.35)** | **9,605.57** |
| **Total assets** | | **26,086.24** | **3,101.11** | **29,187.35** | **25,512.67** | **1,509.59** | **27,022.26** |
| **Equity and liabilities** | | | | | | | |
| **Equity** | | | | | | | |
| Equity share capital | | 1,541.50 | - | 1,541.50 | 1,541.50 | - | 1,541.50 |
| Other equity | | 22,752.14 | 3,102.21 | 25,854.35 | 22,274.46 | 1,509.59 | 23,784.05 |
| **Total equity** | | **24,293.64** | **3,102.21** | **27,395.85** | **23,815.96** | **1,509.59** | **25,325.55** |
| **Liabilities** | | | | | | | |
| **Non-current liabilities** | | | | | | | |
| Borrowings | | 3.85 | - | 3.85 | 13.81 | - | 13.81 |
| Other financial liabilities | 4 | 223.29 | (54.58) | 168.71 | 112.42 | (34.50) | 77.92 |
| Other non-current liabilities | 4 | - | 37.05 | 37.05 | - | 26.39 | 26.39 |
| Provisions | | 4.38 | - | 4.38 | 2.50 | - | 2.50 |
| **Total non-current liabilities** | | **231.52** | **(17.54)** | **213.98** | **128.73** | **(8.11)** | **120.62** |
| **Current liabilities** | | | | | | | |
| Financial liabilities | | | | | | | |
| Borrowings | | 31.16 | - | 31.16 | 250.39 | - | 250.39 |
| Trade payables | | | | | | | |
| Total outstanding dues to micro enterprise and small enterprise (refer note 21) | | 6.37 | | 6.37 | 6.07 | | 6.07 |
| Total outstanding dues to creditors other than micro enterprise and small enterprise | | 542.40 | - | 542.40 | 850.79 | - | 850.79 |
| Other financial liabilities | | 113.13 | - | 113.13 | 43.24 | - | 43.24 |
| Other current liabilities | 4 | 728.46 | 16.44 | 744.90 | 133.29 | 8.11 | 141.40 |
| Provisions | | 22.74 | - | 22.74 | 19.44 | - | 19.44 |
| Current tax liabilities (net) | | 116.81 | - | 116.81 | 264.76 | - | 264.76 |
| **Total current liabilities** | | **1,561.07** | **16.44** | **1,577.51** | **1,567.98** | **8.11** | **1,576.09** |
| **Total equity and liabilities** | | **26,086.23** | **3,101.11** | **29,187.34** | **25,512.67** | **1,509.59** | **27,022.26** |

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# Hagwood Commercial Developers Private Limited

**Notes to the Ind AS financial statements *(Continued)***
*as at 31 March 2018*

*(Currency : Indian Rupees in Lakhs)*

**II. Reconciliation of Total Comprehensive Income for the year ended 31 March 2017**

| | | For the period ended 31 March 2017 | | |
|---|---|---|---|---|
| **Particulars** | ***Notes*** | **Previous GAAP** | **Adjustment on transition to Ind AS** | **Ind AS** |
| **Income** | | | | |
| Revenue from operations | | 2,991.89 | - | 2,991.89 |
| Other Income | *4* | 77.57 | 8.11 | 85.68 |
| **Total Income** | | **3,069.46** | **8.11** | **3,077.57** |
| **Expenses** | | | | |
| Cost of residential project | *4* | 2,884.64 | 7.01 | 2,891.65 |
| Employee benefits expense | *2* | 53.55 | (0.05) | 53.50 |
| Depreciation expense | | 11.52 | - | 11.52 |
| Other expenses | *6* | 194.91 | 294.90 | 489.81 |
| **Total Expenses** | | **3,144.62** | **301.86** | **3,446.49** |
| **Profit before tax** | | **(75.16)** | **(293.75)** | **(368.92)** |
| **Less : Tax expense:** | | | | |
| Current tax | | 146.45 | - | 146.45 |
| Deferred tax charge/ (credit) | *3* | 12.74 | (240.34) | (227.60) |
| Reversal for current tax of earlier years | | 10.12 | - | 10.12 |
| **Total tax expenses** | | **169.31** | **(240.34)** | **(71.03)** |
| **Profit for the year (A)** | | **(244.47)** | **(53.42)** | **(297.89)** |
| **Other comprehensive income (OCI)** | | | | |
| **Items that will not be reclassified subsequently to profit or loss:** | | | | |
| - Remeasurement of post employment benefit obligation | *2* | - | (0.05) | (0.05) |
| - Gains from investments in equity instruments measured at FVOCI | *1* | - | 2,111.47 | 2,111.47 |
| - Income tax effect on above | *3* | - | (465.39) | (465.39) |
| **Items that will be reclassified subsequently to profit or loss** | | - | - | - |
| **Other comprehensive income for the year, net of tax (B)** | | - | **1,646.03** | **1,646.03** |
| **Total comprehensive income for the year (A+B)** | | **(244.47)** | **1,592.61** | **1,348.14** |

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**III. Reconciliation of Equity as at 1 April 2016 and 31 March 2017 between previous GAAP and IND AS**

| | Note | As at 31 March 2017 | As at 1 April 2016 |
|---|---|---|---|
| **Equity as per Previous GAAP** | | **24,293.64** | **23,815.96** |
| **Add/(Less) :** | | | |
| Discounting of retention money to present value and corresponding impact on finance cost | *4* | 1.10 | - |
| Impact of Investments carried at FVOCI | *1* | 2,507.42 | 395.94 |
| Provision for expected credit loss | *6* | (1,039.67) | (744.75) |
| Deferred tax impact on above adjustments | *3* | (208.92) | 158.97 |
| Deferred tax impact on indexation benefit | *3* | 1,842.28 | 1,699.43 |
| **Equity as per IND AS** | | **27,395.85** | **25,325.55** |

**Footnotes to the reconciliation of Balance sheet and Equity as at 1 April 2016 and 31 March 2017 and Total Comprehensive Income for the year ended 31 March 2017.**

**1) Financial Assets**
Under Indian GAAP, the Company accounted for long term investments in quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments at fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes.

**2) Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, 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 other equity through OCI.

**3) Deferred Tax (Including MAT Credit)**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. This has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in other equity or a separate component of equity.

Deferred tax asset on the difference between carrying value and indexed value of freehold land has been created.

Under Previous GAAP, MAT credit was disclosed under non-current assets. In accordance with Ind AS 12, deferred tax asset shall include any carry forward unused tax credits. Hence, MAT credit entitlement has been included in deferred tax asset.

**4) Amortised cost of financial liabilities**
Retention money received were carried at carrying value under previous GAAP. On application of Ind AS 109, all such financial liabilities are now being measured at amortised cost using effective rate of interest. At the date of transition to Ind AS, difference between the amortised cost and Indian GAAP carrying amount these retention money has been recognised as deferred liability. Accordingly, interest income / expense on retention money and amortisation of deferred portion have also been accounted for.

**5) Recognition of Investment Property**
Investment Properties under previous GAAP,investment properties were presented as a part of non-current Investments or Plant, Property and Equipment. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

**6) Expected Credit Loss (ECL) Provision**
The Company has provided ECL as per Ind AS. Impact of ECL as on date of transition is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss .

**8) Statement of Cash Flows**
The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flow from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

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**Note 3 : Property, plant and equipment**

| Particulars | Furniture and Fixtures | Computers | Vehicles | Office Equipment | Total |
|---|---|---|---|---|---|
| **Cost or deemed cost (gross carrying amount):** | | | | | |
| **Deemed cost as at 1 April 2016*** | 2.57 | 1.15 | 31.30 | 0.08 | 35.10 |
| Additions | - | 0.39 | - | - | 0.39 |
| Disposals | - | - | - | - | - |
| **Balance as at 31 March 2017** | 2.57 | 1.54 | 31.30 | 0.08 | 35.49 |
| Additions | - | 0.37 | 70.74 | - | 71.11 |
| Disposals | - | - | - | - | - |
| **Balance as at 31 March 2018** | 2.57 | 1.91 | 102.04 | 0.08 | 106.60 |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| Depreciation charge | 0.78 | 0.60 | 10.11 | 0.03 | 11.52 |
| Disposals | - | - | - | - | - |
| **Balance as at 31 March 2017** | 0.78 | 0.60 | 10.11 | 0.03 | 11.52 |
| Depreciation charge | 0.46 | 0.80 | 12.04 | 0.02 | 13.32 |
| Disposals | - | - | - | - | - |
| **Balance as at 31 March 2018** | 1.24 | 1.40 | 22.15 | 0.05 | 24.84 |
| | | | | | |
| **Carrying amounts (net)** | | | | | |
| **At 1 April 2016** | 2.57 | 1.15 | 31.30 | 0.08 | 35.10 |
| **At 31 March 2017** | 1.79 | 0.94 | 21.19 | 0.05 | 23.97 |
| **At 31 March 2018** | 1.33 | 0.51 | 79.89 | 0.03 | 81.76 |

* The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.
Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP.

| Particulars | Furniture and Fixtures | Computers | Vehicles | Office Equipment | Total |
|---|---|---|---|---|---|
| Gross Block as at 1 April 2016 | 7.38 | 5.27 | 50.15 | 0.63 | 63.43 |
| Accumulated depreciation as at 1 April 2016 | 4.81 | 4.12 | 18.85 | 0.55 | 28.33 |
| **Net Block as at 1 April 2016** | 2.57 | 1.15 | 31.30 | 0.08 | 35.10 |

**Note 4 : Investment property**

**A. Reconciliation of carrying amount**

| Particulars | Freehold Land | Building | Total |
|---|---|---|---|
| **Cost or deemed cost (gross carrying amount):** | | | |
| **Deemed cost as at 1 April 2016*** | 8,752.00 | - | 8,752.00 |
| Additions | - | - | - |
| Disposals | - | - | - |
| **Balance as at 31 March 2017** | 8,752.00 | - | 8,752.00 |
| Additions** | - | 288.37 | 288.37 |
| Disposals | - | - | - |
| **Balance as at 31 March 2018** | 8,752.00 | 288.37 | 9,040.37 |
| | | | |
| **Accumulated depreciation** | | | - |
| Depreciation for the year | - | - | - |
| **Balance as at 31 March 2017** | - | - | - |
| Depreciation for the year | - | 97.53 | 97.53 |
| **Balance as at 31 March 2018** | - | 97.53 | 97.53 |
| | | | |
| **Carrying amounts (net)** | | | |
| At 1 April 2016 | 8,752.00 | - | 8,752.00 |
| At 31 March 2017 | 8,752.00 | - | 8,752.00 |
| **At 31 March 2018** | 8,752.00 | 190.84 | 8,942.84 |

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| | |
|---|---|
| **Fair Value** | |
| At 1 April 2016 | 30,079.72 |
| At 31 March 2017 | 37,727.03 |
| **At 31 March 2018** | **36,973.77** |

**Notes:**

** The additions during the current year includes Rs 288.37 lakhs on account of re-classification from inventory to investment property under head 'Building' (refer note 28).

* The Company has availed the deemed cost exemption in relation to the investment property on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP.

| **Particulars** | **Freehold Land** | **Building** | **Total** |
|---|---|---|---|
| Gross Block as at 1 April 2016 | 8,752.00 | - | 8,752.00 |
| Accumulated depreciation as at 1 April 2016 | - | - | - |
| **Net Block as at 1 April 2016** | **8,752.00** | - | **8,752.00** |

### B. Measurement of fair values

#### i. Fair value hierarchy

The fair value of investment property has been determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for the investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

#### ii. Valuation technique

The companies investment properties consist of Land at Nagpur. Description of valuation techniques used and key inputs to valuation on investment properties are as follows:

| **Type** | **Valuation technique** | **Significant unobservable inputs** | **Inter-relationship between significant unobservable inputs and fair value measurement** |
|---|---|---|---|
| Investment property | DCF method (refer below) | 1). Discount Rate;<br>2). Market capitalisation rate | 18.50% to 19.25%;<br>10.00% |

The Company follows discounted cash flow (DCF) method. The DCF method is a financial modelling technique based on explicit assumptions regarding the prospective income arising out of the development to be carried out on the subject land parcel. In case of a valuation of a large land parcel like the subject property, where the development potential is realised over a period of time (i.e. time value of money comes into the picture) and also where there are no or few immediate similar properties (i.e. comparable) available for comparison, the DCF method considering relevant potential developments of the project is used.

### C. Amount recognised in profit and loss for investment properties

| | **31 March 2018** | 31 March 2017 |
|---|---|---|
| Rental income | - | - |
| Less: direct operating expenses from property that generated rental | - | - |
| Less: direct operating expenses from property that did not generate rental income | - | - |
| **Profit from investment properties before depreciation** | - | - |
| Depreciation | **97.53** | - |
| **Profit from investment properties** | **(97.53)** | - |

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**Note 5 : Investment property under construction**

The Company is planning a retail centric mixed used development project at Nagpur. The expenditure incurred during this period is classified as "Investment Property - Under Construction" and will be apportioned to the asset on the completion of the project.

| | **31 March 2018** | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| **Opening balance** | **201.31** | 152.23 | 130.22 |
| **Addition during the year*** | | | |
| Land development cost | **910.06** | - | - |
| Rates and taxes | **187.73** | - | - |
| Administrative and others expenses | | | |
| Professional fees and consultancy expenses | **285.60** | 49.08 | 22.01 |
| Management consultancy fees | **691.63** | - | - |
| Employee benefits expense | **353.45** | - | - |
| **Closing balance** | **2,629.78** | 201.31 | 152.23 |

* Current year addition includes Rs 2,263.10 lakhs on account of re-classification of cost from inventory to investment property under development. (refer note 28)

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**Note 6 : Investments**

**Non-current investments**

| Face value of Rs 10 each, fully paid up | 31 March 2018 | | 31 March 2017 | | 1 April 2016 | |
|---|---|---|---|---|---|---|
| | **No in lakhs** | **Rs in lakhs** | No in lakhs | Rs in lakhs | No in lakhs | Rs in lakhs |
| **Unquoted**<br>**Investments in 1% Non-Cumulative, Compulsory Convertible Preference Shares valued at fair value through other comprehensive income (FVOCI)** | | | | | | |
| Alliance Mall Developers Co Private Limited , Fellow Subsidiary | **6.89** | **7,686.74** | 6.89 | 8,107.42 | 6.89 | 5,995.94 |
| **Total non-current investments** | **6.89** | **7,686.74** | 6.89 | 8,107.42 | 6.89 | 5,995.94 |

| **Particular** | **31 March 2018** | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| **Details:** | | | |
| **Aggregate of non-current investments:** | | | |
| Aggregate amount of quoted investments and market value thereof | **-** | - | - |
| Aggregate amount of unquoted investments | **7,686.74** | 8,107.42 | 5,995.94 |
| Aggregate amount of impairment in value of investments | **-** | - | - |

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| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| **Note 7 : Other financial assets** | | | |
| *(Unsecured, considered good, unless otherwise stated)* | | | |
| Security deposit | **40.22** | 40.22 | 39.50 |
| Mobilisation advances | | | |
| Considered good | **-** | 20.00 | 160.60 |
| Considered doubtful | **412.00** | 392.00 | 251.40 |
| Less : Provision for expected credit loss | **(412.00)** | (392.00) | (251.40) |
| | **40.22** | 60.22 | 200.10 |
| Bank deposits (due to mature after 12 months of the reporting date) * | **10.42** | 10.53 | 11.52 |
| **Total other financial assets** | **50.64** | 70.75 | 211.62 |

* Bank Deposits are kept against bank guarantee given to Nagpur pollution control board.

| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| **Note 8 : Deferred tax assets (net)** | | | |
| *Tax effect of items constituting deferred tax assets:* | | | |
| Difference in depreciation in block of fixed assets as per Income-tax Act, 1961 and depreciation allowable under books | **27.59** | 4.08 | 2.51 |
| Indexation of freehold land | **1,956.57** | 1,842.28 | 1,699.43 |
| Provision for expenses disallowed under Section 43B of Income-tax Act, 1961 | **3.71** | 4.16 | - |
| Provision for expected credit loss on financial assets | **311.06** | 343.75 | 246.24 |
| MAT Credit Entitlement | **93.36** | 132.88 | 151.35 |
| *Tax effect of items constituting deferred tax (liabilities):* | | | |
| Investments in equity instruments measured at FVOCI | **(459.96)** | (552.69) | (87.27) |
| **Total Deferred tax assets (net)** | **1,932.32** | 1,774.46 | 2,012.26 |
| **Note 9 : Other non-current assets** | | | |
| *(Unsecured, considered good)* | | | |
| Cenvat credit receivable | **-** | 147.39 | 257.54 |
| GST input credit | **384.87** | - | - |
| **Total Other non-current assets** | **384.87** | 147.39 | 257.54 |
| **Note 10 : Inventories** | | | |
| *(valued at cost or net realisable value, whichever is lower)* | | | |
| Work in progress - residential project (refer note 28) | **6,316.77** | 7,484.12 | 6,761.97 |
| **Total Inventories** | **6,316.77** | 7,484.12 | 6,761.97 |
| **Note 11 : Trade receivables** | | | |
| *(Unsecured, considered good)* | | | |
| Trade receivables | **1,617.42** | 2,231.87 | 2,312.46 |
| **Total Trade receivables** | **1,617.42** | 2,231.87 | 2,312.46 |

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| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| **Note 12 : Cash and cash equivalents** | | | |
| Balances with Banks: | | | |
| - in current accounts | **72.98** | 62.46 | 94.93 |
| Cheques on hand | - | - | 30.11 |
| Cash on hand | **1.36** | 3.41 | 3.60 |
| **Total cash and cash equivalents** | **74.34** | 65.87 | 128.64 |

**Note 13 : Loans**
*(Unsecured, considered good, unless otherwise stated)*

| | | | |
|---|---|---|---|
| Advance to staff | **0.55** | 1.95 | 1.15 |
| Loans and advances | | | |
| Considered good | **95.85** | 251.31 | 357.86 |
| Considered doubtful | **716.96** | 647.67 | 493.35 |
| Less: Provision for expected credit loss | **(716.96)** | (647.67) | (493.35) |
| | **95.85** | 251.31 | 357.86 |
| **Total Loans** | **96.40** | 253.26 | 359.01 |

**Note 14 : Other current assets**

| | | | |
|---|---|---|---|
| Prepaid expense | **10.24** | 20.55 | 0.08 |
| Advance to vendors | **86.66** | 54.38 | 43.41 |
| **Total other current assets** | **96.90** | 74.93 | 43.49 |

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**Note 15 : Equity share capital**

| Particulars | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| **Authorised share capital** | | | |
| 160 lakhs (31 March 2017: 160 lakhs; 1 April 2016: 160 lakhs) equity shares of Rs 10 each | **1,600.00** | 1,600.00 | 1,600.00 |
| **Issued, subscribed and fully paid up** | | | |
| 154.15 lakhs (31 March 2017: 154.15 lakhs; 1 April 2016: 154.15 lakhs) equity shares of Rs 10 each, fully paid up | **1,541.50** | 1,541.50 | 1,541.50 |
| **Total issued, subscribed and paid-up equity share capital** | **1,541.50** | 1,541.50 | 1,541.50 |

**a) Reconciliation of shares outstanding at the beginning and at the end of the period**

| Particulars | 31 March 2018 | | 31 March 2017 | | 1 April 2016 | |
|---|---|---|---|---|---|---|
| | **No. in lakhs** | **Rs in lakhs** | No. in lakhs | Rs in lakhs | No. in lakhs | Rs in lakhs |
| **Equity Shares** | | | | | | |
| At the beginning of the year | **154.15** | **1,541.50** | 154.15 | 1,541.50 | 154.15 | 1,541.50 |
| Issued during the year | - | - | - | - | - | - |
| **Outstanding at the end of the year** | **154.15** | **1,541.50** | 154.15 | 1,541.50 | 154.15 | 1,541.50 |

**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 share is entitled to one vote per share.

In the event of liquidation of the Company, the holder 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**

| Particulars | 31 March 2018 | | 31 March 2017 | | 1 April 2016 | |
|---|---|---|---|---|---|---|
| | **No. in lakhs** | **Rs in lakhs** | No. in lakhs | Rs in lakhs | No. in lakhs | Rs in lakhs |
| Prozone Liberty International Limited, Singapore, Holding company | **94.80** | **948.00** | 94.80 | 948.00 | 94.80 | 948.00 |

**d) Details of Shareholders holding more than 5% shares in the company:**

| Particulars | 31 March 2018 | | 31 March 2017 | | 1 April 2016 | |
|---|---|---|---|---|---|---|
| | **No. in lakhs** | **% holding** | No. in lakhs | % holding | No. in lakhs | % holding |
| Prozone Liberty International Limited, Singapore | **94.80** | **61.50%** | 94.80 | 61.50% | 94.80 | 61.50% |
| Triangle Real Estate India Investments Limited | **53.95** | **35.00%** | 53.95 | 35.00% | 53.95 | 35.00% |

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**Note 15.1 : Other equity**

| **Particulars** | **31 March 2018** | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| **Securities premium account** | | | |
| Opening balance | **20,964.58** | 20,964.58 | 20,964.58 |
| Add: Addition during the year | **-** | - | - |
| Closing balance (refer sub-note 1) | **20,964.58** | 20,964.58 | 20,964.58 |
| **Retained earnings** | | | |
| Opening balance | **3,243.74** | 2,819.47 | 2,819.47 |
| Add: profit for the year | **270.46** | 424.27 | - |
| Closing balance (refer sub-note 2) | **3,514.20** | 3,243.74 | 2,819.47 |
| **Other Comprehensive Income** | | | |
| Opening balance | **(0.03)** | - | - |
| Add: (loss) on fair value of defined benefit plans | **2.15** | (0.03) | - |
| Closing balance | **2.11** | (0.03) | - |
| **Gain on fair value of investments** | | | |
| Opening balance | **1,646.06** | - | - |
| Add: addition for the year | **(327.95)** | 1,646.06 | - |
| Closing balance | **1,318.11** | 1,646.06 | - |
| **Total Other equity** | **25,799.01** | 25,854.35 | 23,784.05 |

**Sub-note:**

1 Securities premium is received pursuant to the further issue of shares/ debentures at a premium net of the share / debenture issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;

i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
ii) for the purchase of its own shares or other securities;
iii) in writing off the preliminary expenses of the Company;
iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

2 Retained earnings represents the accumulated profits of the Company.

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**Note 16 : Borrowings**

| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| *(Secured)* | | | |
| Hire Purchase Loans | **54.98** | 13.62 | 22.63 |
| Less: Current maturities of long term debt (disclosed under other financial liabilities) (refer note 22) | **22.03** | 9.77 | 8.82 |
| **Total Borrowings** | **32.95** | 3.85 | 13.81 |

**Notes:**

i) Hire Purchase Loan amounting to Rs 51.14 lakhs (31 March 2017 : Rs Nil, 1 April 2016 : Rs Nil) in respect of vehicle which is secured by hypothecation of vehicle financed by ICICI bank. The loan carry interest @ 7.75% p.a. The loan is repayable in 37 equal instalments starting from 5th November, 2017.

ii) Hire Purchase Loan amounting to Rs 0.33 lakhs (31 March 2017 : Rs 4.99 Lakhs, 1 April 2016 : Rs. 9.26 lakhs) in respect of vehicle which is secured by hypothecation of vehicle financed by Kotak Mahindra bank. The loan carry interest @ 10.40% p.a. The loan is repayable in 59 equal instalments starting from 10th June, 2013.

iii) Hire Purchase Loan amounting to Rs 3.51 Lakhs (31 March 2017 : Rs 8.63 Lakhs, 1 April 2016 : Rs.13.37 Lakhs) in respect of vehicle which is secured by hypothecation of vehicle financed by Toyota Financial Services India Limited. The loan carry interest @ 10.24% p.a. The loan is repayable in 35 equal instalments starting from 20th January, 2016.

The Company's exposure to interest rate and liquidity risks are disclosed in note 39 to the financial statements.

**Note 17 : Other financial liabilities**

| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| Retention money payable | **223.18** | 168.71 | 77.92 |
| **Other financial liabilities** | **223.18** | 168.71 | 77.92 |

**Note 18 : Other non-current liabilities**

| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| Deferred portion of financial liabilities carried at amortised cost | **25.30** | 37.05 | 26.39 |
| **Total Other non-current liabilities** | **25.30** | 37.05 | 26.39 |

**Note 19 : Provisions**

| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| Provision for employee benefits (refer note 34) | | | |
| - provision for gratuity | **4.96** | 4.38 | 2.50 |
| **Total Provisions** | **4.96** | 4.38 | 2.50 |

**Note 20 : Borrowings**

| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| Unsecured loan from ultimate holding company, Prozone Intu Properties Limited* | - | 31.16 | 250.39 |
| **Total Borrowings** | - | 31.16 | 250.39 |

Loan from related party represents :

*Repayable on demand carries interest rate @ 8.50%

**Note 21 : Trade payables**

| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| - Total outstanding dues of micro enterprises and small enterprises (refer note below) | **0.54** | 6.37 | 6.07 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises. | **1,132.64** | 542.40 | 850.79 |
| **Total Trade payables** | **1,133.18** | 548.77 | 856.86 |

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| | **31 March 2018** | 31 March 2017 | 1 April 2016 |
|---|---|---|---|

The Company had sought confirmation from the vendors whether they fall in the category of Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006. On the basis of the information and records available with the management, the required disclosure for Micro, Small and Medium Enterprises under the above Act is given below :

| **Particulars** | **31 March 2018** | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| The principal amount remaining unpaid to any supplier as at the end of accounting year ; | **0.54** | 6.37 | 6.07 |
| interest due thereon remaining unpaid at the end of accounting year*; | - | - | - |
| The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year; | - | - | - |
| The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid); | - | - | - |
| The amount of interest accrued and remaining unpaid at the end of accounting year; and | - | - | - |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | - | - | - |

* Interest paid/payable by the Company on the aforesaid principle amount has been waived by the concerned suppliers.

**Note 22 : Other financial liabilities**

| | | | |
|---|---|---|---|
| Retention money payable | **33.22** | 33.08 | 34.42 |
| Current maturities of long-term debt (refer note 16) | **22.03** | 9.77 | 8.82 |
| Lease deposits from prospective tenants | **70.28** | 70.28 | - |
| **Total Other financial liabilities** | **125.53** | 113.13 | 43.24 |

**Note 23 : Other current liabilities**

| | | | |
|---|---|---|---|
| Current portion on amortisation of financial liabilities | **20.18** | 16.44 | 8.11 |
| Advance from Customers / Realisation under agreement to sell | **871.30** | 686.79 | 82.86 |
| Duties and taxes payable | | | |
| Others: | | | |
| Statutory dues payable | | | |
| - Tax deducted at source payable | **11.09** | 22.55 | 23.20 |
| - Professional tax payable | **0.03** | 0.04 | 0.04 |
| - Provident fund payable | **0.46** | 0.53 | 0.52 |
| - VAT/CST | **50.07** | 1.27 | 20.24 |
| - MLWF payable | **0.02** | - | 0.01 |
| - CGST/SGST payable | **0.07** | - | - |
| - Service tax payable | - | 5.06 | 0.79 |
| - WCT payable | - | 12.23 | 5.64 |
| **Total Other current liabilities** | **953.21** | 744.90 | 141.40 |

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## Notes to the Ind AS financial statements *(Continued)*
*as at 31 March 2018*

(Currency : Indian Rupees in Lakhs)

| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| **Note 24 : Provisions** | | | |
| Provision for employee benefits (Refer note 34) | | | |
| - provision for gratuity | **1.67** | 2.40 | 1.98 |
| - provision for compensated absences | **4.60** | 5.81 | 4.97 |
| - provision for other employee benefits expense | **9.19** | 14.53 | 12.49 |
| **Total Provisions** | **15.46** | 22.74 | 19.44 |

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(Currency : Indian Rupees in Lakhs)

**Note 25 : Current tax liabilities (net)**

**(a) Amount recognised in the statement of profit and loss**

| **Particulars** | **31 March 2018** | 31 March 2017 |
|---|---|---|
| **Current tax expense (A)** | | |
| Current year | **74.98** | 146.45 |
| Short provision of earlier years | **-** | 10.12 |
| | | |
| **Deferred tax expense (B)** | | |
| Origination and reversal of temporary differences | **(65.95)** | (227.60) |
| | | |
| **Tax expense recognised in the income statement (A+B)** | **9.03** | (71.03) |

**(b) Amounts recognised in other comprehensive income**

| **Particulars** | **31 March 2018** | | | 31 March 2017 | | |
|---|---|---|---|---|---|---|
| | **Before tax** | **Tax (expense) benefit** | **Net of tax** | Before tax | Tax (expense) benefit | Net of tax |
| **Items that will not be reclassified to profit or loss** | | | | | | |
| Gains from investments in equity instruments measured at FVOCI | **(420.68)** | **92.73** | **(327.95)** | 2,111.47 | (465.41) | 1,646.06 |
| Remeasurement of post employment benefit obligation | **2.96** | **(0.82)** | **2.15** | (0.05) | 0.02 | (0.03) |
| | **(417.72)** | **91.91** | **(325.81)** | 2,111.42 | (465.39) | 1,646.03 |

**(c) Reconciliation of effective tax rate**

| **Particulars** | **31 March 2018** | 31 March 2017 |
|---|---|---|
| **Profit before tax** | **270.46** | 424.27 |
| Tax using the Company's domestic tax rate (Current year 27.55% and Previous Year 33.063%) | **74.51** | 140.28 |
| **Tax effect of :** | | |
| Non-deductible expenses | | |
| Effect of expenses that is non-deductible in determining taxable profit | **9.29** | (97.05) |
| Effect of indexation benefit on land | **(114.28)** | (142.86) |
| MAT Credit Entitlement | **39.52** | 18.47 |
| Tax of earlier years | **-** | 10.12 |
| | | |
| **Tax expense as per statement of profit and loss** | **9.04** | (71.04) |
| Effective tax rate | **3.34%** | -16.74% |

| **Particulars** | **31 March 2018** | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| Provision for tax (net of advance tax including tax deducted at source Rs 4.56 lakhs (31 March 2017: Rs 4.56 lakhs, 1 April 2016: Rs 4.23 lakhs) | **56.50** | 116.81 | 264.76 |
| **Total Current tax liabilities (net)** | **56.50** | **116.81** | **264.76** |

**(d) Movement in deferred tax balances**

| **Particulars** | **Net balances at 1 April 2017** | **Recognised in the statement of profit and loss** | **Recognised in OCI** | **Balance at 31 March 2018** Net | **Deferred tax asset** | **Deferred tax liabilities** |
|---|---|---|---|---|---|---|
| Property, Plant and Equipment | **4.08** | **(23.51)** | **-** | **27.59** | **27.59** | **-** |
| Investment Property | **1,842.27** | **(114.29)** | **-** | **1,956.56** | **1,956.56** | **-** |
| Investments | **(552.69)** | **-** | **(92.73)** | **(459.96)** | **-** | **459.96** |
| Loans and other financial assets | **343.75** | **32.69** | **-** | **311.06** | **311.06** | **-** |
| Provisions | **4.16** | **(0.37)** | **0.82** | **3.71** | **3.71** | **-** |
| MAT Credit Entitlement | **132.88** | **39.52** | **-** | **93.36** | **93.36** | **-** |
| Tax assets (liabilities) before set-off | **1,774.46** | **(65.96)** | **(91.91)** | **1,932.32** | **2,392.28** | **459.96** |
| Set-off of deferred tax liabilities | | | | | **(459.96)** | |
| Net deferred tax assets/ (liabilities) | | | | | **1,932.32** | |

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| Particulars | Net balances at 1 April 2016 | Recognised in the statement of profit and loss | Recognised in OCI | Balance at 31 March 2017 Net | Deferred tax asset | Deferred tax liabilities |
|---|---|---|---|---|---|---|
| Property, Plant and Equipment | 2.51 | (1.57) | - | 4.08 | 4.08 | - |
| Investment Property | 1,699.42 | (142.85) | - | 1,842.27 | 1,842.27 | - |
| Investments | (87.27) | - | 465.41 | (552.69) | - | 552.69 |
| Loans and other financial assets | 246.24 | (97.51) | - | 343.75 | 343.75 | - |
| Provisions | - | (4.14) | (0.02) | 4.16 | 4.16 | - |
| MAT Credit Entitlement | 151.35 | 18.47 | - | 132.88 | 132.88 | - |
| Tax assets (liabilities) before set-off | 2,012.25 | (227.61) | 465.39 | 1,774.46 | 2,327.15 | 552.69 |
| Set-off of deferred tax liabilities | | | | | (552.69) | |
| Net deferred tax assets/ (liabilities) | | | | | 1,774.46 | |

**(e) Unrecognised deferred tax assets**

Deferred tax have not been recognised in respect of the following items :

| Particulars | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| Unrecognised tax losses carried forward | 154.59 | 154.59 | 160.68 |
| Tax effect of unrecognised tax losses carried forward | 42.59 | 51.11 | 53.13 |
| | 42.59 | 51.11 | 53.13 |

# Hagwood Commercial Developers Private Limited

## Notes to the Ind AS financial statements *(Continued)*
*as at 31 March 2018*

(Currency : Indian Rupees in Lakhs)

| | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Note 26 : Revenue from operations** | | |
| *Sale of residential property* | | |
| Revenue from real estate projects | 2,901.92 | 2,991.89 |
| **Total Revenue from operations** | 2,901.92 | 2,991.89 |
| **Note 27 : Other income** | | |
| Interest income | | |
| - on fixed deposits | 0.68 | 0.76 |
| - on financial liabilities carried at amortised cost | 16.44 | 8.11 |
| - on income tax refund | | |
| - on loans to other parties | 0.41 | 74.78 |
| Dividend income on current investments | 1.02 | 2.03 |
| **Total Other income** | 18.55 | 85.68 |
| **Note 28 : Cost of construction** | | |
| Opening work in progress - residential project | 7,484.12 | 6,761.97 |
| Add Cost reversal due revisit of project costs | 1,151.16 | |
| *Add:* | | |
| Construction cost | 2,083.99 | 2,437.50 |
| Personnel cost | 57.41 | 125.54 |
| Professional fees | 186.99 | 276.73 |
| Borrowing cost | 15.59 | 23.12 |
| Other expenses | 46.64 | 28.76 |
| | 11,025.90 | 9,653.62 |
| *Less:* | | |
| Transferred to investment property under development* | 2,263.10 | - |
| Transferred to property, plant and equipment** | 288.37 | |
| Closing work in progress - residential project | 6,316.76 | 7,484.12 |
| **Total Cost of residential project** | 2,157.67 | 2,169.50 |

* Reduction of Rs 2,263.10 lakhs on account of re-classification of cost from inventory to investment property under development. (refer note 5)

** Reduction of Rs 288.37 lakhs on account of re-classification from inventory to investment Property under head 'Building' (refer note 4)

| | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Note 29 : Employee benefits expense** | | |
| Salaries, wages and bonus | 55.14 | 49.91 |
| Expenses related to post-employment defined benefit plans (refer note 34) | 2.81 | 2.25 |
| Contribution to provident fund and other funds | 1.26 | 1.03 |
| Expenses related to compensated absences (refer note 34) | 0.09 | 0.31 |
| **Total Employee benefits expense** | 59.30 | 53.50 |
| **Note 30 : Depreciation expense** | | |
| Depreciation on tangible assets | 13.32 | 11.52 |
| Depreciation on investment property | 97.53 | - |
| **Total Depreciation expense** | 110.85 | 11.52 |

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## Notes to the Ind AS financial statements *(Continued)*
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| | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Note 31 : Other expenses** | | |
| Advertisement, business and sales promotion expenses | **89.39** | 66.94 |
| Electricity charges | **6.15** | 1.20 |
| Repairs and maintenance | **5.92** | 0.74 |
| Office expenses | **6.02** | 2.29 |
| Communication expenses | **1.34** | 1.17 |
| Travelling expenses | **8.48** | - |
| Brokerage | - | 37.16 |
| Directors sitting fees | **3.00** | 3.25 |
| Professional fees | **34.12** | 14.38 |
| Payment to auditors (refer note 31(a) below) | **12.50** | 13.15 |
| Management consultancy fees | **54.08** | 52.49 |
| Provision for expected credit loss | **89.29** | 294.92 |
| Miscellaneous expenses | **2.87** | 2.12 |
| **Total Other expenses** | **313.16** | 489.81 |

**Note 31(a) : Payment to auditors**

| | 31 March 2018 | 31 March 2017 |
|---|---|---|
| - Statutory audit | **11.25** | 7.90 |
| - Tax audit | **1.25** | 3.00 |
| - For taxation matters | - | 2.25 |
| | **12.50** | 13.15 |

**Note 32 : Earnings per equity share**

A reconciliation of profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Basic: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares purchased by the Company and held as treasury shares.

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company.

| **Particulars** | **31 March 2018** | 31 March 2017 |
|---|---|---|
| Weighted average number of equity shares of Rs. 10 each (No. in Lakhs) | | |
| Number of shares at the beginning and end of the year | **154.15** | 154.15 |
| Weighted average number of shares outstanding during the year | **154.15** | 154.15 |
| Weighted average number of potential equity shares outstanding during the year | - | - |
| Total number of potential equity share for calculating diluted earning per share | **154.15** | 154.15 |
| Net profit after tax available for equity shareholders (Rs. In lakhs) | **270.46** | 424.27 |
| Basic Earning per share (in Rs.) | **1.75** | 2.75 |
| Diluted Earning per share (in Rs.) | **1.75** | 2.75 |

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**Note 33 : Contingent liabilities and committments are given below:**

**A) Commitments**

i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) Rs. 3,631.49 lakhs (31 March 2017 : Rs. 6,286.57 lakhs, 1 April 2017 : Rs. 7,629.95 lakhs).

**B) Contingent liabilities**

i) Guarantee given by bank on behalf of the Company Rs. 10 Lakhs (31 March 2017 : Rs. 10 lakhs, 1 April 2017 : Rs. 10 lakhs).

ii) Disputed demands in respect of Income-tax:

| **Assessment Year** | **31 March 2018** | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| 2012-13 | **4.82** | 10.58 | 43.14 |
| 2013-14 | **4.43** | 6.26 | 6.26 |
| 2014-15 | **6.73** | 6.73 | - |
| | **15.98** | 23.57 | 49.40 |

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**Note 34 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**

**A Defined benefit obligations and short-term compensated absences**

**i) Defined benefit plan**

The gratuity plan is governed by the Payment of Gratuity Act,1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

**ii) Short-term compensated absences**

26 days of privilege leave for staff is allowed each year. Unutilised leave can be carried forward to the extend of 42 days of leave, If the same not availed in calendar year then the same will be lapsed.

| | Particulars | Funded Plan | |
|---|---|---|---|
| | | Gratuity | |
| | | 31 March 2018 | 31 March 2017 |
| a) | **Expenses recognised in the Statement of Profit and Loss** | | |
| | Current Service Cost | 2.40 | 1.98 |
| | Past Service Cost | 0.02 | |
| | Interest Cost | 0.39 | 0.27 |
| | **Components of defined benefit costs recognized in profit or loss** | 2.81 | 2.25 |
| b) | **Included in other Comprehensive Income** | | |
| | Actuarial changes arising from changes in financial assumptions | (0.25) | 0.42 |
| | Actuarial changes arising from changes in demographic assumptions | - | - |
| | Experience adjustments | (2.84) | (0.43) |
| | Return on plan assets excluding amounts included in Interest Income | 0.12 | 0.06 |
| | **Actuarial (Gain) / Loss recognized in OCI** | (2.96) | 0.05 |
| c) | **Recognised in Balance Sheet** | | |
| | Present value of obligation as at the end of the year | 7.18 | 8.37 |
| | Fair value of plan assets as at the end of the year | (0.55) | (1.59) |
| | **Net Liability (Asset)** | 6.63 | 6.78 |
| | **Changes in defined benefit obligations** | | |
| d) | **Present value of obligation as at the beginning of the year** | | |
| | Defined Benefit Obligation ("PBO") at the beginning of the year | 8.37 | 5.95 |
| | Service cost | 2.40 | 1.98 |
| | Past Service Cost | 0.02 | - |
| | Interest cost | 0.57 | 0.45 |
| | Actuarial loss / (gain) | (3.08) | (0.01) |
| | Benefits paid | (1.09) | |
| | **Present value of obligation as at the end of the year** | 7.18 | 8.37 |
| e) | **Change in fair value of assets** | | |
| | Fair value of plan assets at the beginning of the year | 1.59 | 1.47 |
| | Interest Income | 0.18 | 0.18 |
| | Return on plan assets excluding amounts included in interest income | (0.12) | (0.06) |
| | Benefits paid | (1.09) | - |
| | **Fair value of plan assets at the end of the year** | 0.55 | 1.59 |
| f) | **Reconciliation of net defined benefit liability** | | |
| | Net opening provision in books of accounts | 6.78 | 4.48 |
| | Employee Benefit Expense | 2.81 | 2.25 |
| | Amounts recognized in Other Comprehensive Income | (2.96) | 0.05 |
| | **Closing provision in books of accounts** | 6.63 | 6.78 |

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**Note 34 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**

| | **Particulars** | **Unfunded Plan** | |
|---|---|---|---|
| | | **Compensated absences** | |
| | | **31 March 2018** | 31 March 2017 |
| | **Changes in defined benefit obligations** | | |
| a) | **Present value of obligation as at the beginning of the year** | | |
| | Defined Benefit Obligation ("PBO") at the beginning of the year | **5.81** | 4.97 |
| | Service cost | **1.89** | 1.70 |
| | Interest cost | **-** | 0.35 |
| | Actuarial loss / (gain) | **(1.58)** | (1.01) |
| | Liabilities transferred in / (out) | **-** | - |
| | Benefits paid | **(1.53)** | (0.20) |
| | **Present value of obligation as at the end of the year** | **4.60** | 5.81 |
| b) | **Expenses recognised in the Statement of Profit and Loss** | | |
| | Current Service Cost | **1.89** | 1.70 |
| | Past Service Cost | **-** | - |
| | Interest Cost | **-** | 0.35 |
| | Actuarial (Gain) / loss on Obligation | **(1.58)** | (1.01) |
| | **Total included in 'employee benefit expense'** | **0.31** | 1.04 |
| c) | **Liability Recognised in Balance Sheet** | | |
| | Present value of unfunded obligation as at the end of the year | **4.60** | 5.81 |
| | **Net Liability** | **4.60** | 5.81 |
| d) | **Components of actuarial gain/losses on obligation** | | |
| | Actuarial changes arising from changes in financial assumptions | **(0.11)** | 0.20 |
| | Actuarial changes arising from changes in demographic assumptions | **-** | - |
| | Experience adjustments | **(1.47)** | (1.21) |
| | **Net actuarial (gain)** | **(1.58)** | (1.01) |

| | **Particulars** | **Gratuity** | | **Compensated absences** | |
|---|---|---|---|---|---|
| | | **31 March 2018** | 31 March 2017 | **31 March 2018** | 31 March 2017 |
| e) | **Current/ non-current classification** | | | | |
| | Current | **1.67** | 2.40 | **4.60** | 5.81 |
| | Non- current | **4.96** | 4.38 | **-** | - |
| | | **6.63** | **6.78** | **4.60** | **5.81** |

The following table summarizes the principal assumptions used for defined benefit obligation and compensated absences:

| **Actuarial assumptions** | **Gratuity** | | **Compensated absences** | |
|---|---|---|---|---|
| | **31 March 2018** | 31 March 2017 | **31 March 2018** | 31 March 2017 |
| Discount rate | **7.55%** | 7.00% | **7.80%** | 7.80% |
| Salary escalation rate (% p.a.) * | **5.10%** | 5.10% | **5.10%** | 5.10% |
| Withdrawal Rates | **10% at all ages** | 10% at all ages | **10% at all ages** | 10% at all ages |
| Leave availment rate | **-** | - | **5.00%** | 5.00% |
| Mortality rate | **Indian assured lives mortality (2006-08) ultimate** | Indian assured lives mortality (2006-08) ultimate | **Indian assured lives mortality (2006-08) ultimate** | Indian assured lives mortality (2006-08) ultimate |

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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**Notes to the Ind AS financial statements *(Continued)***
*as at 31 March 2018*

(Currency : Indian Rupees in Lakhs)

**Note 34 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**

**Quantities sensitivity analysis for significant assumption is as below:**

| Particulars | Gratuity | | Compensated absences | |
|---|---|---|---|---|
| | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| | **0.5% increase** | | **0.5% increase** | |
| i. Discount rate | 6.97 | 8.10 | 4.50 | 5.68 |
| ii. Salary escalation rate - over a long-term | 7.40 | 8.65 | 4.70 | 5.95 |
| | **0.1% increase** | | **0.1% increase** | |
| iii. Withdrawal rate (W.R.) | 7.21 | 8.35 | 4.55 | 5.74 |
| | **0.5% decrease** | | **0.5% decrease** | |
| i. Discount rate | 7.40 | 8.65 | 4.70 | 5.95 |
| ii. Salary escalation rate - over a long-term | 6.96 | 8.09 | 4.50 | 5.68 |
| | **0.1% increase** | | **0.1% decrease** | |
| iii. Withdrawal rate (W.R.) | 7.14 | 8.38 | 4.65 | 5.89 |

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the

**Maturity analysis of defined benefit obligation**

| Particulars | Gratuity | | Compensated absences | |
|---|---|---|---|---|
| | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| 1st Following Year | 0.71 | 5.70% | 0.82 | 12.00% |
| 2nd Following Year | 0.75 | 6.10% | 0.73 | 10.70% |
| 3rd Following Year | 0.78 | 6.30% | 0.66 | 9.60% |
| 4th Following Year | 0.75 | 6.10% | 0.59 | 8.60% |
| 5th Following Year | 0.74 | 5.90% | 0.53 | 7.70% |
| Sum of Year 6 to 10 Year | 4.04 | 32.60% | 1.96 | 28.70% |
| **Total expected payments** | **7.77** | **62.70%** | **5.28** | **77.30%** |

**B Defined contribution plans**

The Company makes contribution towards provident fund to a defined contribution retirement plan for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement contribution schemes to fund benefits.

**a)** The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

| | 31 March 2018 | 31 March 2017 |
|---|---|---|
| (i) Contribution to provident fund | **1.26** | 1.02 |
| (ii) Contribution to MLWF fund | **0.01** | 0.00 |
| | **1.26** | 1.03 |

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HAGWOOD COMMERCIAL DEVELOPERS PVT. LTD.

# Hagwood Commercial Developers Private Limited

**Notes to the Ind AS financial statements *(Continued)***
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**Note 35 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:**

a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

| Nature of relationship | Name of the Party |
|---|---|
| **A) Key Management Personnel (KMP)** | |
| Managing Director | Mr. Sudhanshu Chaturvedi |
| Director | Mr Akhil Chaturvedi (upto 16 Augu 2016) |
| Independent Director | Ms. Deepa Hakani (From 12 December 2017) |
| Independent Director | Ms. Hemal Arya (From 12 February 2018) |
| Independent Director | Mr. Hetal Hakani (Upto 15 November 2017) |
| Independent Director | Mr. Dinesh Arya (Upto 10 January 2018) |
| Chief Financial Officer | Mr. Sagar Gosar |
| Company Secretary | Mrs. Nidhi Chhawchharia (From 1 May 2017) |
| Company Secretary | Mrs. Snehal Bansode (Up to 4 March 2017) |
| **B) Ultimate Holding Company** | Prozone Intu Properties Limited |
| **C) Holding Company** | Prozone Liberty International Limited, Singapore. |
| **D) Fellow Subsidiary Company** | Alliance Mall Developers Co Private Limited |

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**Notes to the Ind AS financial statements *(Continued)***
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(Currency : Indian Rupees in Lakhs)

**Note 35 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:**

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

Summary of related party transactions

| Transactions | Ultimate Holding Company | | Salary to KMP | | Directors sitting fees | |
|---|---|---|---|---|---|---|
| | **31 March 2018** | 31 March 2017 | **31 March 2018** | 31 March 2017 | **31 March 2018** | 31 March 2017 |
| **Directors sitting fees** | | | | | | |
| Mr. Akhil Chaturvedi | - | 0.75 | - | - | - | - |
| Mr. Dinesh Arya | **1.25** | 1.25 | - | - | - | - |
| Ms. Deepa Hakani | **0.50** | - | - | - | - | - |
| Ms. Hemal Arya | **0.25** | - | - | - | - | - |
| Mr. Hetal Hakani | **1.00** | 1.25 | - | - | - | - |
| | | | | | | |
| **Salary to KMP** | | | | | | |
| Mr. Sagar Gosar | - | - | **11.00** | 10.06 | - | - |
| Mrs. Nidhi Chhawchharia | - | - | **1.75** | 6.06 | - | - |
| | | | | | | |
| Purchase of services | **237.72** | 262.47 | - | - | - | - |
| Loan taken | **45.16** | 63.01 | - | - | - | - |
| Loan repaid | **76.32** | 282.24 | - | - | - | - |

**Balances payable/outstanding at the year end**

| | Ultimate Holding Company | | | Salary to KMP | | | Directors sitting fees | | |
|---|---|---|---|---|---|---|---|---|---|
| | **31 March 2018** | 31 March 2017 | 1 April 2016 | **31 March 2018** | 31 March 2017 | 1 April 2016 | **31 March 2018** | 31 March 2017 | 1 April 2016 |
| Directors sitting fees | - | - | - | - | - | - | **(0.23)** | - | - |
| Employee Benefit Expense | - | - | - | **0.86** | 0.80 | 1.13 | - | - | - |
| Purchase of services | **24.27** | 28.91 | 458.53 | - | - | - | - | - | - |
| Loan taken (net of repaid) | - | 31.16 | 250.39 | - | - | - | - | - | - |

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## Notes to the Ind AS financial statements *(Continued)*
*as at 31 March 2018*

(Currency : Indian Rupees in Lakhs)

**Note 36 : Expenditure on Corporate Social Responsibility (CSR) activities**

| | | | | |
|---|---|---|---|---|
| **A** | **Gross amount required to be spent by the Company during the year 2017-18 - Rs 15.38 Lakhs (31 March 2017- Rs 10.52 Lakhs)** | | | |
| **B** | **Amount spent during the year on:** | | | |
| **Sr. No** | **Particulars** | **In Cash/ Cheque** | **Yet to be paid in cash** | **Total** |
| i | Construction/acquisition of any assets | - | - | - |
| ii | On purposes other than (i) above | - | - | - |
| **C** | **Related party transactions in relation to Corporate Social Responsibility:** | - | - | - |
| **D** | **Provision movement during the year 2017-18** | | | |
| | Opening provision | 10.52 | | |
| | Addition during the year | 15.38 | | |
| | Utilised during the year | - | | |
| | Closing provision | 25.90 | | |

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**Note 37 : Segment Reporting as required under Indian Accounting Standard 108, "Operating Segments" :**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. "designing, developing, owning and operating Residential and Commercial Premises", hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

**Note 38 : Disclosure with regards to section 186 (4) of the Companies Act, 2013**

i) For investment refer note no. 6
ii) For loans given:

| **Particulars** | **Rate of Interest** | **31 March 2018** | 31 March 2017 | 1 April 2016 |
|---|---|---|---|---|
| Inter-Corporate Deposits | 9% | **812.81** | 898.98 | 851.21 |

**Note:**
The Company has not provided interest in current year as company has made provision for expected credit loss due to uncertainty regarding recoverability of said loans and advances.

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## Hagwood Commercial Developers Private Limited

**Notes to the Ind AS financial statements *(Continued)***
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(Currency : Indian Rupees in Lakhs)

**Note 39 : Financial instruments – Fair values and risk management :**

**Accounting classification and fair values**

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

| 31 March 2018 | Note | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | | FVTPL | FVTOCI | Amortised Cost | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| **Financial assets** | | | | | | | | |
| Investments | *6* | - | 7,686.74 | - | - | - | 7,686.74 | 7,686.74 |
| Others financial assets | *7* | - | - | 50.64 | - | - | - | - |
| Trade receivables | *11* | - | - | 1,617.42 | - | - | - | - |
| Cash and cash equivalents | *12* | - | - | 74.34 | - | - | - | - |
| Loan | *13* | - | - | 96.40 | - | - | - | - |
| | | - | 7,686.74 | 1,838.80 | | | | |
| **Financial liabilities** | | | | | | | | |
| Borrowings | *16 & 20* | - | - | 32.95 | - | 32.95 | - | 32.95 |
| Trade payables | *21* | - | - | 1,133.18 | - | - | - | - |
| Other financial liabilities | *17 & 22* | - | - | 348.71 | - | 22.03 | - | 22.03 |
| | | - | - | 1,514.84 | | | | |

| 31 March 2017 | Note | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | | FVTPL | FVTOCI | Amortised Cost | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| **Financial assets** | | | | | | | | |
| Investments | *6* | - | 8,107.42 | - | - | - | 8,107.42 | 8,107.42 |
| Others financial assets | *7* | - | - | 70.75 | - | - | - | - |
| Trade receivables | *11* | - | - | 2,231.87 | - | - | - | - |
| Cash and cash equivalents | *12* | - | - | 65.87 | - | - | - | - |
| Loan | *13* | - | - | 253.26 | - | - | - | - |
| | | - | 8,107.42 | 2,621.75 | | | | |
| **Financial liabilities** | | | | | | | | |
| Borrowings | *16 & 20* | - | - | 35.01 | - | 3.85 | - | 3.85 |
| Trade payables | *21* | - | - | 548.77 | - | - | - | - |
| Other financial liabilities | *17 & 22* | - | - | 281.84 | - | 9.77 | - | 9.77 |
| | | - | - | 865.62 | | | | |

Hagwood Commercial Developers Private Limited

**Notes to the Ind AS financial statements *(Continued)***
*as at 31 March 2018*

(Currency : Indian Rupees in Lakhs)

**Note 39 : Financial instruments – Fair values and risk management :**

**Accounting classification and fair values**

| 1 April 2016 | Note | Carrying amount | | | Fair value | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | FVTPL | FVTOCI | Amortised Cost | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | |
| **Financial assets** | | | | | | | | |
| Investments | *6* | - | 5,995.94 | - | - | - | 5,995.94 | 5,995.94 |
| Others financial assets | *7* | - | - | 211.62 | - | - | - | - |
| Trade receivables | *11* | - | - | 2,312.46 | - | - | - | - |
| Cash and cash equivalents | *12* | - | - | 128.64 | - | - | - | - |
| Loan | *13* | - | - | 359.01 | | | | |
| | | - | 5,995.94 | 3,011.73 | | | | |
| **Financial liabilities** | | | | | | | | |
| Borrowings | *16 & 20* | - | - | 264.20 | - | 13.81 | - | 13.81 |
| Trade payables | *21* | - | - | 856.86 | - | - | - | - |
| Other financial liabilities | *17 & 22* | - | - | 121.16 | - | 8.82 | - | 8.82 |
| | | - | - | 1,242.22 | | | | |

**B) Measurement of fair values**

**Valuation techniques and significant unobservable inputs**
The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

**i) Financial instruments measured at amortised cost**

| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|---|---|---|
| Borrowings | Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. | Not applicable | Not applicable |
| Other financial liabilities- (current maturities of long-term debt) | Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. | Not applicable | Not applicable |

**ii) Financial instruments measured at fair value through Other Comprehensive Income**

| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|---|---|---|
| Investment in preference shares | The fair value of investment has been determined by external, independent property valuer, having appropriate recognised professional qualifications and relevant experience the field. | Not applicable | Not applicable |

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**Note 39 : Financial instruments – Fair values and risk management *(Continued)* :**

**B) Financial risk management**

The Company has exposure to the following risks arising from financial instruments:
a. credit risk ;
b. liquidity risk ; and
c. market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**a. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

*Trade receivables*

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular follow up, engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings.The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast spectrum. The Company also takes security deposits, advances , post dated cheques etc from its customers, which mitigate the credit risk to an extent.

*Cash and cash equivalents*

The Company held cash and cash equivalents with credit worthy banks of Rs 74.34 lakhs; Rs 65.87 and Rs 128.64 lakhs as at 31 March 2018 ; 31 March 2017 and 1 April 2016 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

**Exposure to credit risk**

The allowance for impairment in respect of trade receivables during the year was Rs Nil ( 2017: Rs Nil)
The allowance for impairment in respect of loans and other financial assets during the year was Rs 89.29 lakhs ( 2017: Rs 294.92 lakhs)

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31 March 2018 , 31 March 2017 and 1 April 2016 is as follows:

| **Particulars** | **31 March 2018** | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| Financial assets for which loss allowances are measured using 12 months Expected Credit Losses (ECL) : | | | |
| Trade receivables | - | - | - |
| Loans and Other financial assets | **1,128.96** | 1,039.67 | 744.75 |

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

| **Particulars** | **Amount** |
|---|---|
| **Balance as at 1 April 2016** | **744.75** |
| Impairment loss recognised | 294.92 |
| **Balance as at 31 March 2017** | **1,039.67** |
| Impairment loss recognised | 89.29 |
| **Balance as at 31 March 2018** | **1,128.96** |

**b. Liquidity risk**

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

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**Note 39 : Financial instruments – Fair values and risk management *(Continued)* :**

**B) Financial risk management**

*Exposure to liquidity risk*
The table below summarises the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

| Particulars | Note | Contractual cash flows | | | |
|---|---|---|---|---|---|
| | | One year or less | 1 - 5 years | More than 5 years | Total |
| **As at 31 March 2018** | | | | | |
| **Non - derivative financial liabilities** | | | | | |
| Borrowings | *16 , 20* | - | **32.95** | - | **32.95** |
| Trade payables | *21* | **1,133.18** | - | - | **1,133.18** |
| Other financial liabilities | *17 ,22* | **125.53** | **223.18** | - | **348.71** |
| | | **1,258.71** | **256.13** | - | **1,514.84** |
| **As at 31 March 2017** | | | | | |
| **Non - derivative financial liabilities** | | | | | |
| Borrowings | *16 , 20* | 31.16 | 3.85 | - | 35.01 |
| Trade payables | *21* | 548.77 | - | - | 548.77 |
| Other financial liabilities | *17 ,22* | 113.13 | 168.71 | - | 281.84 |
| | | 693.06 | 172.56 | - | 865.62 |
| **As at 31 March 2017** | | | | | |
| **Non - derivative financial liabilities** | | | | | |
| Borrowings | *16 , 20* | 250.39 | 13.81 | - | 264.20 |
| Trade payables | *21* | 856.86 | - | - | 856.86 |
| Other financial liabilities | *17 ,22* | 43.24 | 77.92 | - | 121.16 |
| | | 1,150.49 | 91.73 | - | 1,242.22 |

**c. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and bank deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Interest rate risk*
Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk:
The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from banks.

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

| Particulars | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| Fixed-rate instruments: | | | |
| Financial asset (Bank deposits) | - | - | - |
| Financial liabilities (Borrowings) | **(54.98)** | (44.78) | (273.02) |
| | **(54.98)** | (44.78) | (273.02) |
| Variable-rate instruments: | | | |
| Financial liabilities (Borrowings) | - | - | - |

Fair value sensitivity analysis for fixed-rate instruments

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

*Foreign currency risk*
The Company has negligible exposure to currency risk since almost all the transactions of the Company are denominated in Indian Rupees.

*Commodity and Other price risk*
The Company is not exposed to the commodity and other price risk.

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# Hagwood Commercial Developers Private Limited

## Notes to the Ind AS financial statements *(Continued)*
*as at 31 March 2018*

(Currency : Indian Rupees in Lakhs)

**Note 40 : Capital Management**

The Company manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors vis-a-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. Higher leverage is used for funding more liquid working capital needs and conservative leverage is used for long-term capital investments. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2018. The Company calculates the level of debt capital required to finance the working capital requirements using traditional and modified financial metrics including leverage/gearing ratios and asset turnover ratios.

As of balance sheet date, leverage ratios is as follows:

| Particulars | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|---|---|---|---|
| **Total debt (Refer note 16,20 and 22)** | **54.98** | 44.78 | 273.02 |
| **Less: cash and bank balances (Refer note 12)** | **74.34** | 65.87 | 128.64 |
| **Adjusted net debt** | **(19.36)** | (21.09) | 144.38 |
| **Total equity** | **27,340.51** | 27,395.85 | 25,325.55 |
| **Adjusted net debt to adjusted equity ratio (times)** | **(0.00)** | (0.00) | 0.01 |

**Note 41 : Disclosure of Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBNs) Disclosure related to Specified Bank Notes (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars | SBNs (INR 1,000 and INR 500)* | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on 8th November 2016 | - | 1.76 | 1.76 |
| (+) Permitted receipts | - | 4.01 | 4.01 |
| (-) Permitted payments | - | 2.65 | 2.65 |
| (-) Amount deposited in Banks | - | - | - |
| **Closing cash in hand as on 30th December 2016** | - | **3.12** | **3.12** |

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

**Note 42 : Prior year comparatives**

Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

**Note 43:** Prior period figures have been audited by a firm of Chartered Accountants other than B S R & Co. LLP

**As per our report of even date attached**

**For B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Mansi Pardiwalla**
*Partner*
Membership No: 108511

Place : Mumbai
Date : 28 May 2018

**For and on behalf of the Board of Directors of**
**Hagwood Commercial Developers Private Limited**
CIN : U45201MH2006PTC164110

**Sudhanshu Chaturvedi**
*Director*
DIN 05151360

**Deepa Hakani**
*Director*
DIN 07155347

**Sagar Gosar**
*Chief Financial Officer*

**Nidhi Chhawchharia**
*Company Secretary*
Membership No: A22240

HAGWOOD COMMERCIAL DEVELOPERS PVT. LTD.

Place : Mumbai
Date : 28th May 2018