

SGCO & Co. LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Frozone Developers & Realtors Private Limited,

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Frozone Developers & Realtors Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified in the Companies (Indian Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone 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 standalone financial statements are free from material misstatement.

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Mumbai • Bengaluru

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone 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 standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 of the Act, based on our audit 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 Statement of Cash Flows 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 standalone 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 31st March 2018 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2018 from being appointed as a Director in terms of subsection 2 of Section 164 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**". Our report expresses an



unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and ;

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

For S G C O & Co. LLP

Chartered Accountants

Firm's Registration No.112081W/W100184


Suresh Murarka
Partner

Membership No.: 44739



Place: Mumbai

Date: 28th May, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 under the heading "**Report on Other Legal and Regulatory Requirements**" in our Independent Auditor's Report to the members of **Prozone Developers & Realtors Private Limited** for the year ended 31st March, 2018.

As required by the Companies (Auditors Report) Order, 2016 and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) Since the Company does not have any Fixed Assets, paragraph 3 (i) of the said Order is not applicable to the Company.
- (ii) Since the Company does not have any inventory, paragraph 3 (ii) of the said Order is not applicable to the Company.
- (iii) The Company has not granted any loans to the parties covered in the register maintained under Section 189 of the Act. Hence paragraph 3 (iii) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, section 185 of the Act is not applicable, since the Company has not granted any loan and has not provided any guarantees or security to the parties covered under section 185 of the Act and not made any investments in securities. With regards to loans provided to other body corporates, the Company has complied with the provisions of section 186 of the Act.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed for maintenance of cost records under subsection (1) of Section 148 of the Act.
- (vii) a) Accordingly to the records of the Company, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues wherever applicable have regularly been deposited with the appropriate authorities except for the delays in some cases of Professional tax. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2018 for a period more than six months from the date they became payable.
b) According to the records of the company there are no dues of sales tax, income tax, service tax, duty of custom, duty of excise and Value Added Tax which have not been deposited on account of any dispute with the relevant authorities.
- (viii) The Company did not have any outstanding dues to any Banks, financial institution and debenture holders during the year.
- (ix) The company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.



- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not paid / provided for any managerial remuneration. Accordingly, paragraph 3 (xi) of the order is not applicable
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 177 and section 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation 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 the directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S G C O & Co. LLP

Chartered Accountants

Firm's Registration No.112081W/W100184


Suresh Murarka

Partner

Membership No.: 44739

Place: Mumbai

Date: 28th May, 2018



ANNEXURE "B" to the Independent Auditor's Report of even date to the members of Prozone Developers & Realtors Private Limited, on the standalone financial statements for the year ended 31st March 2018.

Independent 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 ("IFCoFR") of **Prozone Developers & Realtors Private Limited** ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

2. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
3. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

6. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For S G C O & Co. LLP

Chartered Accountants

Firm's Registration No.112081W/W100184


Suresh Murarka

Partner

Membership No.: 44739

Place: Mumbai

Date: 28th May, 2018



Prozone Developers and Realtors Private Limited
Balance Sheet as at 31 March 2018

(Amount in Rs)

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
ASSETS				
Non-current assets				
<u>Financial Assets</u>				
Loans	3	58,100,000	-	-
Others financial assets	4	512,762,819	494,154,241	-
Income tax assets (net)	5	10,363,010	4,231,852	-
Total Non-current assets		581,225,829	498,386,093	-
Current assets				
<u>Financial Assets</u>				
Cash and cash equivalents	6	107,596	164,678	202,794
Other Current assets	7	-	426,000	250,000
Total Current assets		107,596	590,678	452,794
TOTAL ASSETS		581,333,425	498,976,771	452,794
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	8	500,000	500,000	500,000
Other Equity		6,269,539	122,313	(89,729)
Total Equity		6,769,539	622,313	410,272
Liabilities				
Non-current liabilities				
<u>Financial Liabilities</u>				
Borrowings	9	568,158,524	493,643,564	-
Total Non-current liabilities		568,158,524	493,643,564	-
Current liabilities				
<u>Financial Liabilities</u>				
Trade payables	10	420,115	32,887	32,522
Other current liabilities	11	5,985,246	4,678,006	10,000
Total current liabilities		6,405,361	4,710,894	42,522
TOTAL EQUITY AND LIABILITIES		581,333,425	498,976,770	452,794

Notes 1 to 24 form an integral part of these Ind AS standalone financial statements

This is the Balance Sheet referred to in our audit report of even date

For S G C O & Co. LLP

Chartered Accountants

Firm Registration No : 112081W/W100184


Suresh Murarka

Partner

Mem. No. 44739



Place : Mumbai

Date : 28th May 2018

For and on behalf of the Board of Directors


Sudhanshu Chaturvedi

Director

DIN : 05151360


Prashant Koparde

Director

DIN : 06838824


S.G. Bhatt

Shradha Bhatt

Company Secretary



Place : Mumbai

Date : 28th May 2018

Prozone Developers and Realtors Private Limited
Statement of Profit and Loss for the year ended 31 March 2018

(Amount in Rs)

Particulars	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
INCOME			
Other Income	12	84,841,168	43,373,211
Total Income		84,841,168	43,373,211
EXPENSES			
Employee benefits expense	13	1,444,859	-
Finance Cost	14	72,319,140	39,940,186
Other expenses	15	2,576,983	3,115,515
Total Expenses		76,340,982	43,055,701
Profit/(loss) before tax		8,500,186	317,510
Income Tax expense:			
- Current tax		2,352,959	105,469
Total Income Tax expense		2,352,959	105,469
Profit/ (loss) for the year (A)		6,147,227	212,041
Other comprehensive income (OCI) (B)		-	-
Total comprehensive income/ (loss) for the year, net of tax (A+B)		6,147,227	212,041
Earning per Share (EPS)	16		
(per equity share of nominal value Rs. 2 each)			
Basic and diluted (in Rs.)		24.59	0.85

Notes 1 to 24 form an integral part of these Ind AS standalone financial statements

This is the statement of profit and loss referred to in our audit report of even date

For S G C O & Co. LLP

Chartered Accountants

Firm Registration No : 112081W/W100184

Suresh Murarka

Partner

Mem. No. 44739



Place : Mumbai

Date : 28th May 2018

For and on behalf of the Board of Directors

Sudhanshu Chaturvedi

Director

DIN : 05151360

Prashant Koparde

Director

DIN : 06838824



Shraddha Bhatt

Company Secretary

Place : Mumbai

Date : 28th May 2018

Prozone Developers and Realtors Private Limited
Cash Flow Statement for the year ended 31 March 2018

(Amount in Rs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A. Cash Flow from Operating Activities:		
Net Profit /(Loss) before tax	8,500,186	317,510
Adjustments for :		
Interest Income	(84,841,168)	(43,373,211)
Finance Cost	72,319,140	39,940,186
Operating profit before working Capital Changes	(4,021,842)	(3,115,515)
Adjustments for changes in working capital:		
Decrease/(Increase) in Other assets	(18,182,578)	(494,330,241)
Increase/(Decrease) in Trade Payables	387,228	365
Increase/(Decrease) in Other current liabilities	1,307,240	4,668,006
Cash generated from / (used in) operations	(20,509,953)	(492,777,384)
Direct taxes paid	(8,484,117)	(4,337,321)
Net cash flow from / (used in) operating activities (A)	(28,994,069)	(497,114,706)
B. Cash Flow from Investing Activities:		
Increase in Loans and advances	(58,100,000)	-
Interest Income	84,841,168	43,373,211
Net cash flow from / (used in) investment activities (B)	26,741,168	43,373,211
C. Cash Flow from Financing Activities:		
Proceeds from long term borrowings	74,514,960	493,643,564
Finance Cost	(72,319,140)	(39,940,186)
Net cash flow from / (used in) financing activities (C)	2,195,820	453,703,378
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(57,081)	(38,116)
Cash and Cash Equivalents at the beginning of the year	164,678	202,794
Cash and Cash Equivalents at the end of the year	107,596	164,677
Components of cash and cash equivalents considered only for the purpose of cash flow statement		
In bank current accounts in Indian rupees	104,786	148,435
Cash in hand	2,810	16,243
	107,596	164,678

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.



Prozone Developers and Realtors Private Limited
Cash Flow Statement for the year ended 31 March 2018

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

Particulars	31.03.17	Cash flows	Non-cash changes		31.03.18
			Fair value changes	Current / Non - current classification	
Long-term borrowings	493,643,564	74,514,960			568,158,524
Total liabilities from financing activities	493,643,564	74,514,960	-	-	568,158,524

Notes 1 to 24 form an integral part of these Ind AS standalone financial statements

This is the Cash Flow Statement referred to in our audit report of even date

For S G C O & Co. LLP

Chartered Accountants

Firm Registration No : 112081W/W100184

Suresh Murarka
Suresh Murarka

Partner

Mem. No. 44739



For and on behalf of the Board of Directors

Sudhanshu Ghaturvedi
Sudhanshu Ghaturvedi

Director

DIN : 05151360

Prashant Koparde
Prashant Koparde

Director

DIN : 06838824

S. G. Bhatt
S. G. Bhatt

Shraddha Bhatt
Company Secretary



Place : Mumbai

Date : 28th May 2018

Place : Mumbai

Date : 28th May 2018

Prozone Developers and Realtors Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A) Equity share capital

Particulars	Number	Amount in Rs
Equity shares of Rs. 2 each issued, subscribed and paid		
As at 1 April 2016	250,000	500,000
Issue of equity shares	-	-
As at 31 March 2017	250,000	500,000
Issue of equity shares	-	-
As at 31 March 2018	250,000	500,000

B) Other equity


(Amount in Rs)

Particulars	Retained earnings	Other comprehensive income	Total equity attributable to equity holders
As at 1 April 2016	(89,729)	-	(89,729)
Total comprehensive income for the year	212,041	-	212,041
As at 31 March 2017	122,313	-	122,313
Total comprehensive income for the year	6,147,227	-	6,147,227
As at 31 March 2018	6,269,539	-	6,269,539

Notes 1 to 24 form an integral part of these Ind AS standalone financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date


For S G C O & Co. LLP
Chartered Accountants
Firm Registration No : 112081W/W100184


Suresh Murarka
Partner
Mem. No. 44739




Place : Mumbai
Date : 28th May 2018

For and on behalf of the Board of Directors


Sudhanshu Chaturvedi
Director
DIN : 05151360




Prashant Koparde
Director
DIN : 06838824


S.G. Bhatt
Company Secretary

Place : Mumbai
Date : 28th May 2018

**Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018**

Note 1 Corporate Information

Prozone Developers and Realtors Private Limited ("the Company") is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

Note 2.1 Basis of Preparation

(a) Statement of Compliance

These Ind AS standalone 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 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 financial position, financial performance and 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 28th May 2018.

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

(b) Historical cost convention

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

1. Financial instruments measured at fair value through profit or loss, if applicable
2. Financial instruments measured at fair value through other comprehensive income, if applicable

(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 Indian Rupees, except for share data and as 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.

Note 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) Current vs non-current classification

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

Current – non current classification

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



Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018

Assets

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 company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non current.

Liabilities

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

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non current.

(b) Financial Instruments

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

i) Financial Assets

A financial asset is

(i) a contractual right to receive cash or another financial asset; to exchange financial assets or financial liabilities under potentially favourable conditions;

(ii) or a contract that will or may be settled in the entity's own equity instruments and a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Initial Recognition

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

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories;

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.



Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these 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. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

ii) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.



Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018

Financial Liabilities

A financial liability is

- (i) a contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial instruments under potentially unfavourable conditions;
- (ii) or a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of its own equity instruments; or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

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

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

iii) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

(c) 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.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable using the Effective Interest Rate ("EIR") method.



Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018

(d) Employee Benefits

Defined Benefit Plan

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

(e) Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT")

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

(f) Borrowing Costs:

Borrowing costs are recognised as an expense in the period in which they are incurred except the borrowing cost attributable to be acquisitions/constructions of a qualifying assets which are capitalised as a part of the cost of the fixed assets, up to the date, the assets are ready for its intended use.



A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

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.

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



Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018

NOTE 2.3 : FIRST TIME ADOPTION OF IND AS

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

The accounting policies set out in Note 2.2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 1, 2016 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies(Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes :

A) Exemptions and exceptions availed

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 April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

b) Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

c) Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

d) 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.

B) Since there are no reconciliation items, Total Comprehensive Income in accordance with Ind AS is same as per the net profit or loss reported in accordance with Indian GAAP for the half year and year ended March 31, 2017.



**Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018**

(Amount in Rs)

Note 3 :- Loans

(Secured, considered good)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Loans and advances	58,100,000	-	-
Total Loans	58,100,000	-	-

Note 4 :- Others financial assets

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Secured - Considered Good			
Advance receivable in cash or kind	5,000,000	50,000,000	-
Advance against project *	507,686,662	444,035,891	-
Unsecured - Considered Good			
Balances with Government Authorities	76,157	118,350	-
Total Other Non-current assets	512,762,819	494,154,241	-

* The Company has provided the facility amount for various real estate projects with fixed and variable returns. The said projects has commenced and final agreement is pending. Though the said amount is secured against cheques, allotment of flats in under construction residential building and guarantee of investee, the management has recognized interest (fixed return) up to December 31, 2017 on a conservative basis.

Note 5 :- Income tax assets (net)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
TDS receivable (Net of provision for tax)	10,363,010	4,231,852	-
Total Income tax assets (net)	10,363,010	4,231,852	-

Note 6 :- Cash and cash equivalents

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<u>Balance with Banks:</u>			
In current accounts	104,786	148,435	87,794
Cash in hand	2,810	16,243	115,000
Total Cash and cash equivalents	107,596	164,678	202,794

Note 7 :- Other Current assets

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advances recoverable in cash or in kind	-	426,000	250,000
Total Other Current assets	-	426,000	250,000



**Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018**

(Amount in Rs)

Note 9 : Borrowings

(Unsecured)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
15%, 340 Non-Convertible, Redeemable Debentures (NCRD) of Rs 10,00,000 *	340,000,000	340,000,000	-
Interest accrued but not due on debentures	55,331,507	4,331,507	-
Unsecured Loan from Holding Company #	172,827,017	149,312,057	-
Total Borrowings	568,158,524	493,643,564	-

* The NCRD shall be redeemable after 3 years from the date of issue of such NCRD. Interest on the same is repayable at the time of redemption

The said loan is repayable after 31st March, 2018. The said loan is interest bearing at the rate of 11% p.a. (31.03.17: 11% p.a., 01.04.2016: 11% p.a.)

Note 10 : Trade payables

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Due to Micro, Small & Medium Enterprises	111,500	11,500	-
Due to Others	308,615	21,387	32,522
Total Trade payables	420,115	32,887	32,522

Company had sought confirmation from the vendors whether they fall in the category of Micro, Small and Medium Enterprises. Based on the information available, the required disclosure for Micro, Small and Medium Enterprises under the above Act is given below :

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
The principal amount remaining unpaid to any supplier as at the end of accounting year ;	111,500	11,500	-
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 has been waived off by the Supplier.



**Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018**

(Amount in Rs)

Note 11 : Other current liabilities

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Employee Benefits Expense	113,538	-	
Duties & taxes payables	5,871,708	4,678,006	10,000
Total Other current liabilities	5,985,246	4,678,006	10,000

Note 12 :- Other Income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest Income	84,841,168	43,373,211
Total Other Income	84,841,168	43,373,211

Note 13 :- Employee benefits expense

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salaries and bonus	1,444,859	-
Total Employee benefits expense	1,444,859	-

Note 14 :- Finance Cost

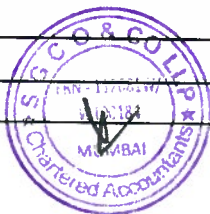
Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest expenses on :		
- Non Convertible Debentures	55,135,135	5,455,298
- Loan	16,674,005	34,484,888
Other borrowing cost	510,000	-
Total Finance Cost	72,319,140	39,940,186

Note 15 :- Other expenses

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Professional fees	1,575,833	2,921,194
Auditor's remuneration	100,000	10,000
Interest on delayed payments of statutory dues	808,810	-
Miscellaneous Expenses	92,341	184,320
Total Other expenses	2,576,983	3,115,515

Payment to Auditors

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Audit fees	100,000	10,000
	100,000	10,000



Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018

(Amount in Rs)

Note 16 :- Earning Per 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.

Basic and diluted EPS

Particulars		Year ended 31.03.2018	Year ended 31.03.2017
Profit computation for basic earnings per share of Rs. 2 each			
Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	Amount in Rs	6,147,227	212,041
Weighted average number of equity shares for EPS computation	(Nos.)	250,000	250,000
EPS - Basic and Diluted EPS	(Rs.)	24.59	0.85



(Amount in Rs.)

Note 8 :- Equity Share Capital

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Authorized Capital 2,50,000 Equity Shares of Rs. 2/- each (31.03.17: 2,50,000 shares, 01.04.2016: 2,50,000 shares)	500,000	500,000	500,000
	500,000	500,000	500,000
Issued, Subscribed and Fully Paid Up 2,50,000 Equity Shares of Rs. 2/- each fully paid up (31.03.17: 2,50,000 shares, 01.04.2016: 2,50,000 shares)	500,000	500,000	500,000
	500,000	500,000	500,000

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

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity Shares of Rs. 2/- each fully paid up						
At the beginning of the period	250,000	500,000	250,000	500,000	250,000	500,000
Issued during the period	-	-	-	-	-	-
Outstanding at the end of the period	250,000	500,000	250,000	500,000	250,000	500,000

b) Term/right attached to equity shares

The company has only one class of equity shares having at a par value of Rs. 2 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	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)
Prozone Intu Properties Limited & its Nominees	250,000	5,00,000	250,000	5,00,000	-	-
Provogue (India) Limited & its Nominees	-	-	-	-	250,000	5,00,000

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

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
Prozone Intu Properties Limited & its Nominees	250,000	100	250,000	100	-	-
Provogue (India) Limited & its Nominees	-	-	-	-	250,000	100



Note 17 : 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	Nature of the party
A) Key Management Personnel (KMP)	
Mr. Deep Gupta (Upto 2nd April, 2016)	Director
Mr. Prashant Koparde	Director
Mr. Sudhanshu Chaturvedi (From 2nd April, 2016)	Director
B) Holding Company	
Prozone Intu Properties Limited (from 25th April, 2016)	
Provogue India Limited (upto 25th April, 2016)	

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

Particulars	(Amount in Rs.)	
	Year ended 31 March 2018	Year ended 31 March 2017
Holding Company		
Prozone Intu Properties Limited		
Interest Expense	16,674,005	34,484,888
Loan Taken	8,508,360	459,375,660
Loan repaid	1,667,405	344,548,491
Balance outstanding as at the year end		
Loan Taken	172,827,017	149,312,057
Balance outstanding as at beginning of the year		
Loan Taken	149,312,057	-



Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018

Note 18 : Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets":

Contingent Liabilities not provided for are Rs. NIL (P.Y. Rs. NIL)

Note 19 : Disclosure with regards to section 186 of the Companies Act, 2013

For Loans given :

Particulars	Rate of Interest	(Amount in Rs.)	
		Year ended 31 March 2018	Year ended 31 March 2017
Loans & Advances	18%	58,100,000	-

Note 20 : Deferred tax liabilities/(assets)

There are no items attributable to the deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base as required by Ind AS-12. In view of uncertainty regarding generation of sufficient future taxable income and as matter of prudence no deferred tax assets has been recognized on the losses incurred during the year.



Note 21 : Fair Value Measurement

(i) Financial instruments by category

Particulars	Refer note	31 March 2018			31 March 2017			(Amount in Rs.) 01 April 2016		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets:										
Cash and cash equivalents	6	-	-	107,596	-	-	164,678	-	-	202,794
Total Financial Assets		-	-	107,596	-	-	164,678	-	-	202,794
Financial Liabilities:										
Borrowings	9	-	-	568,158,524	-	-	493,643,564	-	-	-
Trade payables	10	-	-	420,115	-	-	32,887	-	-	32,522
Total Financial Liabilities		-	-	568,578,639	-	-	493,676,451	-	-	32,522

(ii) Fair value hierarchy

Fair value hierarchy explains the judgement and estimates made in determining the fair values of the financial instruments that are -

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Assets and Liabilities that are disclosed at Amortised Cost for which Fair values are disclosed as Level 3.

If one or more of the significant inputs is not based on observable market data, the respective assets and liabilities are considered under Level 3.

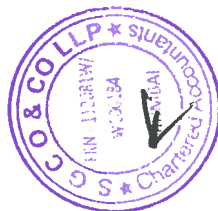


Prozone Developers and Realtors Private Limited
Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018

Note 21 : Fair Value Measurement

(iii) Fair value of financial assets and liabilities measured at amortised cost

Particulars	Refer note	31 March 2018		31 March 2017		(Amount in Rs.)	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:							
Cash and cash equivalents	6	107,596	107,596	164,678	164,678	202,794	202,794
Total Financial Assets		107,596	107,596	164,678	164,678	202,794	202,794
Financial Liabilities:							
Borrowings	9	568,158,524	568,158,524	493,643,564	493,643,564	-	-
Trade payables	10	420,115	420,115	32,887	32,887	32,522	32,522
Total Financial Liabilities		568,578,639	568,578,639	493,676,451	493,676,451	32,522	32,522



**Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018****Note 22 : Financial risk management objectives and policies**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk : interest rate risk, currency risk and other price risk. Major financial instruments affected by market risk includes loans and borrowings.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk pertaining to funds borrowed at fixed interest rates. Hence the Company is not required to determine the sensitivity analyses with regard to interest rate risk.

b) Foreign currency risk

The Company is not exposed to foreign exchange risk as at the respective reporting dates.

c) Other price risk

The Company is not exposed to any other price risk.

ii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company does not foresee any credit risk.

iii) Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(Amount in Rs.)

Particulars	On demand	0 - 6 months	6 - 12 months	More than 1 year	Total
As at 31 March 2018					
Borrowings	-			568,158,524	568,158,524
Trade payables	420,115				420,115
	420,115	-	-	568,158,524	568,578,639
As at 31 March 2017					
Borrowings	-			493,643,564	493,643,564
Trade payables	32,887				32,887
	32,887	-	-	493,643,564	493,676,451
As at 01 April 2016					
Trade payables	32,522				32,522
	32,522	-	-	-	32,522



**Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2018****Note 23 : Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital plus total debts.

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Total debts	568,158,524	493,643,564	-
Total equity	6,769,539	622,313	410,272
Total debts to equity ratio (Gearing ratio)	0.99	1.00	-

Note 24 : Prior year comparatives

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

Notes 1 to 24 form an integral part of these Ind AS standalone financial statements

For S G C O & Co. LLP

Chartered Accountants

Firm Registration No : 112081W/W100184


Suresh Murarka
Partner

Mem. No. 44739

Place : Mumbai
Date : 28th May 2018

For and on behalf of the Board of Directors



Sudhanshu Chaturvedi

Director

DIN : 05151360



Prashant Koparde

Director

DIN : 06838824





Shraddha Bhatt

Company Secretary

Place : Mumbai
Date : 28th May 2018