

**Spacecon Realty Private Limited**  
**(Formerly known as DB Spacecon Private Limited)**  
**Balance Sheet as at March 31, 2017**

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>1 Current Assets</b>				
a Inventories	2	-	471,515,530	471,515,530
b Financial Assets				
(i) Trade Receivable	3	103,933,774	3,933,774	3,933,774
(ii) Cash and cash equivalent	4	30,666	30,114	29,768
c Other Current Assets	5	49,842	49,842	49,842
<b>Total Current Assets (A)</b>		<b>104,014,282</b>	<b>475,529,260</b>	<b>475,528,914</b>
<b>Total Assets (A)</b>		<b>104,014,282</b>	<b>475,529,260</b>	<b>475,528,914</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
a Share Capital	6	135,140	135,140	135,140
b Retained Earnings	7	(73,443,458)	(101,822,968)	(101,706,944)
<b>Total Equity (A)</b>		<b>(73,308,318)</b>	<b>(101,687,828)</b>	<b>(101,571,804)</b>
<b>2 Current Liabilities</b>				
a Financial liabilities				
(i) Borrowings	8	177,160,124	577,138,288	577,043,288
(ii) Trade payables	9	154,976	71,300	52,430
b Other Current liabilities	10	7,500	7,500	5,000
<b>Total Current Liabilities (C)</b>		<b>177,322,600</b>	<b>577,217,088</b>	<b>577,100,718</b>
<b>Total Equity &amp; Liabilities (A)+(B)+(C)</b>		<b>104,014,282</b>	<b>475,529,260</b>	<b>475,528,914</b>

Significant accounting policies and notes on Financial statements 1 to 26

As per our attached report of even date

AS PER OUR ATTACHED REPORT OF EVEN DATE  
FOR CHATURVEDI & SHAH  
Chartered Accountants  
Firm Registration no - 101720W

For and on Behalf of the Board  
of Spacecon Realty Pvt. Ltd.

Jignesh Mehta  
Partner  
Membership no - 102749

Rajiv Agarwal  
Director  
DIN : 00030453

Nabil Patel  
Director  
DIN : 00298093

Place : Mumbai  
Date : 30/5/2017

Place : Mumbai  
Date : 30/5/2017

Place : Mumbai  
Date : 30/5/2017

**Spacecon Realty Private Limited**  
**(Formerly known as DB Spacecon Private Limited)**  
**Statement of Profit and Loss for the year ended March 31, 2017**

(Amount in Rs.)

Particulars		Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I	Revenue from operations		-	
II	Other income	11	500,000,000	-
III	<b>Total Income (I)+(II)</b>		<b>500,000,000</b>	<b>-</b>
IV	<b>Expenses</b>			
	Changes in inventories of Project WIP (Refer Note: 15)	12	471,515,530	-
	Other expense	13	104,960	116,024
	<b>Total expenses (IV)</b>		<b>471,620,490</b>	<b>116,024</b>
	Profit/ (loss) before exceptional items and tax		28,379,510	(116,024)
	Exceptional items		-	-
V	<b>(Loss) before tax (III)-(IV)</b>		<b>28,379,510</b>	<b>(116,024)</b>
VI	<b>Tax expense</b>			
	a) Current tax		-	-
	b) Deferred tax		-	-
	<b>Profit/ (loss) for the period from continuing operations</b>		<b>28,379,510</b>	<b>(116,024)</b>
VII	<b>(Loss) for the period (V)-(VI)</b>		<b>28,379,510</b>	<b>(116,024)</b>
VIII	<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
IX	<b>Total Comprehensive Income for the period (VII)+(VIII)</b>		<b>28,379,510</b>	<b>(116,024)</b>
X	<b>Earnings per equity share</b>			
	Basic and Diluted		2,100	(9)
	Weighted no. of Equity shares used in Computing EPS ( of Rs 10/- each )		13,514	13,514

Significant accounting policies and notes on Financial statements 1 to 26

As per our attached report of even date

AS PER OUR ATTACHED REPORT OF EVEN DATE  
FOR CHATURVEDI & SHAH  
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Place : Mumbai  
Date : 30/5/2017

Place : Mumbai  
Date : 30/5/2017

**Spacecon Realty Private Limited**  
**(Formerly known as DB Spacecon Private Limited)**

**Cash Flow Statement for the year ended March 31, 2017**

Sr. No.	Particulars	Year Ended 2016-17	Year Ended 2015-16
A.	Cash Flow from operating activities		
	Net Profit/(Loss) before tax & extraordinary items	28,379,510	(116,024)
	Operating Profit before Working Capital changes	<b>28,379,510</b>	<b>(116,024)</b>
	<b>Adjustments For</b>		
	(Increase) / Decrease in inventories	471,515,530	-
	Increase / (Decrease) in trade receivable	(100,000,000)	-
	Increase / (Decrease) in trade payables	83,676	18,870
	Increase / (Decrease) in other current liabilities	-	2,500
	<b>Cash generated from operations</b>	<b>399,978,716</b>	<b>(94,654)</b>
	<b>Net Cash from operating activities (A)</b>	<b>399,978,716</b>	<b>(94,654)</b>
B.	Cash Flow from Investing activities :	-	-
	Net Cash generated/ (used in) from investing activities (B)	-	-
C.	Cash Flow from Financing activities :		
	Long term borrowings taken	-	95,000
	Long term borrowings repaid	399,978,164	-
	<b>Net cash/ (used in) from financing activities (C)</b>	<b>399,978,164</b>	<b>95,000</b>
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>552</b>	<b>346</b>
	Cash and Cash equivalents as at the beginning	30,114	29,768
	Cash and Cash equivalents as at the end	<b>30,666</b>	<b>30,114</b>
	<b>Cash and cash Equivalents includes:</b>		
	Cash on hand	15,114	16,440
	Bank Balances	15,552	13,674
		<b>30,666</b>	<b>30,114</b>

AS PER OUR ATTACHED REPORT OF EVEN DATE  
FOR CHATURVEDI & SHAH  
Chartered Accountants  
Firm Registration no - 101720W

For and on Behalf of the Board  
of Spacecon Realty Pvt. Ltd.

Jignesh Mehta  
Partner  
Membership no - 102749

Rajiv Agarwal  
Director  
DIN : 00030453

Nabil Patel  
Director  
DIN : 00298093

Place : Mumbai  
Date : 30/5/2017

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Place : Mumbai  
Date : 30/5/2017

**Spacecon Realty Private Limited****Statement of Changes in Equity for the year ended March 31, 2017****A. Equity Share Capital**

<b>Particulars</b>	<b>Amount (Rs.)</b>
Balance as at April 1, 2014	135,140
Changes in equity share capital during FY 2014-15	-
Balance as at March 31, 2015	135,140
Changes in equity share capital during FY 2015-16	-
Balance as at March 31, 2016	135,140
Changes in equity share capital during FY 2016-17	-
Balance as at March 31, 2017	135,140

**B. Other Equity****(Amount in Rs.)**

<b>Particulars</b>	<b>Retained Earnings</b>
Balance as at April 1, 2014	(101,549,096)
(Loss) for the year FY 2014-15	(157,848)
Balance as at March 31, 2015	(101,706,944)
(Loss) for the year FY 2015-16	(116,024)
Other Comprehensive Income for the year, net of income tax	-
Total Comprehensive Income for the year	(116,024)
Balance as at March 31, 2016	(101,822,968)
(Loss) for the year	28,379,510
Other Comprehensive Income for the year, net of income tax	-
Total Comprehensive Income for the year	28,379,510
Balance as at March 31, 2017	(73,443,458)

**Spacecon Realty Private Limited**  
**(Formerly known as DB Spacecon Private Limited)**

Notes Forming Part of Financial Statements for the year ended March 31, 2017

**2 Inventories ( Valued at lower of cost or NRV )**

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Project Work in Progress</b>			
Work-in-progress (Valued at Cost)	-	471,515,530	471,515,530
<b>Total</b>	<b>-</b>	<b>471,515,530</b>	<b>471,515,530</b>

**3 Trade Receivables**

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured and considered Good	103,933,774	3,933,774	3,933,774
<b>Total</b>	<b>103,933,774</b>	<b>3,933,774</b>	<b>3,933,774</b>

**4 Cash and Cash Equivalents**

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks	15,552	13,674	5,702
Cash on hand	15,114	16,440	24,066
<b>Total</b>	<b>30,666</b>	<b>30,114</b>	<b>29,768</b>

**5 Other Financial Assets**

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Excess TDS Paid Recoverable	49,842	49,842	49,842
<b>Total</b>	<b>49,842</b>	<b>49,842</b>	<b>49,842</b>

**Spacecon Realty Private Limited****(Formerly known as DB Spacecon Private Limited)****Notes Forming Part of Financial Statements for the year ended March 31, 2017****7 Retained Earnings****(Amount in Rs.)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Surplus/(deficit) in statement of P/L as per last FY statement	(101,822,968)	(101,706,944)	(101,549,096)
(+) Net Profit/(Net Loss) For the current year	28,379,510	(116,024)	(157,848)
Closing Balance	(73,443,458)	(101,822,968)	(101,706,944)
<b>Total</b>	<b>(73,443,458)</b>	<b>(101,822,968)</b>	<b>(101,706,944)</b>

**8 Borrowings****(Amount in Rs.)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<u>Unsecured</u> Loan from Holding Company DB Realty Ltd	177,160,124	577,138,288	577,043,288
<b>Total</b>	<b>177,160,124</b>	<b>577,138,288</b>	<b>577,043,288</b>

**9 Trade Payables****(Amount in Rs.)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Due to Micro Small Medium Enterprises (Note 16)	-	-	-
Others	154,976	71,300	52,430
<b>Total</b>	<b>154,976</b>	<b>71,300</b>	<b>52,430</b>

**10 Other Current Liabilities****(Amount in Rs.)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory Dues	7,500	7,500	5,000
<b>Total</b>	<b>7,500</b>	<b>7,500</b>	<b>5,000</b>

**Spacecon Realty Private Limited**  
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**Notes Forming Part of Financial Statements for the year ended March 31, 2017**

**6 Share Capital**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
<b>Authorised Capital</b>			
10,00,000 Equity Shares of Rs. 10/- each (Previous Year 10,00,000)	10,000,000	10,000,000	10,000,000
20,00,000 Compulsorily convertible cumulative Preference Shares of Rs.10/- each (Previous Year 20,00,000)	20,000,000	20,000,000	20,000,000
<b>Total</b>	<b>30,000,000</b>	<b>30,000,000</b>	<b>30,000,000</b>
<b>Issued, subscribed &amp; paid up</b>			
13514 (13514) Equity Shares of Rs. 10/- each	135,140	135,140	135,140
<b>Total</b>	<b>135,140</b>	<b>135,140</b>	<b>135,140</b>

All of the above Shares contain equal voting rights and there are no restrictions/preferences attached to any of the above shares.

**6.1 Reconciliation of shares outstanding at beginning and at the end of reporting period**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Shares outstanding at the beginning of the year	13,514	13,514	13,514
Add: Shares Issued during the year / Bonus issue	NIL	NIL	NIL
Less: Shares bought back during the year/ ESOP	NIL	NIL	NIL
Shares outstanding at the end of the year	13,514	13,514	13,514

**6.2 Shares held by Holding Company / Subsidiary Company / Associates**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
<b>Holding Company:</b>			
D B Realty Limited			
Equity Shares of Rs 10/- each	10,000	10,000	10,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

**6.3 Details of Shareholders holding more than 5% in companies**

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
D B Realty Ltd	10,000	74%	10,000	74%	10,000	74%
Eversmile Construction Company Private Limited	3,514	26%	3,514	26%	3,514	26%

**Spacecon Realty Private Limited****(Formerly known as DB Spacecon Private Limited)****Notes Forming Part of Financial Statements for the year ended March 31, 2017****11 Other Operating Income****(Amount in Rs.)**

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Compensation received (refer note 17)	500,000,000	-
<b>Total</b>	<b>500,000,000</b>	<b>-</b>

**12 Changes in Inventories of Work-in-progress and Stock-in-Trade****(Amount in Rs.)**

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Opening Inventories	471,515,530	471,515,530
Closing Inventories	-	(471,515,530)
<b>Total</b>	<b>471,515,530</b>	<b>-</b>

**13 Other Expenses****(Amount in Rs.)**

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Payment to Auditors (Refer Note Below)	89,126	83,989
Printing, Postage & Telephone Expenses	20	-
Miscellaneous Expenses	1,324	4,526
Interest on delayed payment of TDS	-	21,160
Legal and Professional Fees	9,236	3,100
Bank Charges	2,754	748
Profession Tax	2,500	2,500
<b>Total</b>	<b>104,960</b>	<b>116,024</b>

**Payment to Auditors (Including Service Tax)****(Amount in Rs.)****(Amount in Rs.)**

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Audit Fees	86,626	81,489
Out of Pocket Expenses	2,500	2,500
<b>Total</b>	<b>89,126</b>	<b>83,989</b>



**Spacecon Realty Private Limited**

**(Formerly known as DB Spacecon Private Limited)**

**Notes Forming Part of Financial Statements for the year ended March 31, 2017**

14 As per the Indian Accounting Standard 24, the disclosure of transactions with the related parties are given below.

A Names of related parties with whom transactions have taken place during the year (identified by management and relied upon by the auditor)

- I Holding Company -
- 1 D B Realty Limited

B Transaction during the year with related parties :

- 1 Conwood DB JV

**I. Transactions with Holding Company**

Sr. No.	Particulars	Opening Balance	Repaid / Adjusted During the Year	Taken/ Adjusted During the Year	Closing Balance
1	<b>Loan Given / (Taken) from Holding Company</b>				
a	D B Realty Limited	(577,138,288)	400,000,000	(21,836)	(177,160,124)
		(577,043,288)	-	(95,000)	(577,138,288)
1	<b>Loan Given / (Taken)</b>				
a	Conwood DB JV	-	500,000,000	(400,000,000)	100,000,000
		-	-	-	-

**Spacecon Realty Private Limited**

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**Notes Forming Part of Financial Statements for the year ended March 31, 2017**

- 15 The company was formed as a special purpose vehicle for the holding company's bid for development of the Government Colony Plot " Part -I " in Bandra (East), Mumbai which had been accepted by Govt. of Maharashtra's P.W.Department in year 2010. For execution of work order for the said project, the P.W.Department has asked the company to pay minimum upfront amount (including maintenance corpus) of Rs. 802.95 crores. Against the said demand, the company has offered to pay an amount of Rs. 362.95 Crore simultaneously with the execution of concession agreement with P.W.Department for issuance of work order as per the company's understanding of the provisions contained in the Tender. The P.W.Department cancelled the tender on 26th February, 2015. The holding company has filed writ petition No. 2637/2015 in the Bombay High Court in respect of arbitrary cancellation of the tender for development of Government Colony "Part-I". The Management expects positive outcome of the matter, hence considering the same no diminution in the value of inventory is considered necessary. The case is still pending with Hon'ble High Court. Since the matter is subjudice and in the absence of clarity on the outcome of matter the Company has written off the carrying value of Project Work In Progress.
- 16 Net worth of the company is eroded and as at 31.3.2017 company has Rs. 17 Crore Loan payable to holding company. Holding Company has agreed to provide further financial support as and when required and also looking for appropriate project which can be executed by the Company. Therefore considering the same, this account are prepared on Going Concern basis.
- 17 Company has entered in to an Agreement for Development dated 20/4/2014 for developing a Project in Dahisar (East), Thana District with one of a group entity. Due to non performance of agreed conditions of the agreement by the group entity, both the parties have mutually agreed vide cancellation agreement dated 14/10/2016, to cancel the said Agreement for Development and award to the company a compensation of Rs. 50 Crore as full and final settlement for all its claim on account of loss of revenue.
- 18 As per the information provided by the company there are no Micro and Small Enterprises as defined in the Micro and Small enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made.
- The above information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditor.
- 19 Company's activities (primarily Real Estate Development Project) has an operating cycle that exceeds one year. For classification of current assets and liabilities related to such activities, the Company elected to use such duration (estimated time to complete the project) as its operating cycle.
- 20 Previous period figures have been regrouped and reclassified wherever necessary to make them comparable with current year figure.
- 21 In the absence of virtual certainty about future profitability deferred tax assets on unabsorbed business losses has not been recognised in the books of accounts.
- 22 The Company Operates only in one segment viz. Real Estate Development as per Indian Accounting Standard 108 Reporting.

Spacecon Realty Private Limited  
(Formerly known as DB Spacecon Private Limited)  
Notes Forming Part of Financial Statements

23 First-time Ind AS adoption reconciliations

23.1 Effect of Ind AS Adoption on Balance Sheet as at March 31, 2016 and April 1, 2015

(Amount in Rs.)

Particulars	Note No.	As at 31-03-2016 (End of last period presented under Previous GAAP)			As at 01-04-2015 (Date of Transition)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>							
1 Current Assets							
a Inventories		471,515,530	-	471,515,530	471,515,530	-	471,515,530
b Financial Assets							
(i) Trade Receivable		3,933,774	-	3,933,774	3,933,774	-	3,933,774
(ii) Cash and cash equivalent		30,114	-	30,114	29,768	-	29,768
c Other Current Assets		49,842	-	49,842	49,842	-	49,842
<b>Total Current Assets (B)</b>		<b>475,529,260</b>	<b>-</b>	<b>475,529,260</b>	<b>475,528,914</b>	<b>-</b>	<b>475,528,914</b>
<b>Total Assets (A) + (B)+(C)</b>		<b>475,529,260</b>	<b>-</b>	<b>475,529,260</b>	<b>475,528,914</b>	<b>-</b>	<b>475,528,914</b>
<b>EQUITY AND LIABILITIES</b>							
1 Equity							
a Members' Contribution		135,140	-	135,140	135,140	-	135,140
b Retained Earnings	a	(101,822,968)	-	(101,822,968)	(101,706,944)	-	(101,706,944)
<b>Total Equity (A)</b>		<b>(101,687,828)</b>	<b>-</b>	<b>(101,687,828)</b>	<b>(101,571,804)</b>	<b>-</b>	<b>(101,571,804)</b>
2 Non Current Liabilities							
a Financial liabilities							
(i) Borrowings	a	577,138,288	-	577,138,288	577,043,288	-	577,043,288
b Deferred tax liability	a	-	-	-	-	-	-
<b>Total Non Current Liabilities (B)</b>		<b>577,138,288</b>	<b>-</b>	<b>577,138,288</b>	<b>577,043,288</b>	<b>-</b>	<b>577,043,288</b>
2 Current Liabilities							
a Financial liabilities							
(i) Borrowings							
(ii) Trade payables		71,300	-	71,300	52,430	-	52,430
b Other current liabilities		7,500	-	7,500	5,000	-	5,000
<b>Total Current Liabilities (C)</b>		<b>78,800</b>	<b>-</b>	<b>78,800</b>	<b>57,430</b>	<b>-</b>	<b>57,430</b>
<b>Total Equity &amp; Liabilities (A)+(B)+(C)</b>		<b>475,529,260</b>	<b>-</b>	<b>475,529,260</b>	<b>475,528,914</b>	<b>-</b>	<b>475,528,914</b>

## 23.2 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016

(Amount in Rs.)

Particulars	Note No.	Year ended 31-03-2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS
I Revenue from operations		-	-	-
II Other income		-	-	-
III Total Income (I)+(II)		-	-	-
IV Expenses				
Project Related Expenses		-	-	-
Changes in inventories of finished goods, work in		-	-	-
Depreciation and amortisation expense		-	-	-
Finance Cost	a	-	-	-
Other expense		116,024	-	116,024
Legal and Professional Fees		-	-	-
Total expenses (IV)		116,024	-	116,024
V (Loss) before tax (III)-(IV)		(116,024)	-	(116,024)
VI Tax expense				
a) Current tax		-	-	-
b) Deferred tax	a	-	-	-
VII (Loss) for the period (V)-(VI)		(116,024)	-	(116,024)
VIII Other Comprehensive Income				
A (i) Items that will not be reclassified to Profit or Loss		-	-	-
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-	-
B (i) Items that will be reclassified to profit or Loss		-	-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-	-
Total Other Comprehensive Income [A (i)- (ii)+ B (i)- (ii)] (VIII)		-	-	-
IX Total Comprehensive Income for the period (VII)+(VIII)		(116,024)	-	(116,024)

## 23.3 Reconciliation of total comprehensive income for the year ended March 31, 2016

(Amount in Rs.)

Particulars	Note No.	Year ended 31-03-2016 (Latest period presented under previous GAAP)
Profit as per previous GAAP		(116,024)
Adjustments- (No Adjustments)		-
Total effect of transition to Ind AS		-
Profit as per Ind AS		(116,024)
Other Comprehensive Income for the year (net of tax)		-
Total Comprehensive Income as per Ind AS		(116,024)

## 23.4 Reconciliation of equity as at 31st March 2016 and 1st April 2015

(Amount in Rs.)

Particulars	Note No.	Year ended 31-03-2016 (Latest period presented under previous GAAP)	Year ended 1-04-2015 (Latest period presented under previous GAAP)
Equity as per previous GAAP		135,140	135,140
Adjustments- (No Adjustments)		-	-
Total effect of transition to Ind AS		-	-
Equity as per Ind AS		135,140	135,140

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

## 23.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

(Amount in Rs.)

Particulars	Note No.	Year ended 31-03-2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Net cash flows from operating activities		(94,654)	-	(94,654)
Net cash flows from investing activities		-	-	-
Net cash flows from financing activities		95,000	-	95,000
Net increase/(decrease) in cash and cash equivalents		346	-	346
Cash and cash equivalents at the beginning of the period		29,768	-	29,768
Cash and cash equivalents at the end of the period		30,114	-	30,114

## Notes to the reconciliations

a)

Under the previous GAAP, interest free unsecured loans were carried at the amounts of proceeds received. Whereas in Ind AS, the benefit of interest free loans received is recognized as income in the statement of profit and loss. Further, on the date of transition to Ind AS, the benefit is credited to retained earnings. Subsequently, under Ind AS, interest cost is recognized on the said loan. Deferred Tax is also recognized on the above entries.

**Spacecon Realty Private Limited***(Formerly known as DB Spacecon Private Limited)***Notes Forming Part of Financial Statements for the year ended March 31, 2017****24 Financial Instruments**

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability, and equity instrument are disclosed in note 1 of the Ind AS financial statements.

**(a) Financial assets and liabilities**

The carrying value of financial instruments by categories as at March 31, 2017 is as follows:

**(Amount in Rs.)**

Particulars	Note No.	Amortized Cost	Total carrying value
<b>Financial Assets</b>			
Trade Receivable	3	103,933,774	103,933,774
Cash and cash equivalent	4	30,666	30,666
<b>Total</b>		<b>103,964,440</b>	<b>103,964,440</b>
<b>Financial Liabilities</b>			
Borrowings	8	177,160,124	177,160,124
Trade Payable	9	154,976	154,976
<b>Total</b>		<b>177,315,100</b>	<b>177,315,100</b>

The carrying value of financial instruments by categories as at March 31, 2016 is as follows:

**(Amount in Rs.)**

Particulars	Note No.	Amortized Cost	Total carrying value
<b>Financial Assets</b>			
Trade Receivable	3	3,933,774	3,933,774
Cash and cash equivalent	4	30,114	30,114
<b>Total</b>		<b>3,963,888</b>	<b>3,963,888</b>
<b>Financial Liabilities</b>			
Borrowings	9	577,138,288	577,138,288
Trade Payable	10	71,300	71,300
<b>Total</b>		<b>577,209,588</b>	<b>577,209,588</b>

The carrying value of financial instruments by categories as at March 31, 2015 is as follows:

**(Amount in Rs.)**

Particulars	Note No.	Amortized Cost	Total carrying value
<b>Financial Assets</b>			
Trade Receivable	3	3,933,774	3,933,774
Cash and cash equivalent	4	29,768	29,768
<b>Total</b>		<b>3,963,542</b>	<b>3,963,542</b>
<b>Financial Liabilities</b>			
Borrowings	9	577,043,288	577,043,288
Trade Payable	10	52,430	52,430
<b>Total</b>		<b>577,095,718</b>	<b>577,095,718</b>

**Fair Valuation Technique used to determine fair value**

Fair value of cash and, trade receivables, trade payables, and short term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short term maturities of these financial assets and liabilities.

(b) **Financial Risk Management**

The Board of Directors reviews the risk management policy from time to time and the said policy aims at enhancing shareholders' value and providing an optimum risk-reward trade off. The risk management approach is based on clear understanding of variety of risk that the organisation faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

A brief description of the various risks which the company is likely to face are as under:

(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 conditions. Market risk comprises three types of risk: interest rate risk, credit and default risk and liquidity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI and FVTPL investments. The company does not have material Foreign Currency Exchange rate risk.

(ii) **Interest 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. During the previous year, the company was having short term borrowing from the holding company which is interest free borrowing, and hence there was no interest rate risk associated with such borrowings.

(iii) **Credit Risk and Default Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables, business advances/deposit given)

Trade receivables

Considering the inherent nature of business of the company, Customer credit risk is minimal. The company generally does not part away with its assets unless trade receivable are fully realised. Outstanding customer receivables are regularly monitored. Concentration of credit risk are limited. The ageing of trade receivable is given below

(Amount in Rs.)

Particulars	As at 31st	As at 31st March,2016	As at 1st April ,
	March,2017		2015
Up to 6 months	-	-	-
More than 6 months	103,933,774	3,933,774	3,933,774
<b>Total</b>	<b>103,933,774</b>	<b>3,933,774</b>	<b>3,933,774</b>

(iv) Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and loans. The company has access to a sufficient variety of sources of funding which includes funding from holding company which is expected to be rolled over in case of any liquidity gap. Further, the company is adequately supported by the holding company to provide financial stability. The following table provides undiscounted cash flow towards financial liabilities into relevant maturities based on the remaining period at the balance sheet to the contractual maturity date.

(Amount in Rs.)

particulars	As at March 2017				
	Carrying	On demand	0-12 months	More than 12	Total
Borrowings	177,160,124	177,160,124			177,160,124
Trade Payable	154,976	154,976			154,976

(Amount in Rs.)

particulars	As at 31st March 2016				
	Carrying	On demand	0-12 months	More than 12	Total
Borrowings	577,138,288	577,138,288			577,138,288
Trade Payable	71,300	71,300			71,300

(Amount in Rs.)

particulars	As at 1st April 2015				
	Carrying	On demand	0-12 months	More than 12	Total
Borrowings	577,043,288	577,043,288			577,043,288
Trade Payable	52,430	52,430			52,430

(v) Capital Management

For the purposes of the company's capital management, capital includes Share Capital. The primary objective of the company's capital management is to maximise Shareholders' value. The company manages its capital structure and market adjustments in the light of changes in economic environment and the requirements of the financial covenants.

Presently, the company is funded entirely by Shareholders' funds and loans taken by the company. The Capital Structure as at March, 2017 and 2016 was as follows:

(Amount in Rs.)

	March 31, 2017	March 31, 2016	Change in %
Total equity attributable to equity shareholders	(73,308,318)	(101,687,828)	-27.91%
Borrowings (net of Cash & Cash Equivalent)	177,129,458	577,108,174	-69.31%
Total Capital	103,821,140	475,420,346	-78.16%
Total equity attributable to equity shareholders as percentage of Total Capital	0%	0%	
Total Borrowing as percentage of Total Capital	171%	121%	

25 Contingent Liability - Rs. Nil (Previous Year - Rs. Nil)

26 Unsecured Loan and Trade Receivables are subject to confirmation.

AS PER OUT ATTACHED REPORT OF EVEN DATE

FOR CHATURVEDI & SHAH

Chartered Accountants

Firm Registration No - 101720W

For and on Behalf of the Board of Directors

Jignesh Mehta

Partner

Membership No : 102749

Rajiv Agarwal

Director

DIN : 00030453

Nabil Patel

Director

DIN : 00298093

Place : Mumbai

Date : 30/5/2017

Place : Mumbai