

**M/S. GOREGAON HOTEL AND REALTY PRIVATE LIMITED**

**ANNUAL AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

**MEHTA CHOKSHI & SHAH**

Chartered Accountants

Maker Bhavan 3, 214, 2<sup>nd</sup> floor,

New Marine Lines, Mumbai 400 020

Tel. No. : 2205 7309 \* 2208 8743 \* 66334067

Fax : 2205 5432 \* Email vijaygajaria@camcs.in



## NOTICE

**NOTICE** is hereby given that the 5<sup>th</sup> Annual General Meeting of the members of the Company will be held on Thursday, the 28<sup>th</sup> September, 2017 at 12.00 Noon. at the Registered Office of the Company at DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai – 400 063 to transact the following business:-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2017 and the Reports of the Board of Directors and Auditors thereon;
2. To appoint Director in place of Mr. Nabil Patel, who retires by rotation and being eligible offers himself for re-appointment
3. To ratify appointment of Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the appointment of M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai (Reg No. 106201W), as the Statutory Auditors of the Company, who were appointed as auditors of the Company at the 3<sup>rd</sup> Annual General Meeting of the Company to hold office till the conclusion of the 7<sup>th</sup> Annual General Meeting of the Company to be held in the year 2019, be and is hereby ratified and the Board of Directors be and is hereby authorized to do all such acts, deeds, matters as may be necessary to give effect to this resolution including fixation of their remuneration and reimbursement of out of pocket expenses incurred in connection hereto.”

### **SPECIAL BUSINESS:**

4. To consider, and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as an Ordinary Resolution:

**“RESOLVED THAT** Mr. A. Anil Kumar, who was appointed as an Additional Director of the Company on 29.09.2016, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company.

**By order of the Board of Directors,  
For Goregaon Hotel & Realty Private Limited**

Director

Place: Mumbai  
Date: 16.05.2017

Registered Office:  
DB House, Gen. A.K. Vaidya Marg,  
Goregaon (East), Mumbai – 400063

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

### **GOREGAON HOTEL AND REALTY PRIVATE LIMITED**

(Formerly known as GOREGAON HOTEL PRIVATE LIMITED)

Regd. Office : DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063. • Tel.: 91-22-4077 8600 • Fax: 91-22-2841 5550 / 2842 1667

E-mail: info@dbg.co.in • Website: www.dbrealty.co.in

CIN: U55204MH2012PTC232397



**Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013:**

**Item No. 4**

Mr. A. Anil Kumar was appointed as an Additional Director of the Company on 29.09.2016 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and in accordance with the Articles of Association of the Company. Pursuant to the provisions of the said section, his term expires at the ensuing Annual General Meeting of the Company. Mr. A. Anil Kumar, being eligible, has offered himself for appointment as a Director at the ensuing Annual General Meeting. Your Board recommends his appointment as Director of the Company.

The resolution vide item no. 4 is therefore proposed for approval of the members.

None of the directors and/or key managerial persons except Mr. A. Anil Kumar and/or their relatives are, in any way, interested or concerned, financial or otherwise in the proposed resolution.

**By order of the Board of Directors  
For Goregaon Hotel & Realty Private Limited**

**Director**

Place: Mumbai  
Date: 16.05.2017

**Registered Office:**  
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## DIRECTOR'S REPORT

Dear Member

Your Directors have pleasure in presenting the 5<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2017:

### FINANCIAL RESULTS & BUSINESS

The financial statements for the year ended 31<sup>st</sup> March, 2017 have been prepared under Ind AS (Indian Accounting Standards). The financial statements for the year ended 31<sup>st</sup> March, 2016 have been restated in accordance with Ind AS for comparative information. Thus, the summary of financial results under the new Ind AS is as under:

Particulars	(Amount in Rs)	
	For the year Ended 31.03.2017	For the year Ended 31.03.2016
Total Revenue	692,463	638,586
Total Expenses	11,854,753	9,286,660
(Loss) before tax	(11,162,291)	(8,648,074)
Current tax	-	-
Deferred tax	1,262,393	-
Profit/(Loss) for the year	(9,899,898)	(8,648,074)
Other Comprehensive income		
A. (i) Items that will not be reclassified to Profit or Loss	-	-
Sharing profit from Partnership Firm		
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	-	-
B. (i) Items that will not 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)]	-	-
Total Comprehensive Income for the year	(9,899,898)	(8,648,074)

The Company is a wholly owned subsidiary of D B Realty Ltd., which is engaged in the business of Hotel and Real Estate business. The Company became one of the Partners in M/s. Om Metal Consortium ("Partnership Firm") to undertake construction and development of the project at Bandra Reclamation during the financial year 2013-2014. The Firm has been awaiting certain approval from competent authorities for launching its Project.

### TRANSFER TO RESERVES:

The Company has not transferred any amount to reserves

### DIVIDEND

In the absence of any profits, your Directors do not recommend dividend for the year under review.

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## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

## **DISCLOSURES UNDER SEC. 134(3)(I) OF THE COMPANIES ACT, 2013**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

## **DISCLOSURE OF ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

## **RISK MANAGEMENT:**

The Board of Directors of the Company reviews/shall review the risks affecting the Company from time to time.

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given substantially in the notes to the Financial Statements

## **CONTRACTS / ARRANGEMENTS / TRANSACTIONS WITH RELATED PARTIES:**

All the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Companies Act, 2013 entered by the Company during the year under review with related party (/ies) are in the ordinary course of business and on arms' length basis. Hence, Section 188(1) is not applicable and consequently no particulars in form AOC-2 have been furnished.

## **AUDIT REPORT AND OUR COMMENTS:**

The Audit Report contains one qualification with regard to share of profit/loss of the Company in M/s. Om Metal Consortium ("Partnership Firm") not accounted for in financial year 2016-2017. In this context, your Directors have to state that the Company is taking steps to obtain the financial statement of account of the said firm and the impact thereof on the Company's account is not material in the opinion of the Directors.

Further, although the observations in the Annexure to Auditors' Report are self explanatory, as a matter of better disclosure, your Directors offer the following clarifications and further explanations on the same:

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1. With regard observations of Auditors as stated in para no. (vii) (a) about the company not depositing undisputed dues of TDS, Service tax and Profession Tax to the appropriate authority and the company has not deducted TDS on Interest in respect of one party, your Directors have to state that the Company shall take proper care in future to pay statutory dues on time and resolve the matter in due course.

The provisions relating to Secretarial Audit by a practicing company secretary is not applicable to the Company.

#### **ANNUAL RETURN:**

The extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure and is attached to this Report.

#### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:**

During the financial year 2016-17, the Board of Directors met 6 times, viz. 19.05.2016, 25.07.2016, 29.09.2016, 30.09.2016, 26.12.2016 and 13.02.2017. The gap between any two meetings has been less than one hundred and twenty days.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **PARTICULARS OF EMPLOYEES:**

During the year under review, the Company was not having any employee drawing remuneration in excess of the limits prescribed under Section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint venture or Associate Company.

#### **INTERNAL FINANCIAL CONTROL**

#### **GOREGAON HOTEL AND REALTY PRIVATE LIMITED**

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The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed by the Auditors their report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is annexed as Annexure - B to the Auditors' Report.

**DEPOSITS:**

The Company has neither accepted nor renewed any deposits during the year under review

**DIRECTORS:**

During the year, Mr. Nabil Patel, is continuing as the Director of the Company. Mr. A. Anil Kumar was appointed as Additional Director of the Company w.e.f.29.09.2016 and Mr. Vipul Bansal, resigned from Directorship of the Company w.e.f. 30.09.2016.

Mr. Nabil Patel, Director retires by rotation and being eligible, offers himself for re-appointment subject to approval of Members in the ensuing Annual General Meeting. The Board recommends his re-appointment as Director of the Company.

**DECLARATION OF INDEPENDENT DIRECTORS:**

In compliance with the provisions of new Companies Act, 2013, the Board has initiated the process of inducting independent directors on the Board.

**AUDITORS:**

The Board recommends their ratification of appointment of M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai (Reg. No. 106201W) as Statutory Auditors of the Company at the ensuing Annual General Meeting of the Company.

**AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE:**

In compliance with the provisions of new Companies Act, 2013, the Board has initiated the process of inducting independent directors on the Board. The Board shall constitute Audit Committee and Nomination & Remuneration Committee immediately upon induction of new independent directors in near future

**VIGIL MECHANISM:**

In compliance with the provisions of new Companies Act, 2013, the Board has initiated the process of inducting independent directors on the Board. The Board shall formulate vigil mechanism immediately upon induction of new independent directors in near future

**DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

No case was filed under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**SHARES**

**a. BUY BACK OF SECURITIES:**

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The Company has not bought back any of its securities during the year under review.

**b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

**c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

**d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

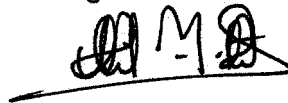
The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

There was no foreign exchange inflow or Outflow during the year under review.

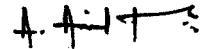
**ACKNOWLEDGEMENT:**

Your Directors would like to express their appreciation for the support extended by the Bankers, Office Bearers of the Government Department, its Employees, Creditors and Suppliers.

By order of the Board of Directors,  
For Goregaon Hotel & Realty Private Limited



Director



Director

Place : Mumbai  
Date : 16.05.2017

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**ANNEXURE- TO THE DIRECTORS' REPORT**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2017**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U55204MH2012PTC232397
2.	Registration Date	19-06-2012
3.	Name of the Company	Goregaon Hotel & Realty Private Limited
4.	Category/Sub-category of the Company	Private Company / Limited by Share / Company having share capital
5.	Address of the Registered office & contact details	DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai – 400 063
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hotel and Restaurant	5510	NA
2	Construction and Real Estate Development	4100	NA

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S N No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/As sociate	% of shares held	Applicable Section
1	D B Realty Limited DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400063	L70200MH2007PLC166818	Holding Company	100	2(46)

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## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.		10000	10000	100	-	10000	10000	100	-
e) Banks / FI									
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	<b>10000</b>	<b>10000</b>	<b>100</b>	-	<b>10000</b>	<b>10000</b>	<b>100</b>	-
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

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b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>10000</b>	<b>10000</b>	<b>100</b>	-	<b>10000</b>	<b>10000</b>	<b>100</b>	-

#### B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	D B Realty Ltd	10000	100	--	10000	100	--	--

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**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10000	100	10000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	10000	100	10000	100

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

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V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-1,25,00,000	-65,10,70,618	-	-66,35,70,618
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-1,25,00,000</b>	<b>-65,10,70,618</b>	<b>-</b>	<b>-66,35,70,618</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-56,94,30,000	-17,74,50,000	-	-74,68,80,000
* Reduction	14,00,000	55,17,87,193	-	55,31,87,193
<b>Net Change</b>	<b>-56,80,30,000</b>	<b>37,43,37,193</b>	<b>-</b>	<b>19,36,92,807</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-58,05,30,000	-27,67,33,425	-	-85,72,63,425
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-58,05,30,000</b>	<b>-27,67,33,425</b>	<b>-</b>	<b>-85,72,63,425</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

**GOREGAON HOTEL AND REALTY PRIVATE LIMITED**

(Formerly known as GOREGAON HOTEL PRIVATE LIMITED)

Regd. Office : DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063. • Tel.: 91-22-4077 8600 • Fax: 91-22-2841 5550 / 2842 1667

E-mail: info@dbg.co.in • Website: www.dbrealty.co.in

CIN: U55204MH2012PTC232397

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

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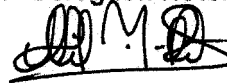
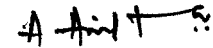
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CIN: U55204MH2012PTC232397

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By order of the Board of Directors,  
For Goregaon Hotel & Realty Private Limited

Director

Director

Place : Mumbai  
Date : 16.05.2017

**GOREGAON HOTEL AND REALTY PRIVATE LIMITED**

(Formerly known as GOREGAON HOTEL PRIVATE LIMITED)

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E-mail: info@dbg.co.in • Website: www.dbrealty.co.in

CIN: U55204MH2012PTC232397

# *Mehta Chokshi & Shah*

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT

To the Members of,  
**GOREGAON HOTEL AND REALTY PRIVATE LIMITED**

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

We have audited the accompanying Ind AS financial statements of **GOREGAON HOTEL AND REALTY PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

#### 3 Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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.

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



MAKER BHAVAN 3, 214, 2ND FLOOR, NEW MARINE LINES, MUMBAI - 400 020.  
TEL. : 2205 7309 • 2208 8743 • 6633 4067 • Fax : 2205 5432 • Email : chetanshah@camcs.in

A-101, "AADESHWAR" S.V.P. ROAD, (MANDPESHWAR ROAD), BORIVALI (W), MUMBAI - 400 092.  
Tel. 2893 0502 • Telefax : 2893 05 03 • Email : abhaymehta@camcs.in



**CHARTERED ACCOUNTANTS**

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

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

**4 Basis for Qualified opinion**

*As stated in Note No.4.1 to the Ind AS financial statements, the company has not accounted for its share of profit/loss in M/s Om Metal Consortium for FY 2016-17.*

*Accordingly, we are unable to give any opinion on consequential impact on loss for the year and investment in partnership firm as at year end.*

**5 Opinion**

Except for the effects of the matter described in the "Basis for Qualified Opinion" Para 4 above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at March 31, 2017, its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**6 Report on Other Legal and Regulatory Requirements**

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in the paragraph 3 and 4 of the Order.

II. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



CHARTERED ACCOUNTANTS

- d) Except for the effects of matter described in Para 4, Basis of Qualified Opinion as above, in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operative 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The pending litigation would not materially impact its financial position and therefore no disclosures are made for pending litigation in its financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For Mehta Chokshi & Shah  
Chartered Accountants  
Firm Registration Number: 106201W



  
Vijay Gajaria  
Partner  
M. No.: 137561

Place: Mumbai

Date:

**Annexure - A to the Independent Auditors' Report  
[Referred to in paragraph 6 (I) of our report of even date]**

**Report on the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Companies Act, 2013 ("the Act") of GOREGAON HOTEL AND REALTY PRIVATE LIMITED ("the Company")**

- (i) (a) As per information and explanations given to us and on the basis of examination of records of the company, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As per information and explanations given to us and on the basis of examination of records of the company, the fixed assets have been physically verified by the management at reasonable intervals. Further, as informed to us, no material discrepancies were noticed on such verification.
- (c) As per information and explanations given to us and on the basis of examination of records of the company, the company does not have any immovable property held in its name. Hence, the question of title deeds being recorded in the name of the company does not arise.
- (ii) (a) The Company is in the business of real estate development and up to the year-end the company has incurred certain expenditure towards the project under development. As explained to us, site visit was carried out during the year by the management at reasonable intervals. In our opinion frequency of verification is reasonable.
- (b) In our opinion and according to information and explanation given to us, keeping in view the nature of inventory, the procedures of physical verification by way of site visits by the management are reasonable and adequate in relation to size of the company and nature of its business.
- (c) On the basis of information and explanation provided to us and based on our audit procedure, the inventory records have been kept properly. As explained to us, no material discrepancies were noticed on physical verification of inventory/project site by the management.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act and therefore paragraph 3 (iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, during the year, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits and consequently paragraph 3 (v) of the order is not applicable.



CHARTERED ACCOUNTANTS

- (vi) The company does not qualify the prescribed criteria as specified in Companies (Cost Records and Audit) Rules, 2014, and therefore is not required to maintain the cost records as prescribed under Section 148 (1) of the Act. Hence paragraph 3 (vi) of the order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it is observed that the company is not regular in depositing undisputed dues of TDS, Service Tax and Profession Tax to the appropriate authority. Further, as per information and explanation given to us and on the basis of our examination of records of the company, it has not deducted TDS on Interest in respect of interest payment made/provided to one party. Amount of TDS outstanding as at balance sheet date for more than six months from the date it became payable is Rs.7,79,721/-. Further as explained to us, the provisions for Provident Fund, Employees State Insurance, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess are not applicable to the Company during the year.
- (b) According to the information and explanations given to us, there are no disputed dues of Income – tax and other applicable statutory dues and hence paragraph 3 (vii) (b) of the Order is not applicable.
- (viii) As per information and explanation given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. However, with respect to term loans, they were applied for the purposes for which they were raised except loan granted to one of the related party amounting to Rs.1,50,00,000/-.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.



**CHARTERED ACCOUNTANTS**

- (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 explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Mehta Chokshi & Shah  
Chartered Accountants  
Firm Registration Number: 106201W**



  
**Vijay Gajaria  
Partner  
M. No.: 137561**

**Place: Mumbai  
Date:**

**Annexure - B to the Independent Auditors' Report**  
**[Referred to in paragraph 6 (II) (f) of our report of even date]**

**Report on the Internal Financial Controls Over Financials Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") of Goregaon Hotel and Realty Private Limited**

We have audited the internal financial controls over financial reporting of **GOREGAON HOTEL AND REALTY PRIVATE LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended and as at on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. The Guidance Note and those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material

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

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



CHARTERED ACCOUNTANTS

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2017, 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.

**For Mehta Chokshi & Shah**  
**Chartered Accountants**  
**Firm Registration Number: 106201W**



A handwritten signature in black ink, appearing to read 'Vijay Gajaria'.

**Vijay Gajaria**  
**Partner**  
**M. No.: 137561**

**Place: Mumbai**

**Date:**

**Goregaon Hotel and Realty 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 Non Current Assets</b>				
a Property, Plant and Equipment	3	1,79,075	2,36,429	-
b Financial Assets				
(i) Investment	4	70,63,926	70,63,926	64,25,340
(ii) Loans	5	-	-	10,00,00,000
(iii) Other Financial Assets	6	1,14,44,709	-	-
c Deferred Tax Balances	7	12,62,393	-	-
<b>Total Non Current Assets (A)</b>		<b>1,99,50,103</b>	<b>73,00,355</b>	<b>10,64,25,340</b>
<b>2 Current Assets</b>				
a Inventories	8	83,38,55,969	66,77,49,459	60,00,00,000
b Financial Assets				
(i) Cash and cash equivalents	9	48,48,306	50,96,947	12,904
(ii) Loans	5	2,10,000	-	98,53,150
(iii) Other Financial Assets	6	6,03,800	-	-
c Other Current Assets	10	6,47,89,795	19,42,904	10,94,795
<b>Total Current Assets (B)</b>		<b>90,43,07,870</b>	<b>67,47,89,310</b>	<b>61,09,60,849</b>
<b>Total Assets (A)+(B)</b>		<b>92,42,57,973</b>	<b>68,20,89,665</b>	<b>71,73,86,189</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
a Equity Share Capital	11	1,00,000	1,00,000	1,00,000
b Other Equity	12	(9,40,91,660)	(8,41,91,762)	(7,55,43,688)
<b>Total Equity (A)</b>		<b>(9,39,91,660)</b>	<b>(8,40,91,762)</b>	<b>(7,54,43,688)</b>
<b>2 Non Current Liabilities</b>				
a Financial liabilities				
(i) Borrowings	13	56,86,47,050	1,24,97,191	-
b Provisions	14	53,374	31,120	3,167
c Deferred Tax Liabilities (Net)	7	-	-	-
<b>Total Non Current Liabilities (B)</b>		<b>56,87,00,424</b>	<b>1,25,28,311</b>	<b>3,167</b>
<b>3 Current Liabilities</b>				
a Financial liabilities				
(i) Borrowings	15	27,67,33,425	65,10,70,618	60,24,92,000
(ii) Trade payables	16	3,14,43,454	5,91,269	3,50,031
(iii) Other financial liabilities	17	13,81,64,091	10,01,14,349	18,28,86,684
b Other Current Liabilities	18	32,08,239	18,74,003	70,97,995
c Provision	19	-	2,877	-
<b>Total Current Liabilities (C)</b>		<b>44,95,49,209</b>	<b>75,36,53,116</b>	<b>79,28,26,710</b>
<b>Total Equity and Liabilities (A)+(B)+(C)</b>		<b>92,42,57,973</b>	<b>68,20,89,665</b>	<b>71,73,86,189</b>

Significant accounting policies and notes on  
Financial statements

1 to 35

As per our attached report of even date

For Mehta Chokshi & Shah  
Chartered Accountants  
Firm Registration No. 106201W

Name : Vijay Gajaria  
Partner  
Membership No. : 137561



For and on Behalf of the Board

*Anantharam Anil Kumar*

Anantharam Anil Kumar  
Director

*Nabil Patel*

Nabil Patel  
Director

Place: Mumbai  
Date:16.05.2017

Place: Mumbai  
Date:16.05.2017



**Goregaon Hotel and Realty 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	20	6,92,463	6,38,586
III	<b>Total Income (I)+(II)</b>		<b>6,92,463</b>	<b>6,38,586</b>
IV	<b>Expenses</b>			
	Project Related Expenses	21	16,61,06,510	6,77,49,459
	Changes in inventories of finished goods, work in progress and stock-in-trade	22	(16,61,06,510)	(6,77,49,459)
	Employee benefits expense	23	-	-
	Finance costs	23	71,41,356	81,30,713
	Depreciation and amortisation expense	3	34,776	18,796
	Other expense	24	46,78,621	11,37,150
	<b>Total expenses (IV)</b>		<b>1,18,54,753</b>	<b>92,86,660</b>
	<b>Profit/ (loss) before exceptional items and tax</b>		<b>(1,11,62,291)</b>	<b>(86,48,074)</b>
V	<b>(Loss) before tax (III)-(IV)</b>		<b>(1,11,62,291)</b>	<b>(86,48,074)</b>
VI	<b>Tax expense</b>			
	a) Current tax	7	-	-
	b) Deferred tax	7	12,62,393	-
	<b>Profit/ (loss) for the period from continuing operations</b>		<b>(98,99,898)</b>	<b>(86,48,074)</b>
	<b>Profit/ (loss) from discontinued operations</b>			
	Tax expense of discontinued operations		-	-
	<b>Profit/ (loss) from discounting operations (after tax)</b>		<b>(98,99,898)</b>	<b>(86,48,074)</b>
VII	<b>(Loss) for the period (V)-(VI)</b>		<b>(98,99,898)</b>	<b>(86,48,074)</b>
VIII	<b>Other Comprehensive Income</b>			
A	(i) Items that will not be reclassified to Profit or Loss		-	-
	Sharing profit from Partnership Firm		-	-
	(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		-	-
	<b>Total Other Comprehensive Income [A (i)-(ii) + B (i)-(ii)] (VIII)</b>		<b>-</b>	<b>-</b>
IX	<b>Total Comprehensive Income for the period (VII)+(VIII)</b>		<b>(98,99,898)</b>	<b>(86,48,074)</b>
X	<b>Earnings per equity share</b>			
	Basic and Diluted	25	(989.99)	(864.81)

Significant accounting policies and notes on Financial statements

1 to 35

As per our attached report of even date

For Mehta Chokshi & Shah  
Chartered Accountants  
Firm Registration No. 106201W

Name : Vijay Gajaria  
Partner  
Membership No. : 137561



Place: Mumbai  
Date:16.05.2017

For and on Behalf of the Board

Anantharam Anil Kumar  
Director

Nabil Patel  
Director

Place: Mumbai  
Date:16.05.2017

**Goregaon Hotel and Realty Private Limited**  
Cash Flow Statement For the Year Ended March 31, 2017

(Amount in Rs.)

Particulars	For The Year Ended March 31, 2017	For The Year Ended March 31, 2016
<b>Cash Flow From Operating Activities:</b>		
(Loss) Before Tax	(1,11,62,291)	(86,48,074)
<b>Adjustment for:</b>		
Interest expense	71,41,356	81,30,713
Depreciation	91,460	47,371
Provision for Employee Benefit	19,377	30,830
Interest Income	6,92,463	-
<b>Operating Income before working Capital changes</b>	<b>(32,17,635)</b>	<b>(4,39,159)</b>
<b>Working Capital Adjustments</b>		
Increase/(Decrease) in Trade Payables	3,08,52,185	2,41,238
Increase/(Decrease) in current liabilities	13,34,236	(52,23,992)
Increase/(Decrease) in Other financial liabilities	3,80,49,742	(8,27,72,335)
(Increase)/Decrease in Other Current Assets	(6,28,46,891)	(8,48,109)
(Increase)/Decrease in Other Non Current Financial Assets	(1,33,59,356)	-
(Increase)/Decrease in Inventories	(16,61,06,510)	(6,77,49,459)
(Increase)/Decrease in Other Current Financial Assets	(6,03,800)	98,53,150
<b>Cash From Operating Activities</b>	<b>(17,58,98,029)</b>	<b>(14,69,38,667)</b>
Direct Taxes Paid	12,62,393	-
<b>Net Cash Flow From/(Used in) Operating Activities</b>	<b>(17,46,35,637)</b>	<b>(14,69,38,667)</b>
<b>Cash Flow From Investing Activities:</b>		
Contribution made to partnership firm	-	(6,38,586)
Loan (Granted) to /Repaid by Fellow Subsidiary	(2,10,000)	10,00,00,000
Purchase of Fixed Asset	(34,106)	(2,83,800)
<b>Net Cash Flow From/(used in) Investing Activities</b>	<b>(2,44,106)</b>	<b>9,90,77,614</b>
<b>Cash Flow From Financing Activities:</b>		
Repayment of Current Borrowings	(37,43,37,193)	-
Proceeds From Current Borrowing	-	4,85,78,618
Proceeds From Long term Borrowing	55,61,09,651	1,24,97,191
Interest expense	(71,41,356)	(81,30,713)
<b>Net Cash generated/(used) from Financing Activities</b>	<b>17,46,31,102</b>	<b>5,29,45,096</b>
<b>Net Increase/ ( Decrease ) in Cash and Cash Equivalents (A+B+C)</b>	<b>(2,48,641)</b>	<b>50,84,043</b>
Add: Cash and Cash Equivalents (Opening)	50,96,947	12,904
<b>Cash and Cash Equivalents (Closing)</b>	<b>48,48,306</b>	<b>50,96,947</b>
<b>Cash and cash equivalent: (As per Note no.9)</b>		
Cash on hand	1,77,133	6,924
Bank Balances	46,71,173	50,90,023
	<b>48,48,306</b>	<b>50,96,947</b>

Significant accounting policies and notes on Financial statements

1 to 35

For Mehta Chokshi & Shah  
Chartered Accountants  
Firm Registration No.: 106201W

Vijay Gajaria  
Partner  
Membership No. : 137561

Place: Mumbai  
Date:16.05.2017



For and on Behalf of the Board

A. Anil Kumar

Anantharam Anil Kumar  
Director

Place: Mumbai  
Date:16.05.2017

Nabil Patel

Nabil Patel  
Director

**Goregaon Hotel and Realty Private Limited**

**Statement of Changes in Equity for the year ended March 31, 2017**

**A. Equity Share Capital**

Particulars	Amount (Rs.)
Balance as at April 1, 2015	1,00,000
Changes in equity share capital during FY 2015-16	-
Balance as at March 31, 2016	1,00,000
Changes in equity share capital during FY 2016-17	-
Balance as at March 31, 2017	1,00,000

**B. Other Equity**

(Amount in Rs.)

Particulars	Retained Earnings	Equity Component of Corporate Guarantee	Total
Balance as at April 1, 2015	(7,55,43,688)	-	(7,55,43,688)
(Loss) for the year FY 2015-16	(86,48,074)	-	(86,48,074)
Total Comprehensive Income for the year	(86,48,074)	-	(86,48,074)
Balance as at March 31, 2016	(8,41,91,762)	-	(8,41,91,762)
(Loss) for the year	(98,99,898)	-	(98,99,898)
Total Comprehensive Income for the year	(98,99,898)	-	(98,99,898)
Balance as at March 31, 2017	(9,40,91,660)	-	(9,40,91,660)



**Goregaon Hotel and Realty Private Limited**  
**Notes forming Part of Financial Statements**

**1 Company Background**

Goregaon Hotel and Realty Private Limited (the "Company") is incorporated and domiciled in India. The Company is a wholly owned subsidiary of DB Realty Limited, which is listed with National Stock Exchange and Bombay Stock Exchange. The Company has its the Registered Office and principal place of business at DB House, Gen A.K.Vaidya Marg, Goregaon(East), Mumbai-400063.

The Company has entered into Construction agreement dated 14/12/2013 with Om Metal Consortium (Firm) and with all the Partners of Om Metal Consortium to develop and construct rehab tenements and buildings at plot bearing CTS No.791/A(Part), Bandra Reclamations, Bandra ( West ), Mumbai admeasuring 26395.80 square meter which is to be handed over to MHADA. As per the terms of agreement, the Company shall bear the entire cost to construct, finance and develop the said property. The Company in consideration thereof shall be entitled to 50% share of Free Sale Area/Premises to be allotted to the Firm.

In furtherance thereof, expenditure incurred for the project have been included in Project Work in Progress.

The Company's financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 9th June, 2017 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

**2 Significant Accounting Policies Accounting Judgements , Estimates and Assumptions:**

**(A) Significant Accounting Policies:**

**2.1 Basis of preparation of Ind-AS Financial Statements**

The Ind-AS financial statements of the company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

For all periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind-AS. Refer to note 26.6 for information on how the Company adopted Ind AS, including the details of the first time adoption exemptions availed by the company.

The Ind-AS financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy no. 2.7 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

**2.2 Current and Non-Current Classification of Assets and Liabilities and Operating Cycle:**

An asset is considered as current when it is:

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



All other assets are classified as non-current.

A liability is considered as current when:

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

All other liabilities are classified as non-current.

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

The Operating Cycle is the time between the acquisition of assets for business purposes and their realisation into cash and cash equivalents.

### 2.3 Property, plant and equipment:

Property, Plant and Equipment are recorded at their cost of acquisition, net of modvat/cenvat, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on 1st April, 2015 measured as per previous GAAP as its deemed cost on the date of transition.

### 2.4 Depreciation:

Depreciation on Property, Plant and Equipment is provided on Straight Line Method in accordance with the provisions of Schedule II to the Companies Act, 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

### 2.5 Inventories

Inventories comprise of Project Work-In-Progress representing properties under construction/development.

Inventories are valued at lower of cost and net realizable value. Project work in progress cost includes cost of land/ development rights, materials, services, depreciation on assets used for project purposes and other expenses (including borrowing costs) attributable to the projects. It also includes any adjustment arising due to foreseeable losses.

The Cost in relation to properties under construction/development is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the period and the balance cost is carried over under Inventory as part of Project Work in Progress.

### 2.6 Revenue Recognition

#### (i) Sale of Properties:

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method, reliable estimate of the outcome of the real estate project and stage of completion of the project reaches a reasonable level of development i.e. at least 25% of total project cost (excluding land and development cost and borrowing costs capitalised under Ind AS-23) should be incurred at the reporting date.

When the outcome of a real estate project can be estimated reliably and the conditions stipulated below are satisfied, project revenue and project costs associated with the real estate project are recognized as revenue and expenses by reference to the stage of completion of the project activity at each reporting date. Stage of completion is arrived with reference to the entire project cost incurred versus total estimated project cost. Further, the total estimated cost of the project is based upon the judgment of management and certified by technical personnel.

The following specific recognition criteria is also considered before revenue is recognised:

- All critical approvals necessary for commencement of the project have been obtained;
- At least 25 % of the construction and development costs (excluding land and development cost and borrowing costs capitalised under Ind AS-23) have been incurred;
- At least 25% of the saleable project area is secured by contracts or agreements with buyers; and
- At least 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

#### (ii) Interest Income:

For all financial instruments measured at amortised cost, interest income is measured using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash flows through the contracted or expected life of the financial instrument, as appropriate, to the net carrying amount of the financial asset.

### 2.7 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:

##### Initial Recognition and Measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.



#### Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost
- Equity instruments measured at fair value through other comprehensive income FVTOCI
- Equity instruments measured at fair value through other comprehensive income FVTPL

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

#### *Financial Assets at Amortised Cost:*

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: 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.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

#### *Equity Instruments at FVTOCI:*

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the company may transfer the cumulative gain or loss within equity.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
  - a. the Company has transferred substantially all the risks and rewards of the asset, or
  - b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of financial assets

The company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- Financial assets at amortised cost.
- Financial guarantee contracts.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the company does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the company determines 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 company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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 on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company 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. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.



**(ii) Financial Liabilities:**

**Initial Recognition and Measurement:**

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. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

**Subsequent Measurement:**

This is dependent upon the classification thereof as under:

**Loans and Borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. 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.

**Derecognition:**

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

**(iii) Offsetting of 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 an asset and settle the liabilities simultaneously.

**(iv) Equity Instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognised at the amount of the proceeds received, net of direct issue costs.

**(v) Compound Financial Instruments:**

These are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements.

On the date of the issue, the fair value of the liability component is estimated using the prevailing market rate for similar non-convertible instruments and recognised as a liability on an amortised cost basis using the EIR until extinguished upon conversion or on maturity. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole and recognised as equity, net of the tax effect and remains in equity until the conversion option is exercised, in which case the balance recognised in equity will be transferred to another component of equity. If the conversion option remains unexercised on the maturity date, the balance recognised in equity will be transferred to retained earnings and no gain or loss is recognised in profit or loss upon conversion or expiry of the conversion option.

Transaction costs are allocated to the liability and equity component in proportion to the allocation of the gross proceeds and accounted for as discussed above.

**2.8 Employee Benefits**

Short term employee benefits are those which are payable wholly within twelve months of rendering service are recognised as an expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related service is rendered.

Contribution paid/ payable for the year/ period to Defined Contribution Retirement Benefit Plans is charged to Statement of Profit and Loss or Project Work in Progress, if it is directly related to a project.

Liabilities towards Defined Benefit Schemes viz. Gratuity benefits and other long term benefit viz. compensated absences are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding effect in the SOCI. Past service cost is recognised immediately in the Statement of Profit or Loss.

**2.9 Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit & Loss in the year in which they are incurred.

**2.10 Taxes on Income**

**Current Income Taxes:**

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.

Current income tax relating to items recognised directly in equity is recognised in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred Taxes:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.



Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

**MAT:**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the specified years. Accordingly, MAT is recognised as an asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with it will flow to the Company.

#### **2.11 Provisions and Contingent Liabilities:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

When the Company expects some or all of a provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes.

#### **2.12 Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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

#### **2.13 Cash and Cash Equivalent:**

Cash and cash equivalent for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

#### **2.14 Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **2.15 Commitments**

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

- (a) The estimated amount of contracts remaining to be executed on capital accounts and not provided for; and
- (b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

#### **2.16 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Real Estate Development".

#### **(B) Significant Accounting Judgements, Estimates and Assumptions:**





The preparation of Financial Statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgements for estimates and assumptions that affect the amounts of assets, liabilities and the disclosure of contingent liabilities on the reporting date and the amounts of revenues and expenses during the reporting period and the disclosure of contingent liabilities. Differences between actual results and estimates are recognized in the period in which the results are known/ materialize.

**2.17 Judgements:**

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

- a) Assessment of the management regarding executability of the project undertaken.
- b) Assessment of the recoverability of various financial assets

**2.18 Estimates and Assumptions:**

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

(a) Project estimates

The Company, being a real estate development company, prepares budgets in respect of each project to compute project profitability. The major components of project estimate are 'budgeted costs to complete the project' and 'budgeted revenue from the project. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Estimates for contingencies and (iv) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(b) Deferred Tax Assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences.

The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(c) Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(C) Recent Accounting Pronouncements:**

Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April 2017. The effect of these Standards on the Financial Statements is being evaluated by the Company.



**Goregaon Hotel and Realty Private Limited**

**3 Property Plant and Equipment**

Carrying amounts of : (Amount in Rs.)

Particulars	As at 31/03/2017	As at 31/03/2016	As at 31/03/2015
Porta Cabin	93,741	1,50,425	-
Furniture and Fixtures	18,618	-	-
Office equipment	13,899	-	-
Computer and Related Equipments	52,817	86,004	-

(Amount in Rs.)

Particulars	Porta Cabin	Furniture and Fixtures	Office equipment	Computer	Total
<b>Cost or deemed cost</b>					
Balance at April 1, 2015	-	-	-	-	-
Additions	1,79,000	-	-	1,04,800	2,83,800
Disposals	-	-	-	-	-
Balance at March 31, 2016	1,79,000	-	-	1,04,800	2,83,800
Additions	-	19,306	14,800	-	34,106
Disposals	-	-	-	-	-
Balance at March 31, 2017	1,79,000	19,306	14,800	1,04,800	3,17,906
<b>Accumulated Depreciation and Impairment</b>					
Balance at April 1, 2015					
Depreciation Expense	28,575			18,796	47,371
Balance at March, 2016	28,575	-	-	18,796	47,371
Depreciation Expense	56,684	688	901	33,187	91,460
Balance at March, 2017	85,259	688	901	51,983	1,38,831
<b>Carrying amounts of :</b>					
Balance at April 1, 2015	-	-	-	-	-
Balance at March, 2016	1,50,425	-	-	86,004	2,36,429
Balance at March, 2017	93,741	18,618	13,899	52,817	1,79,075



**Goregaon Hotel and Realty Private Limited**  
Notes Forming Part of Financial Statements

**4 Investments**

Particulars	(Amount in Rupees)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment in partnership firm valued at cost: - Om Metal Consortium (Refer note below)*	70,63,926	70,63,926	64,25,340
<b>Total</b>	<b>70,63,926</b>	<b>70,63,926</b>	<b>64,25,340</b>

**4.1 Note:**

Details of Partners	Total Capital as at March 31, 2016*	Share of each partner (%)
Amrfina Construction Ltd.	6,42,534	5
Goregaon Hotels and Realty Private Ltd.	64,25,340	50
Morya Housing Ltd.	6,42,534	5
Nikhil Township Pvt Ltd.	19,27,602	15
Om Infratech Pvt Ltd.	3,21,267	3
Om Metals Infraprojects Ltd.	22,48,869	18
Subhash Projects & Marketing Ltd.	6,42,534	5
<b>Total</b>	<b>1,28,50,680</b>	<b>100</b>

\* The financial statement of the partnership firm, M/s Om Metal Consortium is not yet prepared up to the date of finalisation of financial statements of the company. Hence, the company has not credited its share of profit/loss in the firm for FY 2016-17. Further, as a result of the same, the balance outstanding in the capital account of the company is also as at March 31, 2016 and not as at March 31, 2017.

**5 Loans**

Particulars	(Amount in Rupees)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non Current</b> (Unsecured, considered good)			
Loan to a Fellow Subsidiary	-	-	10,00,00,000
Sub-Total (a)	-	-	10,00,00,000
<b>Current</b>			
Staff Loans	2,10,000	-	-
Interest Accrued and due	-	-	98,53,150
Sub-Total (b)	2,10,000	-	98,53,150
<b>Total</b>	<b>2,10,000</b>	<b>-</b>	<b>10,98,53,150</b>

**6 Other Financial Assets**

Particulars	(Amount in Rupees)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non Current</b>			
Refundable Deposits	1,14,44,709	-	-
Sub-Total (a)	1,14,44,709	-	-
<b>Current</b>			
Other Deposits	6,03,800	-	-
Sub-Total (b)	6,03,800	-	-
<b>Total</b>	<b>1,20,48,509</b>	<b>-</b>	<b>-</b>

**7 Deferred Tax Balances**

Particulars	(Amount in Rupees)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred Tax Assets	12,62,393	-	-
<b>Total</b>	<b>12,62,393</b>	<b>-</b>	<b>-</b>



(Amount in Rupees)

Deferred Tax Assets/Liabilities in relation to:	FY 2016-17			FY 2015-16		
	Opening Balance	Recognised in Profit or Loss	Closing Balance as at 31-03-2017	Opening Balance	Recognised in Profit or Loss	Closing Balance as at 31-03-2016
Fair Value adjustments	-	12,62,393	12,62,393	-	-	-

**Tax Expenses**

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(Loss) before Tax	(1,11,62,291)	(86,48,074)
Income Tax Expense calculated @ 30.90%	(34,49,148)	(26,72,255)
Effect of Depreciation as per Income Tax	(11,015)	(69,337)
Effect of expenses that are not deductible in determining taxable profits	40,05,118	28,41,103
Effect of Expenses deductible in Income Tax but not debited in profit and loss	-	(13,905)
Effect of Income that do not form part of taxable income	(2,13,971)	(1,97,323)
Effect of Loss not recognised as no reasonable certainty of future taxable profits	9,31,409	1,14,775
Others	-	(3,059)
Tax Expenses	12,62,393	-
Tax Expenses recognised in the statement of Profit and Loss	12,62,393	-

**8 Inventories**

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening inventories	66,77,49,459	60,00,00,000	60,00,00,000
Add: Project expenses incurred during the year ( * )	16,61,06,510	6,77,49,459	-
<b>Total</b>	<b>83,38,55,969</b>	<b>66,77,49,459</b>	<b>60,00,00,000</b>

All of the above inventories are expected to be realised after 12 months.

\*The project is under initial stage of development and expected to have net realizable value of greater than the cost.

**9 Cash and Cash equivalents**

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance with banks	46,71,173	50,90,023	10,102
Cash on Hand	1,77,133	6,924	2,802
<b>Total</b>	<b>48,48,306</b>	<b>50,96,947</b>	<b>12,904</b>

**9.1 Disclosures of Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs *	Other denomination notes/coins	Total
Closing cash in hand as on November 8, 2016	-	3,504	3,504
(+) Permitted receipts	-	50,000	50,000
(-) Permitted payments	-	14,335	14,335
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 31, 2016	-	39,169	39,169

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

**10 Other Current Assets**

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Service Tax Receivable	97,49,769	8,47,555	-
Tax Deducted at Source (net of provision, if any)	10,94,795	10,94,795	10,94,795
Prepaid Expenses	3,465	-	-
Advance recoverable cash or in kind or for values to be received	5,39,41,766	554	-
<b>Total</b>	<b>6,47,89,795</b>	<b>19,42,904</b>	<b>10,94,795</b>



**Goregaon Hotel and Realty Private Limited**  
Notes Forming Part of Financial Statements

**11 Equity Share Capital**

**11.1 Details of Authorized, Issued, Subscribed and Paid Up Share Capital**

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorized Capital</b>				
<b>Equity Share Capital</b>				
10,000 Equity Shares of Rs.10/- each	10,000	1,00,000	10,000	1,00,000
	10,000	1,00,000	10,000	1,00,000
<b>Issued Capital</b>				
<b>Equity Share Capital</b>				
10,000 Equity Shares of Rs.10/- each	10,000	1,00,000	10,000	1,00,000
	10,000	1,00,000	10,000	1,00,000
<b>Subscribed and Paid up Capital</b>				
<b>Equity Share Capital</b>				
10,000 Equity Shares of Rs.10/- each	10,000	1,00,000	10,000	1,00,000
<b>Total</b>	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>

All of the above shares carry equal voting rights and there are no restrictions / Preferences Attached to any of the above shares.

**11.2 Reconciliation of the outstanding Number of Shares**

Particulars	Equity Shares		Equity Shares	
	As at March 31, 2017		As at March 31, 2016	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares Outstanding at the beginning of the year	10,000	1,00,000	10,000	1,00,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares Outstanding at the end of the year	10,000	1,00,000	10,000	1,00,000

**11.3 Details of number of shares held by the Holding Company**

10,000 equity shares are held by DB Realty Limited (and its nominees), the holding company.

**11.4 The details of shareholders holding more than 5% shares**

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
D B Realty Limited and its nominees	10,000	100.00%	10,000	100.00%



**Goregaon Hotel and Realty Private Limited**  
Notes Forming Part of Financial Statements

**12 Other Equity**

**12.1 Retained Earning**

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(Deficit) in Statement of Profit and Loss</b>			
Opening Balance	(8,41,91,762)	(7,55,43,688)	(71,67,389)
Add: (Loss) for the year	(98,99,898)	(86,48,074)	(6,83,76,299)
<b>Total</b>	<b>(9,40,91,660)</b>	<b>(8,41,91,762)</b>	<b>(7,55,43,688)</b>

**13 Long Term Borrowing**

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured</b>			
Term Loan From NBFC : From Reliance Capital Limited ( RCL)	56,86,47,050	1,24,97,191	-
<b>Loan is secured by:</b>			
1. An exclusive charge on the scheduled receivables under the documents entered into with customers by the Borrower, all such proceeds both present and future .			
2. An exclusive charge over all rights, titles, interest, claims , benefits, demands under the Project documents both present and future.			
3. An exclusive charge on the escrow account , all monies credited/ deposited therein and all investments in respect thereof ( in whatever form they may be).			
4. Registered Mortgage on residential units falling under the share of GHRPL in the proposed project located at land bearing CTS No- A/791(pt) of Mahim Bandra Reclamation Area , Bandra (West).			
5. Hypothecation of receivables from sale of residential units falling under the share of GHRPL in the proposed project located at land bearing CTS No- A/791(pt) of Mahim Bandra Reclamation Area , Bandra (West).			
6. Pledge of all shares of Goregaon Hotel and Realty Private Limited.			
<b>Repayment Schedule</b>			
1. The bullet repayment at the end of loan tenure i.e. after 24 Months. The tenure can be extended for further term keeping maximum door to door tenure as 24 Months. Interest to be paid monthly.			
2. The loan carry interest rate of 16% p.a			
<b>Details of continuing Default as at March 31, 2017</b>			
Period of Default - 30 June 2016 to 31 March 2017			
<u>Amount of Default</u>			
Interest - Rs. 3,80,49,423/-			
<b>Total</b>	<b>56,86,47,050</b>	<b>1,24,97,191</b>	<b>-</b>

**14 Long Term Provisions**

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<u>Provision for employee benefits (unfunded) (Refer note no. 32)</u>			
Gratuity	25,547	13,545	1,205
Leave Encashment	27,827	17,575	1,962
<b>Total</b>	<b>53,374</b>	<b>31,120</b>	<b>3,167</b>



15 Short Term Borrowings

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Unsecured Loan</b>			
From Holding Company	27,67,33,425	65,10,70,618	24,92,000
<u>Terms of loan :</u>			
The above LCD is interest-free and repayable on demand			
Loan From NBFC	-	-	60,00,00,000
<b>Total</b>	<b>27,67,33,425</b>	<b>65,10,70,618</b>	<b>60,24,92,000</b>

16 Trade Payables

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Micro and Small Enterprises ( Refer Note Below)	-	-	-
Others	3,14,43,454	5,91,269	3,50,031
<b>Total</b>	<b>3,14,43,454</b>	<b>5,91,269</b>	<b>3,50,031</b>

16.1 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	-	-	-
Interest accrued on the amount due to suppliers under MSMED Act on the above amount	-	-	-
Payment made to suppliers (other than Interest) beyond the appointed date during the year.	-	-	-
Interest paid to suppliers under MSMED Act (other than section 16)	-	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-	-
Interest due and payable to suppliers under MSMED Act for payments already made.	-	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act.	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:** The above information is compiled by the company on the basis of the information made available by vendors and the same has been relied upon by the Statutory Auditors.

17 Other Financial Liabilities

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Interest Payable	3,80,96,741	47,318	8,26,64,385
Reimbursement of Expenses - related party	-	-	1,69,740
Salary Payable	67,350	67,031	52,559
Due to Om Metal Consortium (Refer Note No. 28)	10,00,00,000	10,00,00,000	10,00,00,000
<b>Total</b>	<b>13,81,64,091</b>	<b>10,01,14,349</b>	<b>18,28,86,684</b>

18 Other Current Liabilities

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory Dues	29,74,368	5,07,646	67,87,576
Outstanding Expenses	2,33,871	13,66,357	3,10,419
<b>Total</b>	<b>32,08,239</b>	<b>18,74,003</b>	<b>70,97,995</b>

19 Short term Provision

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits (unfunded)	-	-	-
Leave Encashment	-	2,877	-
<b>Total</b>	<b>-</b>	<b>2,877</b>	<b>-</b>



**Goregaon Hotel and Realty Private Limited**  
Notes Forming Part of Financial Statements

**20 Other Income**

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Share of Profit from Partnership Firm	-	6,38,586
<u>Interest Income (effective interest rate method)</u>		
- On financial assets measured at amortised cost	6,92,463	-
<b>Total</b>	<b>6,92,463</b>	<b>6,38,586</b>

**21 Project Related Expenses**

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Rehabilitation Costs (forming part of land cost):</b>		
Direct cost of Construction	12,24,60,095	-
Professional Fees	11,18,687	-
Institutional Fees	4,83,000	-
Salaries, Wages and Bonus	7,83,649	7,00,557
Security Charges	9,99,407	9,88,973
Electricity Expense	5,47,140	1,16,560
Site Expense	-	1,11,782
Consultancy Fees	4,29,250	50,25,000
Compensation paid	15,25,000	-
<b>Finance Charges:</b>		
Interest Charges	3,77,03,598	6,07,78,013
Processing Fees	-	-
Contribution to Om Metals Consortium (Refer Note No.28)	-	-
Depreciations	56,684	28,575
<b>Total</b>	<b>16,61,06,510</b>	<b>6,77,49,459</b>

**22 (Increase)/Decrease in Inventories**

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Inventories	66,77,49,459	60,00,00,000
Less: Closing Inventories - Project Work in Progress	83,38,55,969	66,77,49,459
<b>Total</b>	<b>(16,61,06,510)</b>	<b>(6,77,49,459)</b>





23 Finance Cost

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on Loan Taken	23,35,562	70,76,712
<u>Interest Expenses (effective interest rate method):</u>		
Financial liabilities measured at amortised cost	1,30,122	-
Financial assets measured at amortised cost	46,47,754	-
Interest on Delayed Payment of Statutory Dues	27,919	10,54,001
<b>Total</b>	<b>71,41,356</b>	<b>81,30,713</b>

24 Other Expenses

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Payment to Auditors (Refer Note Below)	7,538	14,350
Legal and Professional Fees	12,11,400	9,100
Business Promotion Expense	9,44,424	22,634
Donation	17,00,000	10,00,000
Telephone and Conveyance Expense	42,281	22,451
Printing and Stationery	73,705	38,321
Bank Charges	1,322	2,095
General Expense	75,503	22,485
Rates and Taxes	52,036	5,714
Court Fees, Adhesive Expenses	17,850	-
Preliminary charges/ Misc Expenses	1,785	-
Housekeeping Expenses	1,14,142	-
Vehicle Expenses	3,700	-
Garden Exp	4,32,935	-
<b>Total</b>	<b>46,78,621</b>	<b>11,37,150</b>

24.1 Payment to Auditors

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Audit Fees	7500	7,500
Certification Fees	-	6,850
Taxation Fees	-	-
Other Matters	38	-
<b>Total</b>	<b>7,538</b>	<b>14,350</b>

25 Earnings Per share

As per Ind AS 33, " Earning Per Share", the Disclosure of Company's EPS is as follows :

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit /(Loss) incurred during the year	(98,99,898)	(86,48,074)
Weighted average number of equity shares outstanding	10,000	10,000
Basic and Diluted Earnings per share	(989.99)	(864.81)
Face Value	10	10



**Goregaon Hotel and Realty Private Limited**  
**Notes forming Part of Financial Statements**

26 First-time Ind AS adoption reconciliations  
26.1 Effect of Ind AS Adoption on Balance Sheet as at March 31, 2016 and April 1, 2015

Particulars	Note No.	As at 31-03-2016			As at 01-04-2015		
		(End of last period presented under Previous GAAP)		Effect of transition to Ind AS	(Date of Transition)		
		Previous GAAP	As per Ind AS Balance Sheet		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>							
1 Non Current Assets							
a Property, Plant and Equipment		2,36,429	-	-	2,36,429	-	-
b Financial Assets	a	64,25,340	6,38,586	-	70,63,926	64,25,340	64,25,340
(i) Investment		-	-	-	-	(50,00,00,000)	10,00,00,000
(ii) Loans	b	66,61,769	6,38,586	-	73,00,355	(49,35,74,660)	10,64,25,340
<b>Total Non Current Assets (A)</b>							
1 Current Assets							
a Inventories		68,17,52,268	(1,40,02,809)	-	66,77,49,459	-	60,00,00,000
b Financial Assets	b	50,96,947	-	-	50,96,947	12,904	12,904
(i) Cash and cash equivalent		-	-	-	-	98,53,150	98,53,150
(ii) Loans		19,42,504	-	-	19,42,904	11,39,795	10,94,795
c Other Current Assets	a	68,87,92,119	(1,40,02,809)	-	67,47,89,310	59,99,55,000	61,09,60,849
<b>Total Current Assets (B)</b>							
<b>Total Assets (A)+(B)</b>							
		69,54,53,888	(1,33,64,223)	-	68,20,89,665	61,10,05,849	71,73,86,189
<b>EQUITY AND LIABILITIES</b>							
1 Equity							
a Equity Share Capital		1,00,000	-	-	1,00,000	1,00,000	1,00,000
b Other Equity		(8,48,30,348)	6,38,586	-	(8,41,91,762)	(8,19,24,028)	(7,55,43,688)
<b>Total Equity (A)</b>							
		(8,47,30,348)	6,38,586	-	(8,40,91,762)	(8,18,24,028)	(7,54,43,688)
2 Non Current Liabilities							
a Financial liabilities		1,25,00,000	(2,809)	-	1,24,97,191	-	-
(i) Borrowings		31,120	-	-	31,120	-	-
b Provision	c	1,25,31,120	(2,809)	-	1,25,28,311	3,167	3,167
<b>Total Non Current Liabilities (B)</b>							
		1,25,31,120	(2,809)	-	1,25,28,311	3,167	3,167
3 Current Liabilities							
a Financial liabilities		65,10,70,618	-	-	65,10,70,618	60,24,92,000	60,24,92,000
(i) Borrowings		5,91,269	-	-	5,91,269	3,50,031	3,50,031
(ii) Trade payables		10,01,14,349	-	-	10,01,14,349	8,28,86,684	18,28,86,684
(iii) Other financial liabilities	b	1,58,74,003	(1,40,00,000)	-	18,74,003	70,97,995	70,97,995
b Other current liabilities	c	2,877	-	-	2,877	-	-
c Provision		76,76,53,116	(1,40,00,000)	-	75,36,53,116	69,28,26,710	79,28,26,710
<b>Total Current Liabilities (C)</b>							
		69,54,53,888	(1,33,64,223)	-	68,20,89,665	61,10,05,849	71,73,86,189
<b>Total Equity and Liabilities (A)+(B)+(C)</b>							
		69,54,53,888	(1,33,64,223)	-	68,20,89,665	61,10,05,849	71,73,86,189

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26.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

(Amount in Rs.)

Particulars	Note No. 26.6	As at 31-03-2016	As at 1-04-2015
<b>Total Equity (Shareholders' Funds) under previous GAAP</b>		<b>(8,47,30,348)</b>	<b>(8,18,24,028)</b>
<b>Ind AS Adjustments:</b>			
Prior Period Income recognised in the respective year	a	70,63,926	64,25,340
Prior Period Expenses recognised in the respective year	a	(45,000)	(45,000)
Finance income on Reversal of Prior Period Income and Expense	a	(63,80,340)	
<b>Total adjustment to equity</b>		<b>6,38,586</b>	<b>63,80,340</b>
<b>Total equity under Ind AS</b>		<b>(8,40,91,762)</b>	<b>(7,54,43,688)</b>

26.3 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. 26.6	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	a	-	6,38,586	6,38,586
III <b>Total Income (I)+(II)</b>		-	6,38,586	6,38,586
IV <b>Expenses</b>				
Project Related Expenses		68,17,52,268	(61,40,02,809)	6,77,49,459
Changes in inventories of finished goods, work in progress and stock-in-trade		(68,17,52,268)	61,40,02,809	(6,77,49,459)
Finance costs		81,30,713	-	81,30,713
Other expense		11,37,150	-	11,37,150
Depreciation and amortisation expense		18,796	-	18,796
<b>Total expenses (IV)</b>		<b>92,86,660</b>	<b>-</b>	<b>92,86,660</b>
V <b>(loss) before exceptional items and tax (III)-(IV)</b>		<b>(92,86,660)</b>	<b>6,38,586</b>	<b>(86,48,074)</b>
(Loss) before tax (III)-(IV)				
Exceptional items				
Prior Period Income (Share in Profit in Om Metal Consortium for FY 2014-15)	a	64,25,340	(64,25,340)	-
Prior Period Expenses	a	(45,000)	45,000	-
VI <b>Tax expense</b>				
a) Current tax			-	-
b) Deferred tax			-	-
VII <b>(Loss) for the period (V)-(VI)</b>		<b>(29,06,320)</b>	<b>(57,41,754)</b>	<b>(86,48,074)</b>
VIII <b>Other Comprehensive Income</b>				
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		-	-	-
<b>Total Other Comprehensive Income [A (i)-(ii) + B (i)-(ii)] (VIII)</b>		<b>-</b>	<b>-</b>	<b>-</b>
IX <b>Total Comprehensive Income for the period (VII)+(VIII)</b>		<b>(29,06,320)</b>	<b>(57,41,754)</b>	<b>(86,48,074)</b>



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

(Amount in Rs.)

Particulars	Note No. 26.6	Year ended 31-03-2016 (Latest period presented under previous GAAP)
(Loss) as per Previous GAAP		(29,06,320)
<b>Adjustments :</b>		
Prior Period Income pertaining to FY 2015-16 recognised in that period	a	6,38,586
Finance Income on Reversal of Prior period Income and Expense measured at amortised cost	a	(63,80,340)
Deferred tax		-
<b>Total effect of transition to Ind AS</b>		<b>(57,41,754)</b>
<b>Profit as per Ind AS</b>		<b>(86,48,074)</b>
Other Comprehensive Income for the year (net of tax)		-
<b>Total Comprehensive Income as per Ind AS</b>		<b>(86,48,074)</b>

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

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

There are no material adjustments to the statement of cash flow as reported under previous GAAP.

26.6 Disclosures as required by Indian Accounting Standard (Ind-AS) 101 First Time Accounting Standard:

The Company has adopted Ind AS with effect from 1 April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Retained Earnings as at 1 April 2015 and all the periods presented have been restated accordingly.

i. Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemption:

a) Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' or 'fair value through profit and loss' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income and fair value through profit and loss on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

b) the Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment, and intangible assets on the date of transition .

ii. Exceptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

a) Estimates:

The estimates as at 1 April 2015 and 31 March 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:

- (i) Impairment of financial assets based on the expected credit loss model; and
- (ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Company to present the amounts in accordance with the Ind AS reflect conditions that existed at the date on transition to Ind AS.

b) Derecognition of financial assets:

The Company has elected to apply the Derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and movement of financial assets and liabilities:

The Company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.



## 26.7 Reconciliation Explanations:

### a Prior period Items

Under previous GAAP, the company has accounted for share of profit from partnership firm (OMC) in succeeding years and shown as prior period items. As per Ind-AS, prior period items needs to be restated in the accounting period to which they pertain to. Accordingly, effect of the same is given in the Ind-AS financial statements.

### b Investment in Partnership Firm

The company is a partner in M/s Om Metal Consortium ("OMC"), which has been awarded tender by MHADA for construction of Rehabilitation Tenements and Buildings after redevelopment of existing transit camp against which OMC is entitled for Free Sale Premises.

As per the terms of the deed, the company is admitted as a partner with 50% interest subject to it contributing Rs.60 crore as a non refundable amount, out of which as up to year end Rs.50 crore has been contributed and balance Rs. 10 crore has not been paid due to litigation filed by the company against OMC.

Further, in terms of the deed, the firm, the company and the other partners of OMC has executed "Construction Agreement" setting out the rights and the obligations of the company and the other group. As per the agreement, the company is entitled for 50% of the Free Sale Premises and has to incur there against the costs detailed out therein (including the liabilities for direct/indirect taxes). Accordingly, the cost which are incurred as part of the company's obligation are allocated as Project Work in Progress in this account. Similarly, the amount of Rs.60 crore, being non refundable contribution is also allocated to Project Work in Progress since it represents non-refundable outflow of resources in the hands of the company for getting right in Free Sale Premises. Under the circumstances, the balance standing to partners' capital account does not include that of Rs. 50 crore paid by the company to OMC.

### c Ind AS Adjustment on account of measurement in accordance with Effective Interest Rate (EIR):

Ind AS 109 requires borrowings and financial liabilities to be carried at amortised cost. Accordingly, any transaction cost incurred towards origination of borrowings is to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as part of the interest expense by applying the EIR method. Under Ind AS, loans are valued at present value as against cost in the previous GAAP. The difference between the present value and cost is recognised in the opening retained earnings.



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27 "The Company is a subsidiary of D B Realty Limited, which has become a "Public company" w.e.f. 23/09/2009. Therefore, the Company has become a private company which is a subsidiary of a public company and accordingly, by virtue of provision of section 2 (71) of the Companies Act, 2013, the Company is a public company. The Company continues to use the word "Private Limited" as permitted by law.

28 (a) The company is a partner in M/s Om Metal Consortium ("OMC"), which has been awarded tender by MHADA for construction of Rehabilitation Tenements and Buildings after redevelopment of existing transit camp against which OMC is entitled for Free Sale Premises. As per the terms of the deed, the company is admitted as a partner with 50% interest subject to it contributing Rs.60 crore as a non refundable amount, out of which as up to year end Rs.50 crore has been contributed and balance Rs. 10 crore has not been paid due to litigation filed by the company against OMC.

Further, in terms of the deed, the firm, the company and the other partners of OMC has executed "Construction Agreement" setting out the rights and the obligations of the company and the other group. As per the agreement, the company is entitled for 50% of the Free Sale Premises and has to incur there against the costs detailed out therein (including the liabilities for direct/indirect taxes). Accordingly, the cost which are incurred as part of the company's obligation are allocated as Project Work in Progress in this account. Similarly, the amount of Rs.60 crore, being non refundable contribution is also allocated to Project Work in Progress since it represents non-refundable outflow of resources in the hands of the company for getting right in Free Sale Premises. Under the circumstances, the balance standing to partners' capital account does not include that of Rs. 50 crore paid by the company to OMC.

(b) The company has recognised share of profit for FY 2015-16 based on the audited accounts of OMC. However, the company has not recognised the share of profit for FY 2016-17 in this financial statements as the audited financial statements of OMC are under preparation.

29 **Segment Reporting:**

The company is in the business of real estate development which is the only reportable operating segment. Hence, separate disclosure requirements of Ind AS-108 Operating Segments are not applicable.

30 **Related Party Disclosures**

As per Ind AS 24 'Related party Disclosure' the disclosure of Transactions with the Related parties as defined in Ind AS 24 are given below.

30.1	Particulars	Relations
	Mr. Nabil Patel	Director ( K.M.P)
	Mr. Anantharam Anil Kumar	Director ( K.M.P)
	DB Realty Ltd	Holding Company
	M/s Om Metal Consortium	Entity jointly controlled by the company
	Real Gem Buildtech Private Limited	Fellow Subsidiary
	Majestic Infracon Pvt.Ltd.	Enterprises owned or controlled by KMP or their relatives

Above related parties were identified by the management and relied upon by the auditors.

(Amount in Rs)

30.2	1	Mar-17	Mar-16	Mar-15
	<b>Balances with related parties as at 31 March</b>			
	<b>1 Loans Accepted</b>			
	Holding Company	27,67,33,425	65,10,70,618	24,92,000
	<b>2 Capital Contribution Payable</b>			
	Entity jointly controlled by the company	10,00,00,000	10,00,00,000	
	<b>3 Investment</b>			
	Entity jointly controlled by the company	70,63,926	70,63,926	64,25,340
	<b>4 Refundable Deposits</b>			
	Enterprises owned or controlled by KMP or their relatives	1,14,44,709		



5	<b>Trade Payable</b>			
	Enterprises owned or controlled by KMP or their relatives	2,37,71,680		
6	<b>Retention Money Payable</b>			
	Enterprises owned or controlled by KMP or their relatives	54,48,928		
7	<b>Civil Work Expenses</b>			
	Enterprises owned or controlled by KMP or their relatives	10,91,96,515		
8	<b>Reimbursement of Statutory Obligation paid on behalf of the company</b>			
	Fellow Subsidiary	200		
9	<b>Statutory expenses paid by the company</b>			
	Holding Company	54,172		

II Transactions with related party during the year		Mar-17	Mar-16
1	<b>Loans Accepted</b>		
	Holding Company	16,69,50,000	77,04,12,383
2	<b>Loans Repaid</b>		
	Holding Company	54,12,87,193	(12,18,33,765)
3	<b>Interest Income on Financial Assets/Liabilities recognised at amortised cost</b>		
	Enterprises owned or controlled by KMP or their relatives	6,92,463	
4	<b>Refundable Deposits Accepted</b>		
	Enterprises owned or controlled by KMP or their relatives	1,14,44,709	
5	<b>Civil Work Expenses</b>		
	Enterprises owned or controlled by KMP or their relatives	10,91,96,515	
6	<b>Interest Expense on Financial Assets/Liabilities cognised at amortised cost</b>		
	Enterprises owned or controlled by KMP or their relatives	46,47,754	

Figures in the brackets represent previous year's figures.  
There were no transactions with the KMP during the year.

- 31 As at year end, the entire net worth of the company has been eroded. However, the management is of the opinion that in future the company will be able to recover the accumulated losses and hence the accounts of the company has been prepared on going concern basis.



**Goregaon Hotel and Realty Private Limited**  
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32 As per Ind AS 19, "Employee Benefits", the disclosure of employee benefits as defined in AS is given below.

**Defined Contribution**

"Contribution to Provident and other funds" is recognised as an expense in 20 "Project related Expenses" of the Statement of Profit and Loss.

**Defined Benefit Plan**

The company provides gratuity benefits to its employees as per the statute. Present value of gratuity obligation (Non-Funded) based on actuarial valuation done by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences (Non-funded) is recognized in the same manner as gratuity.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2017

**32.1 Reconciliation of opening and closing balances of Defined Benefit Obligation:**

Description	(Amount in Rupees)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net Liability at the beginning of the period	13,545	1,205.00
Acquisition Adjustment	-	-
Interest cost	1,057	94
Current Service cost	12,574	12,574
Actuarial (gain)/loss on obligations	(1,629)	-328
Liability at the end of the period	25,547	13,545

**32.2 Reconciliation of fair value of plan assets and obligations:**

Description	(Amount in Rupees)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Liability at the end of the period	25,547	13,545
Fair value of Plan Assets at the end of the period	-	-
Funded Status	(25,547)	(13,545)
Current Liability	-	-
Non Current Liability	25,547	13,545
Amount Recognised in the Balance Sheet	(25,547)	(13,545)

**32.3 Expense recognized during the period:**

Description	(Amount in Rupees)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Current service cost	12,574	12,574
Acquisition Adjustment	-	-
Interest cost	1,057	94
Expected Return on Plan Assets	-	-
Actuarial (Gain) or Loss	-	-
Expenses Recognised in Profit and Loss	13,631	12,668

**32.4 Expense recognized during the year in Statement of OCI**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Actuarial (gain)/loss	(1,629)	(328)
Expense Recognised in OCI	(1,629)	(328)

**32.5 Actuarial Assumptions:**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Mortality table	IALM(2006-08) ult	IALM(2006-08) ult	IALM(2006-08) ult
Discount rate	7.8%	6.8%	6.8%
Rate of increase in compensation levels	10.00%	10.00%	10.00%
Expected rate of return on plan assets	-	-	-
Expected average remaining working lives of employees (in years)	3.81	7.68	7.68
Withdrawal Rate	7.68 Years	5.64 Years	5.64 Years
Age upto 30 years	26.00%	12.00%	17.00%
Age 31 - 40 years	26.00%	12.00%	17.00%
Age 41 - 50 years	26.00%	12.00%	17.00%
Age above 50 years	26.00%	12.00%	17.00%





The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is extracted from the report obtained from Actuary.

**Risk exposure and asset liability matching**

Provision of a defined benefit scheme poses certain risk, some of which are detailed hereunder, as companies taken on uncertain long term obligations to make futures benefits payments.

**Liability Risks:-**

**(a) Asset-liability Mismatch Risk**

Risk which arise if there is a mismatch in the duration of the assets relative to the liabilities by mismatching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements.

Hence Companies are encouraged to adopt assets- Liability management.

**(b) Discount Rate Risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

**(c) Future salary Escalation and inflation risk**

Since the price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments regulating in a higher present value of liabilities especially unexpected salary increases provide at management's discretion may lead to uncertainties in estimating this increasing risk.

**(d) Unfunded Risk**

This represents unmanaged risk and growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan

There is no contribution under defined contribution plans and defined benefit plans in respect of Key Management Personnel.

**32.6 Experience Adjustment:**

<b>Experience History</b>	<b>31.03.2013</b>	<b>31.03.2014</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.03.2017</b>
Present value of obligation	-	-	1,205	13,545	25,547
Plan assets	-	-	-	-	-
Surplus / (Deficit)	-	-	(1,205)	(13,545)	(25,547)
Experience (gain) or loss on plan liabilities	-	-	-	2,906	(602)
Experience (gain) or loss on plan assets	-	-	-	-	-

**32.7 Expected future benefit payments:**

The following benefits payments, for each of the next five years and the aggregate five years thereafter, after expected to be paid:

<b>(Amount in Rs.)</b>	
<b>Year Ending March 31</b>	<b>Expected Benefit</b>
2018	-
2019	-
2020	-
2021	7,000
2022	8,000
2023 - 2027	34,000

**32.8 Sensitivity Analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Defined benefit obligation (DBO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

(a) The current service cost recognised as an expenses included in the note 20 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**Other long-term benefits**

The obligation for leave benefits (non-funded) is also recognised using the projected unit credit method and accordingly the long-term paid absences have been valued. The leave encashment expense is included in Note 20 'Project Related expenses'



- (a) Impact of change in discount rate, future salary increase, withdrawal rate when base assumption is decreased/increased by 100 basis point

(Amount in Rs.)

Assumptions	31-03-2017					
	Discount rate		Future salary increase		Withdrawal rate	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	24,597	26,572	26,293	24,841	25,436	25,667

Assumptions	31-03-2016					
	Discount rate		Future salary increase		Withdrawal rate	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	12,577	14,643	14,479	12,703	13,417	13,687

### 33 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 2.8 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.	Amortised Cost	Total carrying value
<b>Financial Assets</b>			
Investment	4	70,63,926	70,63,926
Other Financial Assets	6	1,20,48,509	1,20,48,509
Loans	5	2,10,000	2,10,000
Cash and cash equivalent	9	48,48,306	48,48,306
<b>Total</b>		<b>2,41,70,741</b>	<b>2,41,70,741</b>
<b>Financial Liabilities</b>			
Non Current Borrowings	13	56,86,47,050	56,86,47,050
Current Borrowings	15	27,67,33,425	27,67,33,425
Trade Payable	16	3,14,43,454	3,14,43,454
Other Financial liabilities	17	13,81,64,091	13,81,64,091
<b>Total</b>		<b>1,01,49,88,020</b>	<b>1,01,49,88,020</b>

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

(Amount in Rs.)

Particulars	Note No.	Amortised Cost	Total carrying value
<b>Financial Assets</b>			
Investment	4	70,63,926	70,63,926
Other Financial Assets	6	-	-
Loans	5	-	-
Cash and cash equivalent	9	50,96,947	50,96,947
<b>Total</b>		<b>1,21,60,873</b>	<b>1,21,60,873</b>
<b>Financial Liabilities</b>			
Non Current Borrowings	13	1,24,97,191	1,24,97,191
Current Borrowings	15	65,10,70,618	65,10,70,618
Trade payables	16	5,91,269	5,91,269
Other Financial liabilities	17	10,01,14,349	10,01,14,349
<b>Total</b>		<b>76,42,73,427</b>	<b>76,42,73,427</b>

The carrying value of financial instruments by categories as at April 1, 2015 is as follows:

(Amount in Rs.)

Particulars	Note No.	Amortised Cost	Total carrying value
<b>Financial Assets</b>			
Investment	4	64,25,340	64,25,340
Other Financial Assets	6	-	-
Loans	5	10,98,53,150.00	10,98,53,150
Cash and cash equivalent	9	12,904	12,904
<b>Total</b>		<b>11,62,91,394</b>	<b>11,62,91,394</b>
<b>Financial Liabilities</b>			
Non Current Borrowings	13	-	-
Current Borrowings	15	60,24,92,000	60,24,92,000
Trade payables	16	3,50,031	3,50,031
Other Financial liabilities	17	18,28,86,684	18,28,86,684
<b>Total</b>		<b>78,57,28,715</b>	<b>78,57,28,715</b>



Carrying amounts of cash and cash equivalents, trade receivables and trade payable as at March 31, 2017, March 31, 2016 and April 1, 2015 approximate the fair value because of their short term nature. Difference between the carrying amount and fair values of other financial assets and liabilities subsequently measured at amortised cost is not significant in each year presented.

**(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 organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

**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.

**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. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates.

**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 and from its investing activities (primarily loans granted to various parties including related parties).

**Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and preference shares. 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.

**Capital Management**

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. 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.

34 The amount in the Financial Statements are rounded off to nearest rupee.

35 Previous period figures have been regrouped and reclassified wherever necessary to make them comparable with current year figures.

Significant Accounting Policies and notes on  
Financial Statements 1 to 35

As per our attached report of even date

For Mehta Chokshi & Shah  
Chartered Accountants  
Firm Registration No.: 106201W



Vijay Gajaria  
Partner  
Membership No. : 137561



Place: Mumbai  
Date: 16.05.2017

For and on behalf of the Board



Anantharam Anil Kumar  
Director

Place: Mumbai  
Date: 16.05.2017



Nabil Patel  
Director