

NOTICE

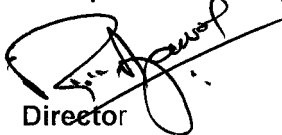
NOTICE is hereby given that 10th Annual General Meeting of the members of Spacecon Realty Private Limited will be held on Thursday, the 28th September, 2017 at 3.00 p.m. at the Registered Office of the Company at DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai – 400 063 to transact the following business:


ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon;
2. To appoint Director in place of Mr. Rajiv Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint 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. Chaturvedi & Shah, Chartered Accountants, Mumbai (Reg No. 101720W), as the Statutory Auditors of the Company, who were appointed as auditors of the Company at the 8th Annual General Meeting of the Company to hold office till the conclusion of the 12th 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.”

**By order of the Board of Directors,
For Spacecon Realty Private Limited**


Director



Place: Mumbai
Date: 30.05.2017

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.

SPACECON REALTY PRIVATE LIMITED



DIRECTORS' REPORT

Dear Member

Your Directors have pleasure in presenting the 10th Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2017:

FINANCIAL RESULTS & BUSINESS

The financial statements for the year ended 31st March, 2017 have been prepared under Ind AS (Indian Accounting Standards). The financial statements for the year ended 31st 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	Year Ended 31-03-2017	Year Ended 31-03-2016
Total Income	50,00,00,000	-
Total Expenses	47,16,20,490	1,16,024
Profit/ (loss) before exceptional items and tax	2,83,79,510	(1,16,024)
Exceptional items	-	-
Profit/(Loss) before Tax	2,83,79,510	(1,16,024)
Current Tax	-	-
Deferred tax	-	-
Profit/ (loss) for the period from continuing operations	2,83,79,510	(1,16,024)
Profit/(Loss) for the period	2,83,79,510	(1,16,024)
Other Comprehensive Income	-	-
Total Comprehensive Income for the period	2,83,79,510	(1,16,024)

The company was formed as a special purpose vehicle for the holding company's bid for development of the Government Colony Plot " Part -I " in Bandra (East), Mumbai which had been accepted by Govt. of Maharashtra's P.W. Department in year 2010. For execution of work order for the said project, the P.W. Department has asked the company to pay minimum upfront amount (including maintenance corpus) of Rs. 802.95 crores. Against the said demand, the company has offered to pay an amount of Rs. 362.95 crore simultaneously with the execution of concession agreement with P.W. Department for issuance of work order as per the company's understanding of the provisions contained in the Tender. The P.W. Department cancelled the tender on 26th February, 2015. The holding company has filed writ petition No. 2637/2015 in the Bombay High Court in respect of arbitrary cancellation of the tender for development of Government Colony "Part-I". The Management expects positive outcome of the matter, hence considering the same no diminution in the value of inventory is considered necessary. The case is still pending with Hon'ble High Court. Since the matter is subjudice and in the absence of clarity on the outcome of matter the Company has written off the carrying value of Project Work In Progress.". There is no any business activity in the Company during financial year 2016-2017. Total revenue/income for the year ended 31st March, 2017 of approx. Rs. 50.00 crores derived on account of compensation received.

TRANSFER TO RESERVES:

The Company has not transferred any amount to reserves

DIVIDEND

In order to conserve the resources for future growth of the Company, your Directors do not recommend any dividend for the year under review

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

SPACECON REALTY PRIVATE LIMITED



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 ends 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. The detail of ongoing litigation are detailed in Note No. 15 in the notes to the financial statements.

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 provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

The Audit Report does not contain any qualification. However, without qualifying but as a matter of emphasis, the auditors have drawn attention of the members with regard to Note no. 16 of the financial statements regarding preparation of accounts of the company on "Going Concern" basis. Net worth of the company is eroded and as at 31.3.2017 company has Rs. 17 Crore Loan payable to holding company. Holding Company has agreed to provide further financial support as and when required and also looking for appropriate project which can be executed by the Company. Therefore considering the same, this account are prepared on Going Concern basis, which is a factual one and self explanatory.

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.

SPACECON REALTY PRIVATE LIMITED

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the financial year 2016-17, the Board of Directors met 4 times, viz. 27.05.2016, 14.09.2016, 09.12.2016 and 14-02-2017. 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.

DEPOSITS:

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

INTERNAL FINANCIAL CONTROL

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.

DIRECTORS:

During the year under review, Mr. Rajiv Agarwal, Mr. Jagat Killawala and Mr. Nasir M. Rafique are continuing as Directors of the Company.

Mr. Rajiv Agarwal, Director who 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

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

SPACECON REALTY PRIVATE LIMITED

AUDITORS:

The Board recommends their ratification of appointment of M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (Reg. No. 101720W) as Statutory Auditors of the Company at the ensuing Annual General Meeting of the Company.

AUDIT COMMITTEE :

The Audit Committee consists of the following members.

- a) Mr. Rajiv Agarwal
- b) Mr. Jagat A. Killwala
- c) Mr. Nasir M. Rafique

The above composition of the Audit Committee consists of independent Directors viz., Mr. Jagat A. Killwala and Nasir M. Rafique who form the majority.

NOMINATION AND REMUNERATION COMMITTEE :

The Nomination and Remuneration Committee consists of the following members.

- a) Mr. Rajiv Agarwal
- b) Mr. Jagat A. Killwala
- c) Mr. Nasir M. Rafique

The above composition of the Nomination and Remuneration Committee consists of independent Directors viz., Mr. Jagat A. Killwala and Nasir M. Rafique who form the majority.

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:**

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.

SPACECON REALTY PRIVATE LIMITED



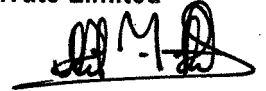
ACKNOWLEDGEMENT:

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 Spacecon Realty Private Limited**



Director



Director

Place : Mumbai
Date : 30.05.2017

SPACECON REALTY PRIVATE LIMITED



ANNEXURE- TO THE DIRECTORS' REPORT

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

As on financial year ended on 31.03.2016

**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	U45203MH2007PTC176104
2.	Registration Date	23-11-2007
3.	Name of the Company	Spacecon 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	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/ Associate	% of shares held	Applicable Section
1	D B Realty Limited DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400063	L70200MH2007PLC166818	Holding Company	74	2(46)

SPACECON REALTY PRIVATE LIMITED

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.		10000	10000	74	-	10000	10000	74	-
e) Banks / FI									
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	10000	10000	74	-	10000	10000	74	-
B. Public Shareholding									
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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	3514	3514	26	-	3514	3514	26	-

SPACECON REALTY 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: U45203MH2007PTC176104

ii) Overseas	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	3514	3514	26	-	3514	3514	26	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	3514	3514	26	-	3514	3514	26	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	13514	13514	100	-	13514	13514	100	-

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 Limited	10000	74	--	10000	74	--	--

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CIN: U45203MH2007PTC176104

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	74	10000	74
	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	74	10000	74

**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				
1.	Eversmile Construction Company Private Limited	3514	26	3514	26
	At the end of the year	3514	26	3514	26

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-577138288	-	-577138288
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-577138288	-	-577138288
Change in Indebtedness during the financial year				
* Addition	-	-21836	-	-21836
* Reduction	-	400000000	-	400000000
Net Change	-	399978164	-	399978164
Indebtedness at the end of the financial year				
i) Principal Amount	-	- 177160124	-	- 177160124
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	- 177160124	-	- 177160124

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PRSONNEL-

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	-	-	-	-	-

SPACECON REALTY PRIVATE LIMITED

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	-	-	-	-	-

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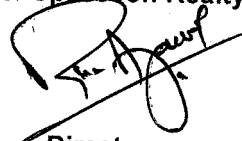
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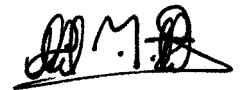
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By order of the Board of Directors,
For Spacecon Realty Private Limited



Director



Director

Place : Mumbai
Date : 30.05.2017

SPACECON REALTY PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s Spacecon Realty Private Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **Spacecon Realty Pvt Ltd** ("the Company"), which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Matter of Emphasis in Auditors' report

We refer to Note No. 19 with regards to preparation of accounts of the company on "Going Concern" basis for the reasons stated therein.

Our opinion is not qualified with respect to this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - 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 appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under.
- e) The matters described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
- f) On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position Refer Note No. 18 to the financial statements.
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the company and as produced to us by the Management. Refer Note No. 28 to the financial statements.

For **CHATURVEDI & SHAH**
Chartered Accountants
(Firm Reg. No. : 101720W)



Jignesh Mehta
Partner
Membership No.: 102749
Mumbai
Date: May 30, 2017



“Annexure A” to Independent Auditors’ Report referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date.

1) As the Company had no Fixed Assets during the year, clause (i) of paragraph of 3 of the Order is not applicable to the Company.

2) In respect of Inventories:

The Company is engaged in the business of real estate development and as at year end does not have any construction related inventories and therefore, clause (ii) of paragraph 3 of the order is not applicable to the Company.

3) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.

4) In respect of loans, investments, guarantees and security, the Company has not granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.

5) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

6) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.



7) In respect of Statutory dues :

- a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.
- 8) The Company has not raised loans from financial institutions or banks or by issue of debentures and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- 9) The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- 10) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- 12) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- 13) In respect of transactions with related parties :
- a) In our opinion and according to the information and explanations given to us, section 177 of the Act is not applicable to the Company.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions entered by the Company with the related parties as mentioned in section 188 of the Act. The disclosure as required by the applicable accounting standards have been disclosed in financial statements.



- 14) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- 15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- 16) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **CHATURVEDI & SHAH**
Chartered Accountants
(Firm Reg. No. : 101720W)



Jignesh Mehta
Partner
Membership No.: 102749



Mumbai
Date: May 30, 2017

“Annexure B” to Independent Auditors’ Report referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Control over financial reporting of Spacecon Realty Private Limited (“the company”) as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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 31st March, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **CHATURVEDI & SHAH**
Chartered Accountants
(Firm Reg. No. : 101720W)



Jignesh Mehta
Partner
Membership No.: 102749
Mumbai
Date: May 30, 2017



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


(Amount in Rs.)

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

Significant accounting policies and notes on
 Financial statements 1 to 26

As per our attached report of even date

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


 Jignesh Mehta
 Partner
 Membership no - 102749

Place : Mumbai
 Date : 30/5/2017



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


 Rajiv Agarwal
 Director

DIN : 00030453

Place : Mumbai
 Date : 30/5/2017



Nabil Patel
 Director
 DIN : 00298093

Place : Mumbai
 Date : 30/5/2017

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

(Amount in Rs.)

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

Significant accounting policies and notes on Financial statements 1 to 26

As per our attached report of even date

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


 Jignesh Mehta
 Partner

Membership no - 102749

Place : Mumbai
 Date : 30/5/2017



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



Rajiv Agarwal
 Director
 DIN : 00030453

Place : Mumbai
 Date : 30/5/2017



Nabil Patel
 Director
 DIN : 00298093

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

Cash Flow Statement for the year ended March 31, 2017

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

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



Jignesh Mehta
Partner
Membership no - 102749

Place : Mumbai
Date : 30/5/2017



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



Rajiv Agarwal
Director
DIN : 00030453

Place : Mumbai
Date : 30/5/2017



Nabil Patel
Director
DIN : 00298093

Place : Mumbai
Date : 30/5/2017

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

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

B. Other Equity

(Amount in Rs.)

Particulars	Retained Earnings
Balance as at April 1, 2014	-
(Loss) for the year FY 2014-15	-
Balance as at March 31, 2015	-
(Loss) for the year FY 2015-16	(116,024)
Other Comprehensive Income for the year, net of income tax	-
Total Comprehensive Income for the year	(116,024)
Balance as at March 31, 2016	(116,024)
(Loss) for the year	28,379,510
Other Comprehensive Income for the year, net of income tax	-
Total Comprehensive Income for the year	28,379,510
Balance as at March 31, 2017	28,263,486



1 Company Background:

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

The Company is in to the business of Real Estate Development.

The Company's financial statements is approved and adopted by Board of Directors on 30th May 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, 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 31st March, 2016, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013, read with paragraph 7 of Companies (Accounts) Rule, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2017 are the first financial statement, the Company has prepared in accordance with Ind AS. Refer Note 23 for information on how the Company adopted Ind AS, including the details of the first time adoption exemptions availed by the Company.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the date of transition to Ind AS.

The Ind AS financial statements have been prepared on a historical cost basis, except for financial assets and liabilities measured at fair value (refer accounting policy no. 2.5 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 Inventories:

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

In accordance with the guidance note on Accounting for Real Estate Transaction for entities to whom Ind AS is applicable) issued by ICAI, 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.

2.4 Revenue Recognition:

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 criterion is also considered before revenue is recognised:

- All critical approvals necessary for commencement of the project have been obtained;
- Atleast 25 % of the construction and development costs (excluding land and development cost and borrowing costs capitalised under Ind AS-23) have been incurred;
- Atleast 25% of the saleable project area is secured by contracts or agreements with buyers; and
- Atleast 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.

2.5 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. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent Measurement:

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

- Financial assets at amortised cost.
- Financial assets at fair value through Other Comprehensive Income. (FVTOCI) or through Statement of Profit and Loss. (FVTPL)

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.

Financial Assets at FVTOCI:

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.

Financial Assets at FVTPL:

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.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (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 financial assets at amortised cost.

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 entity 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 is 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.



2.6 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.

Minimum Alternate Tax (MAT):

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.

2.7 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.

2.8 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.

2.9 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.

2.10 Statement of Cash Flows:

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.

2.11 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.

2.12 Dividend Distribution:

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

2.13 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 operating segment.

(B) Significant Accounting Judgements, Estimates and Assumptions:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. 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 on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments 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) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(b) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.



Spacecon Realty Private Limited**(Formerly known as DB Spacecon Private Limited)****Notes Forming Part of Financial Statements for the year ended March 31, 2017****2 Inventories (Valued at lower of cost or NRV)****(Amount in Rs.)**

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

3 Trade Receivables**(Amount in Rs.)**

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

4 Cash and Cash Equivalents**(Amount in Rs.)**

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

5 Other Financial Assets**(Amount in Rs.)**

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



Spacecon Realty Private Limited

(Formerly known as DB Spacecon Private Limited)

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

6 Share Capital

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

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

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

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

6.2 Shares held by Holding Company / Subsidiary Company / Associates

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

6.3 Details of Shareholders holding more than 5% in companies

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



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

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

7 Retained Earnings

(Amount in Rs.)

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

8 Borrowings

(Amount in Rs.)

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

9 Trade Payables

(Amount in Rs.)

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

10 Other Current Liabilities

(Amount in Rs.)

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



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

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

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

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

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

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

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

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



Spacecon Realty Private Limited

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

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

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

1 Holding Company -
1 D B Realty Limited

B Transaction during the year with related parties :

1 Conwood DB JV

I. Transactions with Holding Company

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



Spacecon Realty Private Limited

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

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



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

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

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

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

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



23.3 Reconciliation of total comprehensive income for the year ended March 31, 2016
(Amount in Rs.)

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

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

(Amount in Rs.)

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

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

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

(Amount in Rs.)

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



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

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

(a) Financial assets and liabilities

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

(Amount in Rs.)

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

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

(Amount in Rs.)

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

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

(Amount in Rs.)

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

Fair Valuation Technique used to determine fair value

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



(b) Financial Risk Management

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

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

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk comprises three types of risk: interest rate risk, credit and default risk and liquidity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI and FVTPL investments. The company does not have material Foreign Currency Exchange rate risk.

(ii) Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. During the previous year, the company was having short term borrowing from the holding company which is interest free borrowing, and hence there was no interest rate risk associated with such borrowings.

(iii) Credit Risk

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

Trade receivables

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

(Amount in Rs.)

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



(iv) **Liquidity risk**

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

(Amount in Rs.)

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

(Amount in Rs.)

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

(Amount in Rs.)

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

(v) **Capital Management**

The primary objective for the Company's capital management is to maximize the shareholder value by maintaining an efficient and healthy capital structure and safeguard the company's ability to continue as a going concern in order to support its business. Company has access to a sufficient variety of sources of funding which includes funding from related parties which is an interest free loan and is expected to be rolled over in case of any liquidity gap. No changes were made in the objectives, policies or processes during the current and previous year.



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

26 Unsecured Loan and Trade Receivables are subject to confirmation.

27 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 31st December 2016

Particular	SBNs	Other Denomination notes	Total
Closing cash in hand as on 8th November 2016	15,000	114	15,114
(+) Withdrawal from bank		15,000	15,000
(+) Permitted receipt		-	-
(-) Permitted payments		-	-
(-) Amount deposited in Bank	15,000	-	15,000
Closing cash in hand as on 31st December 2016			15,114

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

For and on Behalf of the Board of Directors



Jignesh Mehta
Partner
Membership No : 102749



Place : Mumbai
Date : 30/5/2017



Rajiv Agarwal
Director
DIN : 00030453

Place : Mumbai
Date : 30/5/2017



Nabil Patel
Director
DIN : 00298093