Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
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Independent Auditor's Report

To the Members of DLF Luxury Homes Limited (formerly DLF GK Residency Limited)

Report on the Financial Statements

1. We have audited the accompanying financial statements of DLF Luxury Homes Limited (formerly DLF GK Residency Limited) ('the Company'), which comprise the Balance Sheet as at March 31, 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 the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

4. 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.

5. 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 these financial statements are free from material misstatement.

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6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 controls 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. 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 Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 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.

Other Matter

9. The Company had prepared separate sets of statutory financial statements for the year ended March 31, 2016 and March 31, 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated May 25, 2016 and May 18, 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

11. Further to our comments in Annexure A, 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 purpose of our audit;

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

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

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f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated May 23, 2017 as per Annexure B expressed an unqualified opinion; and

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

   i. the Company does not have any pending litigation which would impact its financial position;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

   iv. the Company, as detailed in Note 10 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Manish Agrawal**
Partner
Membership No.: 507000

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: May 23, 2017

Annexure A to the Independent Auditor's Report of even date to the members of DLF Luxury Homes Limited (formerly DLF GK Residency Limited), on the financial statements for the year ended March 31, 2017

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

(b) The fixed assets comprising of property, plant and equipment and other intangible assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets' comprising of property, plant and equipment and other intangible assets). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure A to the Independent Auditor's Report of even date to the members of DLF Luxury Homes Limited (formerly DLF GK Residency Limited), on the financial statements for the year ended March 31, 2017

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiok & Co LLP
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Manish Agrawal**
Partner
Membership No.: 507000

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: May 23, 2017

Annexure B to the Independent Auditor's Report of even date to the members of DLF Luxury Homes Limited (formerly DLF GK Residency Limited) on the financial statements for the year ended March 31, 2017

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of DLF Luxury Homes Limited (formerly DLF GK Residency Limited) ("the Company") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. 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 IFCoFR.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure B to the Independent Auditor's Report of even date to the members of DLF Luxury Homes Limited (formerly DLF GK Residency Limited) on the financial statements for the year ended March 31, 2017

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal controls over financial reporting were operating effectively as at March 31, 2017, based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Walker Chandiok & Co LLP
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Manish Agrawal**
Partner
Membership No.: 507000

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: May 23, 2017

DLF Luxury Homes Limited
Balance sheet as at March 31, 2017

	Note	As at March 31, 2017 (₹ in lakhs)	As at March 31, 2016 (₹ in lakhs)	As at April 1, 2015 (₹ in lakhs)
ASSETS				
Non-current assets				
Property, plant and equipment	5	5.62	7.65	9.76
Other intangibles assets	5	1.24	-	-
Financial assets				
Loans	6	29.82	23.07	23.07
Non-current tax assets (net)	7	217.16	83.19	67.13
		253.84	**113.91**	**99.96**
Current assets				
Inventories	8	50,550.88	55,277.30	64,012.07
Financial assets				
Trade receivables	9	10,890.95	11,810.99	8,408.72
Cash and cash equivalents	10	354.54	905.86	563.91
Loans	6	12,034.84	-	-
Other current assets	11	2,782.33	1,479.93	604.53
		76,613.54	**69,474.08**	**73,589.23**
		76,867.38	**69,587.99**	**73,689.19**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	60,000.00	400.00	400.00
Other equity		(40,862.79)	(30,115.99)	(11,969.95)
		19,137.21	**(29,715.99)**	**(11,569.95)**
Non current liabilities				
Other financial liabilities	13	-	-	406.12
		-	-	**406.12**
Current liabilities				
Financial liabilities				
Borrowings	14	37,342.55	69,619.62	68,921.80
Trade payables	15	4,040.35	3,352.28	1,310.52
Other financial liabilities	16	6,181.81	12,999.90	8,534.02
Other current liabilities	17	10,165.46	13,332.18	6,086.68
		57,730.17	**99,303.98**	**84,853.02**
		76,867.38	**69,587.99**	**73,689.19**

Significant accounting policies **4**

The accompanying notes are an integral part of the financial statements

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

Walker Chandiok & Co LLP
For Walker Chandiok & Co LLP
Chartered Accountants

per Manish Agrawal
Partner

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: May 23, 2017

For and on behalf of the Board of Directors

Atul Goyal
Director
DIN - 00007991

Dhanesh Mehta
Director
DIN - 07057427

Place: Gurugram
Date: May 19, 2017

DLF Luxury Homes Limited
Statement of profit and loss for the year ended March 31, 2017

	Note	Year ended March 31, 2017 (₹ in lakhs)	Year ended March 31, 2016 (₹ in lakhs)
Revenue			
Revenue from operations	18	6,863.21	7,015.39
Other income	19	445.20	94.97
		7,308.41	**7,110.36**
Expenses			
Cost of constructed properties		14,667.54	19,525.77
Finance costs	20	1,874.95	2,947.30
Depreciation and amortisation expense	5	2.37	2.11
Other expenses	21	1,510.35	2,777.27
		18,055.21	**25,252.45**
Loss before tax		**(10,746.80)**	**(18,142.09)**
Tax expense			
Current tax (including earlier year)	22	-	3.95
Loss after tax for the year		**(10,746.80)**	**(18,146.04)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(10,746.80)**	**(18,146.04)**
Loss per equity share	23		
Basic (₹)		(3.61)	(453.65)
Diluted (₹)		(3.61)	(453.65)
Significant accounting policies	4		

The accompanying notes are an integral part of the financial statements

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

Walker Chandiok & Co LLP
For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Manish Agrawal**
Partner

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: May 23, 2017

For and on behalf of board of directors

Atul Goyal
Director
DIN - 00007991

Dhanesh Mehta
Director
DIN - 07057427

Place: Gurugram
Date: May 19, 2017

DLF Luxury Homes Limited
Cash flow statement for the year ended March 31, 2017

		Year ended March 31, 2017 (₹ in lakhs)	Year ended March 31, 2016 (₹ in lakhs)
A.	**Cash flow from operating activities**		
	Net loss before tax	**(10,746.80)**	**(18,142.09)**
	Adjustment for:		
	Interest income	(440.97)	(3.08)
	Interest expense	1,874.95	2,947.21
	Depreciation and amortisation	2.37	2.11
	Unclaimed balances and excess provisions written back	(4.23)	-
	Reversal of interest income from customers	117.32	-
	Impairment of non-financial assets	-	9.49
	Operating loss before working capital changes	**(9,197.36)**	**(15,186.36)**
	Adjustment for:		
	Decrease in inventories	9,806.22	9,944.79
	Increase in financial asset	(661.75)	(4,287.14)
	(Decrease)/increase in financial liabilities	(2,316.83)	13,782.40
	Cash flow from operating activities	**(2,369.72)**	**4,253.69**
	Direct taxes paid	(130.24)	(17.75)
	Net cash flow (used)/ generated from operating activities (A)	**(2,499.96)**	**4,235.94**
B.	**Cash flow from investing activities**		
	Interest received	1.32	0.81
	Intercorporate loan given to related parties	(6,600.00)	-
	Security deposits given	(5,000.00)	-
	Purchase of fixed assets	(1.58)	-
	Net cash flow (used)/ generated from investing activities (B)	**(11,600.26)**	**0.81**
C.	**Cash flow from financing activities**		
	Proceeds of borrowings	37,865.72	30,222.36
	Repayment of borrowings	(70,142.80)	(29,524.54)
	Interest paid	(13,774.02)	(4,592.62)
	Proceeds from issue of equity share capital	59,600.00	-
	Net cash generated /(used) from financing activities (C)	**13,548.90**	**(3,894.80)**
	Net (decrease)/ increase in cash and cash equivalent (A) + (B) + (C)	**(551.32)**	**341.95**
	Opening cash and cash equivalents	905.86	563.91
	Closing cash and cash equivalents (refer note 10)	354.54	905.86
		(551.32)	**341.95**

This is the Cash flow statement referred to in our report of even date

Walker Chandiok & Co LLP
For Walker Chandiok & Co LLP
Chartered Accountants

per **Manish Agrawal**
Partner

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: May 23, 2017

For and on behalf of the Board of Directors

Atul Goyal
Director
DIN - 00007999

Dhanesh Mehta
Director
DIN - 07057427

Place: Gurugram
Date: May 19, 2017

DLF Luxury Homes Limited
Statement of changes in equity for the year ended March 31, 2017

A Equity share capital *

(₹ in lakhs)

Particulars	Opening balance as at April 1, 2015	Balance as at March 31, 2016	Balance as at March 31, 2017
Equity share capital	400.00	400.00	60,000.00

* *Refer to Note 12*

B Other equity

(₹ in lakhs)

Description	Reserves and Surplus	Total
	Retained Earnings	
Balance as at April 1, 2015	**(11,969.95)**	**(11,969.95)**
Total comprehensive loss for the year	(18,146.04)	(18,146.04)
Balance as at March 31, 2016	**(30,115.99)**	**(30,115.99)**
Total comprehensive loss for the year	(10,746.80)	(10,746.80)
Balance as at March 31, 2017	**(40,862.79)**	**(40,862.79)**

This is the statement of changes in equity referred to in our report of even date.

Walker Chandiok & Co LLP
For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Manish Agrawal**
Partner

Place: Gurugram
Date: May 23, 2017

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the board of directors

Atul Goyal
Director
DIN - 00007991

Dhanesh Mehta
Director
DIN - 07057427

Place: Gurugram
Date: May 19, 2017

1. **Corporate Information**

Nature of operations

DLF Luxury Homes Limited ('the Company') was originally incorporated as DLF GK Residency (Partnership firm) on June 29, 2007. Pursuant to conversion from Partnership firm into Company, fresh certificate of incorporation was granted by Registrar of Companies, NCT of Delhi and Haryana on October 8, 2013 in the name of DLF GK Residency Limited. The name of Company was changed from DLF GK Residency Limited to DLF Luxury Homes Limited w.e.f. December 19, 2016. The company is engaged in the business of real estate development.

General information and statement of compliance with Ind AS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. . The Company has uniformly applied the accounting policies during the periods presented.

These financial statements for the year ended March 31, 2017 are the first financial statements which the Company has prepared in accordance with Ind AS. For all periods up to and including the year ended March 31, 2016, the Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. For the purpose of comparatives, financial statements for the year ended March 31, 2016 and opening balance sheet as at April 1, 2015 are also prepared as per Ind AS.

The financial statements for the year ended March 31, 2017 were authorized and approved for issue by the Board of Directors on May 19, 2017.

2. **Basis of preparation**

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

3. **Recent accounting pronouncement**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

4. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS as summarised in note 27.

a) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

b) Property, plant and equipment (PPE)

Recognition and initial measurement
Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)
Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

Asset class	Useful life
Buildings	3 years
Plant and machinery	15 years
Office equipment	5 years
Furniture and fixtures	10 years

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year.

De-recognition
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

c) Intangible assets

Recognition and initial measurement
Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Walker Chandiok & Co LLP * Chartered Accountants *

Subsequent measurement (amortisation)
The cost of capitalized software is amortized over a period of 5 years from the date of its acquisition.

The cost of usage rights is being amortised over the concession period in the proportion in which the actual revenue received during the accounting year bears to the projected revenue from such intangible assets till the end of concession period.

d) Inventories

Land other than that transferred to real estate projects under development is valued at lower of cost or net realizable value.

Real estate project under development includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

e) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of revenue transaction as set out below.

Revenue from real estate projects
Revenue from constructed properties for all projects is recognized in accordance with the "Guidance Note on Accounting for Real Estate Transactions" ('Guidance Note'). As per this Guidance Note, the revenue has been recognized on percentage of completion method and on the percentage of actual project costs incurred thereon to total estimated project cost, provided the conditions specified in Guidance Note are satisfied.

Revenue is recognised in accordance with the term of duly executed agreements to sell/application forms (containing salient terms of agreement to sell). Estimated project cost includes cost of land/ development rights, borrowing costs, overheads, estimated construction and development cost of such properties

The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

Sale of land and plots
Sale of land and plots (including development rights) is recognised in the financial year in which the agreement to sell/application forms (containing salient terms of agreement to sell) is executed and there exists no uncertainty in the ultimate collection of consideration from buyers. Where the Company has any remaining substantial obligations as per agreements, revenue is recognised on 'percentage of completion method' as explained above under 'revenue from real estate projects' above.

Interest Income
Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method.

f) Unbilled receivables

Unbilled receivables represents revenue recognised based on percentage of completion method, as per policy on revenue, over and above the amount due as per the payment plans agreed with the customers.

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g) Cost of revenue

Cost of real estate projects
Cost of constructed properties includes cost of land (including cost of development rights/land under agreements to purchase), estimated internal development costs, external development charges, borrowing costs, overheads, construction costs and development/construction materials, which is charged to the statement of profit and loss based on the revenue recognized as explained in accounting policy for revenue from real estate projects above, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the specific project.

Cost of land and plots
Cost of land and plots includes land (including development rights), acquisition cost, estimated internal development costs and external development charges, which is charged to the statement of profit and loss based on the percentage of land/plotted area in respect of which revenue is recognised as explained in accounting policy for revenue from 'Sale of land and plots', in consonance with the concept of matching cost and revenue. Final adjustment is made on completion of the specific project.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

i) Taxation

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. 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 statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

j) Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

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Subsequent measurement

i. **Financial instruments at amortised cost** – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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.

De-recognition of financial assets
A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement
All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified at amortised cost.

Subsequent measurement
These liabilities include borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities
A financial liability is de-recognised 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 de-recognition 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.

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 the assets and settle the liabilities simultaneously.

k) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

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l) Impairment of financial assets

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

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets
In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

n) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:
- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

o) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

p) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.

Significant estimates

Revenue and inventories – The Company recognises revenue using the percentage of completion method. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the company used the available contractual and historical information.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

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5. Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended 31 March 2017 are as follows :

(₹ in lakhs)

	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross block				
Balance as at April 1, 2015 (deemed cost)	2.28	4.74	2.74	9.76
Additions	-	-	-	-
Disposals/adjustments	-	-	-	-
Balance as at March 31, 2016	2.28	4.74	2.74	9.76
Additions	-	-	0.08	0.08
Disposals/adjustments	-	-	-	-
Balance as at March 31, 2017	2.28	4.74	2.82	9.83
Accumulated depreciation				
Balance as at April 1, 2015 (deemed cost)	-	-	-	-
Depreciation charge for the year	0.23	0.94	0.93	2.11
Disposals/adjustments	-	-	-	-
Balance as at March 31, 2016	0.23	0.94	0.93	2.11
Depreciation charge for the year	0.23	0.94	0.94	2.10
Disposals/adjustments	-	-	-	-
Balance as at March 31, 2017	0.46	1.89	1.87	4.21
Net block as at April 1, 2015	2.28	4.74	2.74	9.76
Net block as at March 31, 2016	2.05	3.79	1.81	7.65
Net block as at March 31, 2017	1.82	2.85	0.95	5.62

b) Other intangible assets

(₹ in lakhs)

	Software	Total
Gross block		
Balance as at 1 April 2015 (deemed cost)	-	-
Additions	-	-
Disposals/adjustments	-	-
Balance as at March 31, 2016	-	-
Additions	1.51	1.51
Disposals/adjustments	-	-
Balance as at March 31, 2017	1.51	1.51
Accumulated amortisation		
Balance as at April 1, 2015 (deemed cost)	-	-
Amortisation charge during the year	-	-
Disposals/adjustments	-	-
Balance as at March 31, 2016	-	-
Additions	0.27	0.27
Disposals/adjustments	-	-
Balance as at March 31, 2017	0.27	0.27
Net block as at April 1, 2015	-	-
Net block as at March 31, 2016	-	-
Net block as at March 31, 2017	1.24	1.24

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	As at March 31, 2017 Non-current (₹ in lakhs)	As at March 31, 2016 Non-current (₹ in lakhs)	As at April 1, 2015 Non-current (₹ in lakhs)	As at March 31, 2017 Current (₹ in lakhs)	As at March 31, 2016 Current (₹ in lakhs)	As at April 1, 2015 Current (₹ in lakhs)
6 Loans						
(Unsecured, considered good)						
Security deposits	29.82	23.07	23.07	4,405.97	-	-
Inter-corporate loans to related parties	-	-	-	7,628.87	-	-
	29.82	23.07	23.07	12,034.84	-	-
7 Current tax assets (net)						
Prepaid taxes				217.16	83.19	67.13
				217.16	83.19	67.13
8 Inventories						
Constructed properties at cost						
Land, development and construction work in progress				50,550.88	55,277.30	64,012.07
				50,550.88	55,277.30	64,012.07
9 Trade receivables						
(Unsecured, considered good unless otherwise stated)						
Others				1,921.74	1,881.14	1,100.57
Unbilled receivables				8,969.21	9,929.85	7,308.15
				10,890.95	11,810.99	8,408.72
10 Cash and cash equivalents						
Balances with banks						
In current accounts				354.54	905.86	563.91
				354.54	905.86	563.91

Disclosure on Specified Bank Notes (SBNs)

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

(` in lakhs)

Particulars	SBNs*	Other denomination	Total
Closing cash in hand as on November 8, 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

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

	As at March 31, 2017 Current	As at March 31, 2016 Current	As at April 1, 2015 Current
11 Other current assets			
Advance recoverable in cash or kind or for value to be received [including ` 25.49 lakhs (March 31, 2016: ` 25.49 lakhs and April 1, 2015: ` 16.00 lakhs) doubtful]	2,049.97	1,356.46	568.86
Cenvat recoverable	151.26	135.76	45.12
Prepaid expenses	606.59	13.20	6.55
	2,807.82	1,505.42	620.53
Less: Impairment of non-financial assets	(25.49)	(25.49)	(16.00)
	2,782.33	1,479.93	604.53

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	As at March 31, 2017 (₹ in lakhs)	As at March 31, 2016 (₹ in lakhs)	As at April 1, 2015 (₹ in lakhs)
12 Equity share capital			
Authorised share capital			
600,000,000 (March 31, 2016: 4,000,000 and April 1, 2015: 4,000,000) equity shares of ₹ 10 each	60,000.00	400.00	400.00
	60,000.00	**400.00**	**400.00**
Issued, subscribed and paid-up			
600,000,000 (March 31, 2016: 4,000,000 and April 1, 2015: 4,000,000) equity shares of ₹ 10 each	60,000.00	400.00	400.00
	60,000.00	**400.00**	**400.00**

a) Reconciliation of numbers of equity shares outstanding at the beginning and at the end of the year

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
Equity shares as at the beginning of the year	4,000,000	400.00	4,000,000	400.00	4,000,000	400.00
Add : issued during the year	596,000,000	59,600.00	-	-	-	-
Equity shares as at the end of the year	600,000,000	60,000.00	4,000,000	400.00	4,000,000	400.00

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after setting off all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
DLF Limited	599,599,500	99.93%	3,599,500	89.99%	3,599,500	89.99%
DLF Home Developers Limited	400,400	0.07%	400,000	10.00%	400,000	10.00%

d) Details of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of two years immediately preceding March 31,2017 :

The Company has neither issued any bonus shares nor has there been any buyback of shares in the current year and preceding two years.The Company has neither issued any bonus shares nor has there been any buyback of shares in the current year.

e) Shares reserved for issue under options

The Company has not reserved any shares for issuance under options.

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DLF Luxury Homes Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

	As at March 31, 2017 (₹ in lakhs)	As at March 31, 2016 (₹ in lakhs)	As at April 1, 2015 (₹ in lakhs)
13 Other financial liabilities (non-current)			
Security deposits	-	-	406.12
	-	-	406.12
14 Borrowings			
Loans and advances from related parties			
Unsecured			
Loan from the holding company*	-	6,079.80	6,079.80
Loan from fellow subsidiaries*	37,342.55	63,539.82	62,842.00
	37,342.55	69,619.62	68,921.80

*Repayable on demand and carries an interest rate of 13.50% per annum

15 Trade payables			
Due to related parties	937.91	362.28	42.68
Due to others (refer note below for details of dues to micro, small and medium enterprises)*	3,102.44	2,990.00	1,267.84
	4,040.35	3,352.28	1,310.52

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under :

Particulars	March 31, 2017 (₹ in lakhs)	March 31, 2016 (₹ in lakhs)	April 1, 2015 (₹ in lakhs)
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-	-
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
iii) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors.

16 Other financial liabilities			
Security deposits	535.44	508.56	34.29
Interest payable on borrowings	5,401.65	12,383.68	7,915.58
Registration charges	211.85	76.92	559.67
Other liabilites	32.87	30.74	24.48
	6,181.81	12,999.90	8,534.02
17 Other current liabilities			
Realisation under agreement to sell	9,933.76	12,965.11	3,719.99
Statutory dues	231.70	367.07	2,366.69
	10,165.46	13,332.18	6,086.68

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DLF Luxury Homes Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

	Year ended March 31, 2017 (₹ in lakhs)	Year ended March 31, 2016 (₹ in lakhs)
18 Revenue from operations		
Operating revenue		
Revenue from constructed properties	5,896.75	6,994.42
Rental income	18.00	20.77
Other operating revenue		
Service receipts	892.58	0.20
Amount forfeited on properties	55.88	-
	6,863.21	7,015.39
19 Other income		
Interest income from :		
Customers	-	91.89
Loans and deposits	287.16	-
Other financial assets carried at amortised cost	148.76	-
Income tax refund	3.73	2.27
Bank deposits	1.32	0.81
Unclaimed balances and excess provisions written back	4.23	-
	445.20	94.97
20 Finance costs		
Interest - borrowings	6,709.20	9,004.18
Interest - others	84.92	62.80
Other financial assets carried at amortised cost	158.64	-
Bank and finance charges	1.99	0.09
	6,954.75	9,067.07
Less: Transferred to construction work in progress	5,079.80	6,119.77
	1,874.95	2,947.30
21 Other expenses		
Rates and taxes	546.29	668.40
Water and electricity	32.62	-
Business support charges	6.03	6.01
Legal and professional fees	28.51	45.96
Communication expense	0.46	0.44
Office maintenance	-	0.58
Payment to auditors (refer details below)	8.27	6.52
Repair and maintenance	85.64	12.26
Advertisement and publicity	29.32	290.05
Donation and charity	500.00	-
Claim and compensation	0.79	1,595.55
Reversal of interest income from customers	117.32	-
Security services	2.31	-
Business promotion	4.97	29.84
Director's fee	3.30	2.45
Impairment of non-financial assets	-	9.49
Commission and brokerage	137.97	77.87
Printing and stationery	3.21	31.18
Foreign exchange loss	-	0.12
Miscellaneous expenses	3.34	0.54
	1,510.35	2,777.27
Payment to auditors		
Statutory audit fee*	7.04	5.57
Tax audit fee*	0.50	0.50
Out of pocket expenses*	0.73	0.44
	8.27	6.52

* including service tax and swachh bharat cess

22 Tax expense		
Current tax (including earlier year)	-	3.95
Income tax expense reported in the statement of profit and loss	-	3.95

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 28.84% and the reported tax expense in profit or loss are as follows:

Reconciliation of tax expense and the accounting profit multiplied by tax rate		
Accounting loss before income tax	(10,746.80)	(18,142.09)
At country's statutory income tax rate of 28.84% (March 31, 2016: 34.608%)	(3,099.00)	(6,279.00)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of unrecognised deferred tax on unabsorbed losses#	3,099.00	6,279.00
Tax impact in respect of income taxes earlier years	-	3.95
	-	3.95

#The Company has unabsorbed business losses of ₹ 28,166.67 lakhs (March 31, 2016 ₹ 17,681.16 lakhs and April 1, 2015 ₹ 9595.72 lakhs) on which deferred tax asset is not created as a matter of prudence.

23 Loss per share		
Loss after tax and for the year	(10,746.80)	(18,146.04)
Weighted average number of equity shares	2,979.18	40.00
Face value per share (₹)	10.00	10.00
Basic per share (₹)	(3.61)	(453.65)
Diluted per share (₹)	(3.61)	(453.65)

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24 First time adoption of Ind AS

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

The accounting policies have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). An explanation of how the transition from the previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 Reconciliation of total equity as at March 31, 2016 and April 1, 2015 (₹ in lakhs)

	Notes to first time adoption	March 31, 2016	April 1, 2015
Total equity (shareholder's funds) as per previous GAAP		(16,678.55)	(8,566.86)
Adjustments:			
Impact on account of change in measurement of revenue from real estate development (net of cost)	Note 1	(13,037.43)	(3,003.09)
Total adjustments		(13,037.43)	(3,003.09)
Total equity as per Ind AS		**(29,715.98)**	**(11,569.95)**

2 Reconciliation of total comprehensive income for the year ended March 31, 2016 (₹ in lakhs)

	Notes to first time adoption	March 31, 2016
Profit after tax as per previous GAAP		(8,111.70)
Impact on account of change in measurement of revenue from real estate development (net of cost)	Note 1	10,034.33
Total adjustments		**10,034.33**
Total comprehensive income for the year ended March 31, 2016		**(18,146.03)**

3 Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended March 31, 2016 (₹ in lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash from operating activities	4,235.94	-	4,235.94
Net cash flow from investing activities	0.81	-	0.81
Net cash used in financing activities	(3,894.80)	-	(3,894.80)
Net increase in cash and cash equivalents	**341.95**	-	**341.95**
Cash and cash equivalents as at April 1, 2015	563.91	-	563.91
Cash and cash equivalents as at March 31, 2016	**905.86**	-	**905.86**

Note – 1

Under previous GAAP, revenue from real estate development was recognised in accordance with Guidance Note on Accounting for Real Estate Transactions [GN(A)23 (Revised 2012)] issued by Institute of Chartered Accountants of India (ICAI). Revenue in respect of projects commenced before that date (i.e. 2012 Guidance Note was applicable prospectively) was recognised in accordance with Guidance note on Recognition of Revenue by Real Estate Developers [GN(A) 23 (Issued 2006)] issued by ICAI. The 2012 guidance note requires project revenue to be measured at "consideration received or receivable "whereas the 2006 Guidance Note only provided guidance on timing of recognition of revenue. Under Ind AS, revenue is measured at "Fair value of consideration received or receivable", in accordance with Guidance Note on Accounting for Real Estate transactions (for entities to whom Ind AS is applicable and has retrospective implication). The new accounting policies require the management to make certain judgments and estimates based on facts and circumstances of each project alongwith an analysis of past information related thereto.

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25 Financial risk management

i) Financial instruments by category

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	Amortised cost	Amortised cost	Amortised cost
Financial assets			
Trade receivables	10,890.95	11,810.99	8,408.72
Loans (excluding security deposits)	7,628.87	-	-
Security deposit	4,435.79	23.07	23.07
Cash and equivalents	354.54	905.86	563.91
Total financial assets	**23,310.15**	**12,739.92**	**8,995.70**

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	Amortised cost	Amortised cost	Amortised cost
Financial liabilities			
Borrowings	37,342.55	69,619.62	68,921.80
Trade payables	4,040.35	3,352.28	1,310.52
Other financial liabilities	6,181.81	12,999.90	8,534.02
Total financial liabilities	**47,564.71**	**85,971.80**	**78,766.34**

ii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base and credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow	Availability of committed credit lines and borrowing facilities

The Company's risk management is carried out by a central treasury department (of the company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents and financial assets measured at amortised cost. The Company continuously monitors defaults of other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk
B: Moderate credit risk
C: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss*
Low credit risk	Trade receivables, cash and cash equivalents, loans and security deposits	12 month expected credit loss

* *Life time expected credit loss is provided for trade receivables*

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Assets under credit risk –

(₹ in lakhs)

Credit rating	Particulars	March 31, 2017	March 31, 2016	April 1, 2015
A: Low credit risk	Trade receivables, cash and cash equivalents, loans and security deposits	23,310.15	12,739.92	8,995.70

b) Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets –

As at March 31, 2017

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	354.54	0%	-	354.54
Trade receivables	10,890.95	0%	-	10,890.95
Security deposit	4,435.79	0%	-	4,435.79
Loans	7,628.87	0%	-	7,628.87

As at March 31, 2016

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	905.86	0%	-	905.86
Trade receivables	11,810.99	0%	-	11,810.99
Security deposit	23.07	0%	-	23.07

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As at April 1, 2015

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	563.91	0%	-	563.91
Trade receivables	8,408.72	0%	-	8,408.72
Security deposit	23.07	0%	-	23.07

Expected credit loss for trade receivables under simplified approach

Real estate business

The Company's trade receivables are arrived basis percentage of completion method ('POCM'). There may not be direct relation with the number arrived using POCM with the actual billing. Further, trade receivables are secured in a form that registry of sold properties is not processed till the time the Company does not receive the entire payment. During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in lakhs)

March 31, 2017	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	37,342.55	-	-	37,342.55
Trade payable	4,040.35	-	-	4,040.35
Other financial liabilities	6,181.81	-	-	6,181.81
Total	**47,564.70**	-	-	**47,564.70**

(₹ in lakhs)

March 31, 2016	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	69,619.62	-	-	69,619.62
Trade payable	3,352.28	-	-	3,352.28
Other financial liabilities	12,999.90	-	-	12,999.90
Total	**85,971.79**	-	-	**85,971.79**

(₹ in lakhs)

April 1, 2015	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	68,921.80	-	-	68,921.80
Trade payable	1,310.52	-	-	1,310.52
Other financial liabilities	8,534.02	406.12	-	8,940.14
Total	**78,766.33**	**406.12**	-	**79,172.45**

26 Capital management

- Safeguard their ability to continue as a going concern, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Net debt	42,389.65	81,097.44	76,273.47
Total equity	19,137.21	(29,715.99)	(11,569.95)

**Net debt = current borrowings + interest accrued – cash and cash equivalents*

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