

INDEPENDENT AUDITORS' REPORT

To,
The Members Of City Corporation Limited

Report on Financial Statements

We have audited the accompanying standalone financial statements of **City Corporation Limited ("the company")**, which comprise the Balance Sheet as at 31st March 2016, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matter stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 and the Order under section 143 (11) of the Act.

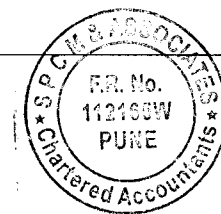
We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial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

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 judgment, including the assessment of the risks of material misstatements 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 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 Director's, as well as evaluating the overall presentation of the standalone Financial Statements.

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

Opinion


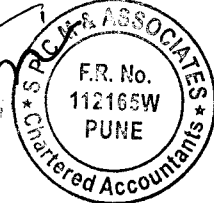
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its profit and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by The Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
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 purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 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 in its Financial Statements – Refer Note – 25 to the Financial Statements;
 - ii. The Company did not have any long term contracts including derivative contracts, having any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SPCM & Associates
FRN No.112165W
Chartered Accountants

CA Mehul Jain
Partner
Mem.No.126882
Pune, September 3, 2016

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. FIXED ASSETS

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered title deeds provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date. The company does not have any immovable properties taken on lease which need to be disclosed as fixed asset in the financial statements

2. INVENTORIES

In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management are at reasonable intervals and no material discrepancies were noticed on physical verification.

3. LOANS TO PARTIES U/S 189

According to the information and explanations given to us, the Company has granted unsecured loans, to companies, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

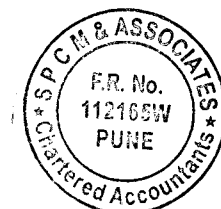
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
- (c) The loans granted are repayable on demand and there are no overdue amounts outstanding as at year end.

4. COMPLIANCE WITH SECTION 185 AND 186

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5. PUBLIC DEPOSITS

According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.



6. COST RECORDS

The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete

7. STATUTORY DUES

- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities except cases where delay has been noticed in some payments of Tax Deducted at Source, Sale Tax (M. VAT), Provident Fund, Dividend Distribution Tax, Tax collected at Source, Wealth Tax and Service Tax.

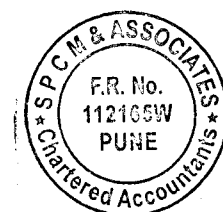
Having regard to the operations of the Company during the year ended 31st March, 2016, dues relating to Excise Duty were not applicable to the Company. According to the information and explanations given to us, no undisputed amounts were payable in respect of statutory dues as at 31st March, 2016, for a period of more than six months from the date they became payable.

- b) According to information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute except the ones mentioned below:

Name of the Statute	Nature of Dues	Amount of Tax	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	143(3) r.w.s 147	45,14,900/-	A.Y. 2006-07	Commissioner of Income Tax (Appeal), Pune
Income Tax Act, 1961	143(3)	45,20,940/-	A.Y. 2011-12	Commissioner of Income Tax (Appeal), Pune
Income Tax Act, 1961	143(3)	24,77,510/-	A.Y. 2012-13	Commissioner of Income Tax (Appeal), Pune

8. DUES OF FINANCIAL INSTITUTIONS/BANKS/GOVERNMENT/DEBENTUREHOLDERS

In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to financial institutions and banks. The Company does not have debenture holders.



9. MONEY RAISED FROM IPO, FPO & TERM LOAN

The Company has not raised money by way of initial public offer / further public offer (including debt instruments). To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which the term loans were raised.

10. FRAUD

According to the 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 course of our audit.

11. MANAGERIAL REMUNERATION

In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12. NIDHI COMPANY

The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

13. RELATED PARTY TRANSACTIONS

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. PREFERENTIAL ALLOTMENT/PRIVATE PLACEMENT

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

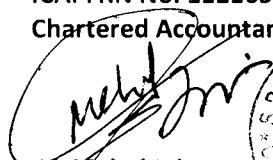
15. NON-CASH TRANSACTIONS WITH DIRECTOR

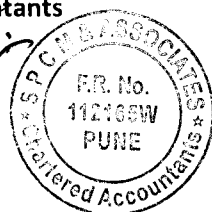
According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence section 192 of the Companies Act, 2013 is not applicable.

16. REGISTRATION U/S 45-IA OF THE RESERVE BANK OF INDIA ACT, 1934

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

For SPCM & Associates
ICAI FRN No. 112165W
Chartered Accountants


CA Mehul Jain
Partner



Mem.No.126882

Pune, September 3, 2016

ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **City Corporation Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

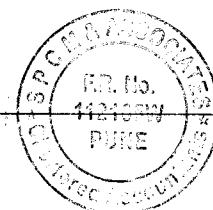
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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

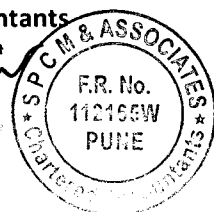
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SPCM & Associates

FRN No.112165W

Chartered Accountants


CA Mehul Jain
Partner



Mem. No. 126882

Pune, September 3, 2016

City Corporation Limited
 Regd Off:-City Chambers, 917/19 A, F.C. Road,
 Pune 411004
 CIN: U45202PN2003PLC018435
 Balance sheet as at 31 March 2016

Particulars	Note No.	31 March 2016 (Rs. in '000')	31 March 2015 (Rs. in '000')
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	3,06,470.59	3,71,470.59
Reserves and Surplus	3	31,71,654.22	31,31,807.66
Non-Current Liabilities			
Long-Term Borrowings	4	34,64,269.33	29,54,724.84
Deferred Tax Liabilities (Net)	5	333.71	3,474.36
Long Term Provisions	6	9,039.07	5,626.37
Current Liabilities			
Short-Term Borrowings	7	3,89,640.26	2,00,032.70
Trade Payables	8		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		17,50,164.68	20,49,000.80
Other Current Liabilities	8	30,57,784.67	30,18,370.64
Short-Term Provisions	6	8,191.68	32,165.25
Total		1,21,57,548.20	1,17,66,873.41
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets (Net)	9	3,65,764.12	3,87,934.42
Intangible Assets (Net)	9	150.78	284.48
Capital Work in Progress		7,76,810.86	6,36,222.16
		11,42,725.76	10,24,441.06
Non-current investments	10	7,84,894.37	9,64,892.66
Long term loans and advances	11	9,58,785.99	10,69,417.02
Current Assets			
Inventories	12	81,30,158.55	74,39,945.05
Trade Receivables	13	69,613.87	2,42,698.11
Cash and cash equivalents	14	1,00,668.54	1,53,936.88
Short-term loans and advances	11	8,30,571.79	7,70,619.48
Other current assets	15	1,40,129.33	1,00,923.16
Total		1,21,57,548.20	1,17,66,873.41

Summary of Significant Accounting Policies

1 to 35

The accompanying notes are an integral part of the financial statements
 As per our report at even date

For SPCM & Associates

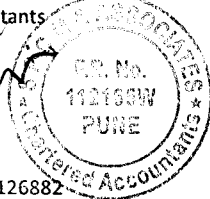
Firm Registration No.: 112165W

Chartered Accountants

CA Manoj Jain

Partner

Membership No. 126882



**For and on behalf of the Board of Directors of
 City Corporation Limited**

Mr. Aniruddha Deshpande

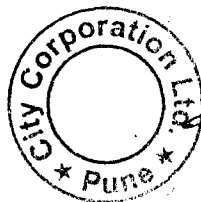
Managing Director

DIN - 00023026

Mr. Jayant Shah

Director

DIN - 00185369



Mr. Aditya Deshpande

Chief Financial Officer

Dr. Kamaljeet Kaur

Company Secretary

Mem. No.- F5241

Place : Pune

Date: September 3, 2016

(Handwritten signature)

City Corporation Limited
 Regd Off:- City Chambers, 917/19 A, F.C. Road,
 Pune 411004

CIN: U45202PN2003PLC018435

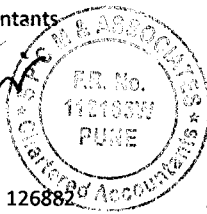
Statement of profit and loss for the year ended 31 March 2016

Particulars	Note No.	31 March 2016 (Rs. in '000')	31 March 2015 (Rs. in '000')
Revenue from operations	16	17,49,920.74	31,43,508.70
Other Income	17	2,41,652.69	3,25,252.71
Total Revenue		19,91,573.43	34,68,761.41
Expenses			
Construction Expenses	18	13,11,997.56	24,41,610.75
Employee Benefit Expenses	19	1,67,239.59	1,58,066.39
Finance Costs	20	2,19,903.62	2,32,590.69
Depreciation and Amortization Expenses	9	52,325.86	64,116.45
Other Expenses	21	1,07,471.73	1,30,266.07
Total Operating Expenses		18,58,938.37	30,26,650.33
Profit Before Tax		1,32,635.07	4,42,111.06
Tax Expense			
Current tax		55,135.06	90,000.00
Income tax of earlier years		29,900.25	5,617.21
Deferred tax		(3,140.65)	(11,116.20)
Profit for the year		50,740.40	3,57,610.05
Earning per equity share [nominal value of Rs.10] Basic and Diluted	22	1.84	15.95

Summary of Significant Accounting Policies 1 to 35
 The accompanying notes are an integral part of the financial statements
 As per our report at even date

For SPCM & Associates
 Firm Registration No.: 112165W
 Chartered Accountants

Mehul Jain
CA Mehul Jain
 Partner
 Membership No. 126882



**For and on behalf of the Board of Directors of
 City Corporation Limited**

Aniruddha Deshpande
Mr. Aniruddha Deshpande
 Managing Director
 DIN - 00023026

Aditya Deshpande
Mr. Aditya Deshpande
 Chief Financial Officer

Jayant Shah
Mr. Jayant Shah
 Director
 DIN - 00185383

Kamaljeet Kaur
Dr. Kamaljeet Kaur
 Company Secretary
 Mem. No.- F5241

Place : Pune
 Date: September 3, 2016

City Corporation Limited
Regd Off:- City Chambers, 917/19 A, F.C. Road,
Pune 411004
CIN: U45202PN2003PLC018435
Cash flow statement for the year ended 31 March 2016

PARTICULARS	31 March 2016 (Rs. in '000)	31 March 2015 (Rs. in '000)
Profit before tax	1,32,635.07	4,42,111.06
Non-cash adjustment to reconcile profit after tax to net cash flow:		
Depreciation	52,325.86	64,116.45
Interest expense	2,18,323.81	2,29,572.82
Interest income	(1,86,555.57)	(1,52,962.12)
Dividend income	(6,995.80)	(1,22,400.00)
Profit on sale of assets	(196.74)	(78.43)
Sundry Balances w/off	(710.47)	(551.24)
Operating profit before working capital changes	2,08,826.15	4,59,808.55
(Increase)/Decrease in Trade Receivables	1,73,084.23	65,277.91
(Increase)/Decrease in Inventories	(6,90,213.50)	4,17,611.40
(Increase)/Decrease in Long Term and Short Term Advances	51,926.56	(2,84,142.61)
Increase/(Decrease) in Short Term and Long Term Provisions	8,509.72	1,280.11
Increase/(Decrease) in Trade Payables	(2,98,836.12)	(1,96,917.97)
Increase/(Decrease) in Other Current and Other Non Current Liability	(78,204.74)	(1,04,126.88)
Cash Generated From Operations	(6,24,905.70)	3,58,790.52
Direct taxes paid	(1,03,155.95)	(73,661.10)
Net cash flow from / (used in) Operating activities (A)	(7,28,061.64)	2,85,129.43
Cash Flow from Investing activities		
Purchase of fixed assets including capital work in progress	(1,70,610.56)	(1,55,724.66)
Investment in bank deposits (having maturity more than 3 months)	10,068.96	(5,193.67)
Purchase of investments	(2,02,501.71)	(19,708.13)
Redemption of Debentures	3,82,500.00	-
Redemption of Preference shares	(65,000.00)	-
Proceeds from sale Of fixed assets	196.74	257.78
Dividend received from subsidiary	6,995.80	1,22,400.00
Interest received	1,47,349.40	1,04,813.76
Net cash flows from / (used in) Investing activities (B)	1,08,998.64	46,845.07
Cash Flow from Financing Activities		
Dividend Paid (including DDT)	(23,293.85)	(1,22,742.68)
Repayment of loans	1,89,607.56	94,483.14
Proceeds from long term loans	5,79,668.10	(45,594.66)
Interest Paid	(1,70,118.18)	(2,03,617.27)
Net cash flows from / (used in) financing activities (C)	5,75,863.63	(2,77,471.47)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(43,199.38)	54,503.03
Cash and cash equivalent at the beginning of the year	1,08,029.62	53,526.60
Cash and cash equivalent at the end of the year	64,830.25	1,08,029.62
Components of cash and cash equivalents		
Cash on hand	173.31	409.84
With bank - cr: current accounts	64,656.94	1,07,619.78
Total cash and cash equivalent	64,830.25	1,08,029.62

Summary of Significant Accounting Policies

1 to 35

Note : The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 "Cash Flow Statement" issued by The Institute of Chartered Accountants of India

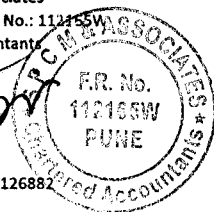
As per our report at even date

For SPCM & Associates

Firm Registration No.: 112155W

Chartered Accountants

CA Mohd. Iqbal
Partner
Membership No. 126882
Place : Pune
Date: September 3, 2016



For and on behalf of the Board of Directors of

City Corporation Limited

Mr. Aniruddha Deshpande
Managing Director
DIN - 00023026

Mr. Jayant Shah
Director
DIN - 00185389

Mr. Aditya Deshpande
Chief Financial Officer

Mr. Kamaljeet Kaur
Company Secretary
Mem. No. - F5241



(Handwritten signature)

City Corporation Limited

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS AS AT March 31, 2016.

a. CORPORATE INFORMATION

City Corporation Limited ('the Company' or 'CCL') develop and built Mega Township at village Sadesatara Nali, Hadapsar, Pune named as "Amanora Park Town". Amanora qualifies as the first township as per the guidelines of the Government of Maharashtra. It involves the developer creating and maintaining the entire infrastructure of the township.

b. SIGNIFICANT ACCOUNTING POLICIES:

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with the Indian GAAP and comply in all material respects with the Accounting Standards specified under Section 133 of Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and the relevant provision of the Companies Act, 2013.

1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income & expenses during the period. Management believes that the estimates uses in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

1.3 TAXES ON INCOME

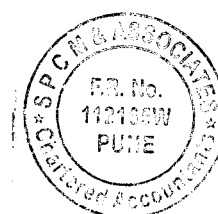
Tax expense comprises of current and deferred tax.

Current income Tax is measured at the amount expected to be to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each balance sheet date the company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax assets to the extent that it is no longer reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MVAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute Of Chartered Accountants Of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit Entitlement. The company reviews the same at each balance sheet and writes down the carrying amount of MAT CREDIT Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.



1.4 FIXED ASSETS AND DEPRECIATION

- i. Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the assets to its working condition for intended use.
- ii. Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.
- iii. Costs relating to trademarks and design have been treated as intangible assets which also comprise license fees, other implementation costs for software (ERP) and application software acquired for in-house use. In respect of intangible assets, such assets are amortized equally over a period of ten years.
- iv. Depreciation on Tangible Assets has been provided in a manner that amortizes the cost of the assets over their estimated useful life on Written down value method prescribed in Schedule II of the Companies Act, 2013, which are as follows.

Sr. No.	Asset Category	Life in Years
1	Buildings – Non Factory	
	RCC Frame Structure	60
	Other than RCC Frame Structure	30
2	Plant and Machinery	8 to 40
3	General Furniture and Fittings	10
4	Motor Vehicles	
	Motor Cycles, Scooters and other mopeds	10
	Motor Tractors, Heavy Vehicles, Motor Cars and Motor Lorries	8
	Electrically Operated Vehicles	8
5	Office Equipment	5
6	Computers and Data processing units	
	Servers and Networks	6
	End User Devices	3
7	Electrical Installation and Equipment	10

Depreciation on additions/deletions during the year is provided on pro-rata basis.

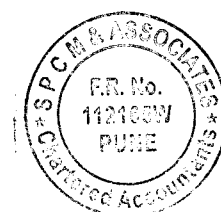
1.5 INVENTORIES

Inventories are valued at cost. Cost comprises all direct development expenditure, administrative expenses, borrowing costs, cost of purchase and the cost incurred in bringing the inventories to their present location.

1.6 INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.



1.7 REVENUE RECOGNITION

a) Revenue from Real Estate Project

- i. Revenue from real estate projects is recognized on the percentage completion method of accounting. Revenue comprises the aggregate amounts of sale price in terms of the agreements entered into and is recognized on the basis of percentage of actual cost incurred thereon , including proportionate land cost and total estimated cost of projects under execution, subject to such actual cost being 20 percent or more of the total estimated construction cost.
- ii. Where aggregate of the payment received provide insufficient evidence of buyer's commitment to make the complete payment, revenue is recognized only to the extent of realization.
- iii. The estimates of the salable areas and costs are reviewed periodically by the management and any effect of changes in 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.
- iv. Effective April 1, 2012, the guidance note on Accounting for real estate transaction (Revised 2012) Issued by the Institute for Chartered Accountants of India has become applicable to all projects in real Estate which are commenced on or after April 1, 2012 and also to projects which have already Commenced but where revenue is being recognized For the first time on or after April 1, 2012 The revenue have been Recognized on the Percentage of Completion Method provided all of the following conditions are met at the reporting date.
 - a) All critical approvals necessary for the commencement of the project have been obtained;
 - b) The expenditure incurred on construction and development costs (excluding land cost) is not less than 25% of the total estimated construction and development costs;
 - c) At least 25% of the salable project area is secured by contracts/agreements with buyers; and
 - d) At least 10% of the contracts/agreements value is realized at the reporting date in respect of such contracts/agreements.
 - e) When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied project revenue and project cost associated with the real estate project should be recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).

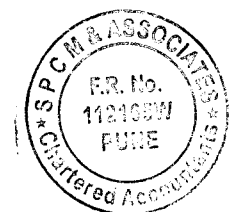
f) Leasing\Transfer of land or Rights in Land

Revenues are recognized in the year in which the agreement to lease is executed. Income from land sales including on a long term lease basis is recognized on the transfer of all significant risks and rewards of ownership to the buyers and a reasonable expectation of collection of the sale consideration from the buyers exists.

g) Construction Contracts

In construction contracts income is recognized on percentage of completion method.

Revenue on account of contract variations, claims and incentives are recognized upon settlement.



1.8 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences are recognized as income or as expenses in the period in which they arise.

1.9 EMPLOYEE BENEFITS

The Company's employee benefits covers provident fund, gratuity, and employee's state insurance contribution, etc.

- a) Provident fund are defined contribution schemes and the company has no further obligation beyond the contributions made to the fund. Contribution to Provident fund is made to the fund administered by the Central Government is charged to profit and loss account in the year in which they accrue.
- b) Gratuity liability is defined benefit obligation and is recorded based on actuarial valuation on projected unit method made at the end of the year. The company makes contributions to a fund administered and managed by the Life Insurance Corporation of India (LIC) to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the company, although LIC administers the scheme.
- c) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

1.10 SEGMENT REPORTING:

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Allocation of common costs

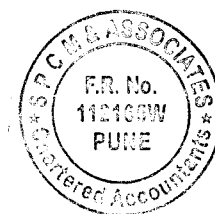
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.



1.11 PROVISIONS

A Provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.12 CONTINGENT LIABILITIES

A Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses the existence in the financial statements.

1.13 IMPAIRMENT

At each balance sheet date, the management reviews the carrying amounts of its assets and goodwill included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

1.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.15 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

1.16 BORROWING COSTS

Borrowing costs (less any income on the temporarily investments of those borrowings) that are directly attributable to qualifying assets / project work in progress are charged over such qualifying assets/ project work in progress.

1.17 Accounting policies not specifically referred above are consistent with generally accepted accounting practices.



