

INDEPENDENT AUDITOR'S REPORT

To the Designated Partners of MEENAKSHI TOWERS LLP Report on the Ind AS Financial Statements

Opinion

We have examined the accompanying Proforma Ind AS financial statements of **Meenakshi Towers LLP** ("the LLP") which comprises the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (other comprehensive income), the Statement of Changes in Equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the relevant information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind Accounting Standards (Ind AS), of the state of affairs of the LLP as at 31st March 2020, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the LLP in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

We would like to draw attention to Note 4 with regard to recognition, in the financial statements, of only the deferred tax asset arising from timing difference due to depreciation and carried forward unabsorbed depreciation losses. Deferred tax asset arising on account of carried forward business losses is not recognised in the financial statements for the reporting period.

We would also like to draw attention to Note 22 forming part of the Ind AS financial statements regarding the adoption of book balances with respect to trade payables in the absence of confirmation of balance of trade payables and reckoning of the same with the books. Adjustment if any on receipt of confirmations subsequently/subsequent reconciliation will be carried out as and when such confirmation is received, or reconciliation is carried out. However, the extent and impact of any such reconciliation/confirmation is not ascertainable at this stage and hence is not reflected in the financial statements.

Our opinion is not modified in respect of these matters.

Other Matters

The Ind AS financial statements of the LLP for the year ended 31st March 2020 are prepared for the specific purpose of consolidation of these financial statements with the parent company. These Ind AS financial statements are not meant for general users, though these Ind AS financial statements are prepared under general purpose financial reporting framework.

Management's responsibilities

The management of the LLP is responsible for the preparation of the Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the LLP in accordance with the accounting principles generally accepted in India, including the Ind AS issued by the Institute of Chartered Accountants of India.

This responsibility also includes maintenance of adequate accounting records, for safeguarding the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the



preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

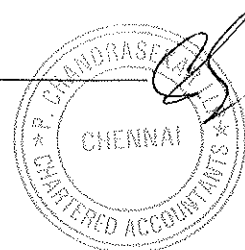
In preparing the financial statements, management is responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the LLP or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the LLP's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on whether the LLP has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. It also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the LLP's designated partners, as well as evaluating the overall presentation of the Ind AS financial statements.

We also conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the LLP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditor's report. However, future events or conditions may cause the LLP to cease to continue as a going concern.

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

Report on Other Legal and Regulatory Requirements

We report that:

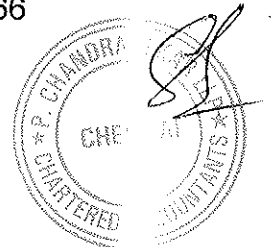
- (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the LLP so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of cash flows and the Statement of Changes in Equity dealt with by this report are based on the entries passed in the books of account;
- (d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards issued by the Institute of Chartered Accountants of India.

For P.Chandrasekar LLP
Chartered Accountants
FRN: 000580S/S200066



S.Sriram
Partner

Membership No.: 205496
UDIN: 20205496AAAABN5153



Place: Chennai

Date: 7th May 2020

MEENAKSHI TOWERS LLP

Balance Sheet as at 31 March 2020

Particulars	Note No.	As at	As at
		31 March 2020 (₹)	31 March 2019 (₹)
I ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	8,37,392	13,26,657
(b) Intangible assets	3	15,016	-
(c) Deferred Tax Assets	4	12,25,562	8,87,519
Total Non-Current Assets (A)		20,77,970	22,14,176
Current Assets			
(a) Inventories	5	13,27,36,913	26,89,40,155
(b) Financial Assets	6		
(i) Trade Receivables	6.1	82,40,138	1,06,94,799
(ii) Cash and Cash Equivalents	6.2	4,43,92,927	4,55,42,980
(iii) Other Financial Assets	6.3	2,79,34,207	2,93,14,887
(c) Other Current Assets	7	2,20,44,964	2,28,59,352
Total Current Assets (B)		23,53,49,149	37,73,52,173
Total Assets [A+B]		23,74,27,120	37,95,66,349
II EQUITY AND LIABILITIES			
Equity			
(a) Partners' Capital Account	8	1,00,000	1,00,000
(b) Partners' Current Account	9	(33,31,01,562)	(26,77,99,176)
Total Equity (C)		(33,30,01,562)	(26,76,99,176)
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities	10		
(i) Borrowings	10.1	-	10,85,39,003
(ii) Other financial liabilities	10.2	-	50,00,00,000
Total Non-Current Liabilities (D)		-	60,85,39,003
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	10.3	53,09,22,998	-
(ii) Trade payables	10.4	2,44,02,761	2,17,91,703
(iii) Other financial liabilities	10.5	-	13,43,350
(b) Other current liabilities	11	1,51,02,923	1,55,91,470
Total Current Liabilities (E)		57,04,28,682	3,87,26,523
Total Liabilities [D+E]		57,04,28,682	64,72,65,526
Total Equity and Liabilities [A+D+E]		23,74,27,120	37,95,66,349

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For P.Chandrasekar LLP

Chartered Accountants

FRN: 000580S/S200066

S. Sriram
S. Sriram

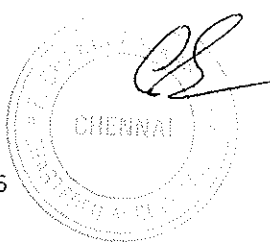
Partner

Membership No: 205496

Place: Chennai

Date: 07-05-2020

UDIN:20205496AAAABN5153



For and on behalf of the LLP

Harish
Designated Partner
MEENAKSHI TOWERS LLP
CHENNAI
600 010

MEENAKSHI TOWERS LLP				
Statement of Profit and loss for the year ended 31 March 2020				
	Particulars	Note No.	Amount in ₹	
			For the year ended 31 March 2020	For the year ended 31 March 2019
I	Revenue from Projects	12	112,635,620	172,289,921
II	Other Income	13	2,015,842	7,408,034
III	Total Income (I+II)		114,651,462	179,697,955
IV	Expenses			
	(a) Cost of construction	14	-	511,059,119
	(b) Changes in inventory	15	136,203,242	(268,940,155)
	(c) Employee benefit expense	16	1,043,306	1,010,112
	(d) Interest Cost	17	13,603,288	-
	(e) Depreciation and amortisation expense	2	514,548	509,523
	(f) Other expenses	18	28,927,505	7,049,896
	Total Expenses		180,291,890	250,688,496
V	Profit before tax from continuing operations (III-IV)		(65,640,428)	(70,990,541)
VI	Income tax expense			
	(a) Current tax		-	-
	(b) MAT Credit		-	-
	(c) Deferred taxes	4	(338,043)	(139,736)
	Total tax expense		(338,043)	(139,736)
VII	Profit after tax for the year (V-VI)		(65,302,385)	(70,850,805)
VIII	Other comprehensive income			
	Items that may not be reclassified to the statement of profit and loss			
	(i) Changes in revaluation surplus		-	-
	(ii) Income tax relating to these items		-	-
	Other comprehensive income for the year, net of tax		-	-
IX	Total comprehensive income (VII+VIII)		(65,302,385)	(70,850,805)

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For P.Chandrasekar LLP

Chartered Accountants

FRN: 000580S/S200066



S.Sriram

Partner

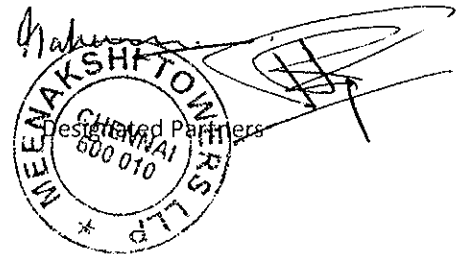
Membership No: 205496

Place: Chennai

Date: 07-05-2020

UDIN:20205496AAAABN5153

For and on behalf of the LLP

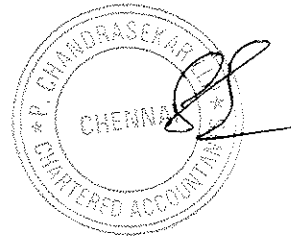


MEENAKSHI TOWERS LLP

Notes to the financial statements for the year ended 31 March 2020

Amount in ₹

Description of Assets	Plant & Machinery	Furniture & Fittings	Computer	Office Equipment	Vehicles	Software	Total
I. Gross Carrying Amount							
Balance as at 1 April 2019	11,36,882	2,21,057	58,378	7,36,150	6,88,108	-	28,40,575
Additions	-	-	-	20,000	-	20,300	40,300
As at 31 March 2020 (₹)	11,36,882	2,21,057	58,378	7,56,150	6,88,108	20,300	28,80,875
Property, Plant and Equipment	11,36,882	2,21,057	58,378	7,56,150	6,88,108	-	28,60,575
Intangible assets	-	-	-	-	-	20,300	20,300
II. Accumulated depreciation and impairment							
Balance as at 1 April 2019	5,40,019	1,05,002	31,173	5,24,507	3,13,218	-	15,13,919
Depreciation expense for the period	1,80,006	35,001	9,817	1,78,594	1,05,847	5,284	5,14,548
As at 31 March 2020 (₹)	7,20,025	1,40,003	40,990	7,03,101	4,19,065	5,284	20,28,467
Property, Plant and Equipment	7,20,025	1,40,003	40,990	7,03,101	4,19,065	-	20,23,183
Intangible assets	-	-	-	-	-	5,284	5,284
III. Net carrying amount as at 31 March 2020 (I-II)							
Property, Plant and Equipment	4,16,857	81,054	17,388	53,049	2,69,043	15,016	8,52,408
Intangible assets	-	-	-	-	-	15,016	15,016



MEENAKSHI TOWERS LLP

Notes to the financial statements for the year ended 31 March 2020

Note No.	Particulars	Amount in ₹	
		As at 31 March 2020 (₹)	As at 31 March 2019 (₹)
4	Deferred Tax Assets	12,25,562	8,87,519
		12,25,562	8,87,519
5	Inventories (As taken, valued and certified by the management)		
	Unsold Flats	13,27,36,913	26,89,40,155
		13,27,36,913	26,89,40,155
6	Financial Assets		
6.1	Trade Receivables (Unsecured and considered good)		
	Trade receivables	82,40,138	1,06,94,799
		82,40,138	1,06,94,799
6.2	Cash and Cash Equivalents		
	Balances with banks		
	Current accounts	68,67,702	95,30,189
	Fixed deposits	3,75,06,417	3,60,00,000
	Cash-in-Hand	18,809	12,791
		4,43,92,927	4,55,42,980
6.3	Other Financial Assets (Unsecured and considered good)		
	Loan to Induscity Scapes Construction Pvt. Ltd.	2,62,23,857	2,62,23,857
	Advances recoverable from employees	1,02,000	1,66,000
	Electricity Deposit	3,25,190	3,25,190
	Recoverable infrastructure cost	1,40,41,880	1,53,58,560
	Less: Expected loss on unrecoverable infrastructure cost	(1,27,58,720)	(1,27,58,720)
	Net recoverable infrastructure cost	12,83,160	25,99,840
		2,79,34,207	2,93,14,887
7	Other Current Assets		
	Balances with Statutory Authorities		
	Goods and Service Tax (Refer Note 24)	2,16,99,897	2,19,06,201
	Tax deducted at Source (TDS)	3,45,067	5,06,641
	Advance to Suppliers	-	4,46,510
		2,20,44,964	2,28,59,352
8	Partners' Capital Account		
	IFFL Management Services Ltd.	50,000	50,000
	Shreyans Foundations LLP	50,000	50,000
		1,00,000	1,00,000
	Terms and rights of each partners Each partner is entitled for an equal share in the profits of the firm.		



Note No.	Particulars	As at 31 March 2020 (₹)	As at 31 March 2019 (₹)
9	Partners' Current Account		
	Opening Balance of Share of Loss of Partners		
	IIFL Management Services Ltd.	(13,38,99,588)	(9,84,74,185)
	Shreyans Foundations LLP	(13,38,99,588)	(9,84,74,185)
	Share of Loss of Partners	(26,77,99,177)	(19,69,48,370)
	Add:		
	Profit/(Loss) of the current period		
	IIFL Management Services Ltd.	(3,26,51,192)	(3,54,25,402)
	Shreyans Foundations LLP	(3,26,51,192)	(3,54,25,402)
		(6,53,02,385)	(7,08,50,805)
	Closing Balance of Share of Loss of Partners		
	IIFL Management Services Ltd.	(16,65,50,781)	(13,38,99,587)
	Shreyans Foundations LLP	(16,65,50,781)	(13,38,99,587)
		(33,31,01,562)	(26,77,99,175)
10	Financial Liabilities		
10.1	Borrowings		
	Non-current borrowings		
	Loan - Shreyans Foundation LLP	-	10,85,39,003
	Loan - IIFL Facilities Services Limited	-	-
		-	10,85,39,003
	Terms of borrowings		
	The above borrowings are unsecured and repayable on demand.		
	Shreyans Foundations LLP has waived interest from 2018-19.		
10.2	Other financial liabilities		
	Other non-current financial liabilities:		
	Deposit - JE Marketing & Services Pvt. Ltd.	-	50,00,00,000
		-	50,00,00,000
10.3	Borrowings		
	Loan - Shreyans Foundation LLP	1,97,51,054	-
	Loan - IIFL Facilities Services Limited	51,16,67,945	-
	Shreyans Foundation (Receivable)	(4,96,001)	-
		53,09,22,998	-
10.4	Trade payables		
	Trade payables	2,44,02,761	2,17,91,703
		2,44,02,761	2,17,91,703
	As informed by the Management, there are no principal or interest amount dues remaining unpaid to Micro, Small and Medium Enterprises as at 31 March 2020 in respect of such undertakings.		
10.5	Other current financial liabilities:		
	Land Cost Payable - IIFL Management Services Ltd.	-	3,27,300
	Land Cost Payable - Shreyans Foundation LLP	-	10,16,050
	Salary Payable	-	-
		-	13,43,350
11	Other current liabilities		
	Statutory Liabilities (other than income taxes)	5,38,029	7,036
	Advances from Customers	1,45,64,894	1,55,84,434
		1,51,02,923	1,55,91,470



MEENAKSHI TOWERS LLP

Notes to the financial statements for the year ended 31 March 2020

19 Financial Risk Management

The LLP's activities expose it to liquidity risk and credit risk. The sources of risks which the LLP is exposed to and how the LLP manages the risk is as follows:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and other financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits
Liquidity risk	Borrowings and other liabilities	Cashflow forecasts	Availability of borrowing facilities

20 Related party disclosures

Designated Partners

Shreyans Foundations LLP

IIFL Management Services Ltd.

(Refer Note 23)

Key Managerial Personnel - Authorised Representatives (KMP)

Mr. Mahaveer Chand Lunawath (Shreyans Foundation LLP)

Mr. Rajeev (IIFL Management Services Ltd.)

Associates

Induscity Scapes Construction Pvt. Ltd.

JE Marketing & Services Pvt. Ltd.

21 Contingent liabilities and commitments (to the extent not provided for)

Amount in ₹

Particulars

As at 31 March 2020 (₹)

Contingent liabilities

Nil

Capital commitments

Nil

22 In the absence of confirmation of balance of trade payables and reckoning of the same with the books, the book balances have been adopted. Adjustment if any on receipt of confirmations subsequently/subsequent reconciliation will be carried out as and when such confirmation is received, or reconciliation is carried out. However, the extent and impact of any such reconciliation/confirmation is not ascertainable at this stage and hence is not reflected in the financial statements.

23 IIFL Realty Ltd was renamed as IIFL Facilities Services Ltd. vide MCA order dated 25 September 2015. The Real Estate Advisory Services Undertaking of the IIFL Facilities Services Ltd. has been demerged and merged into IIFL Management Services Ltd, formerly known as (IISL). IISL has changed their name to IIFL Management Services Ltd. vide MCA order dated 9 October 2017.

24 The Input Tax Credit of Goods and Service Tax (GST) of ₹2,19,06,201 is accumulated on account of fully completed flats. Necessary adjustment against GST Output liability against future projects is not feasible vide Central Tax Notification Number 03/2019-Central Tax (Rates) dated 29 March 2019. Refund of the same from the Revenue Authorities is doubtful. However, no provision has been made towards write off of the accumulated input Tax Credit.

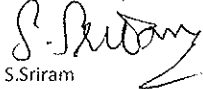
25 Corresponding figures of the previous year have been re-grouped wherever necessary to conform to current year's figures.

As per our attached report of even date

For P.Chandrasekar LLP

Chartered Accountants

FRN: 000580S/S200066


S. Sriram

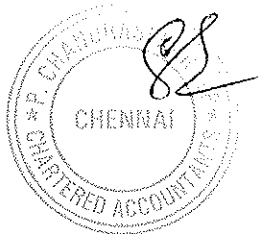
Partner

Membership No: 205496

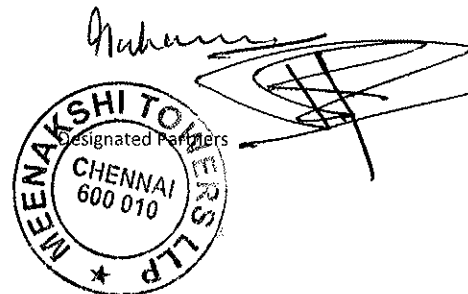
Place: Chennai

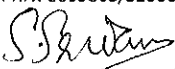
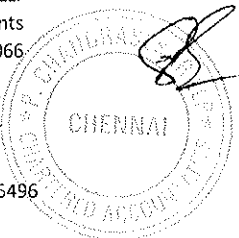
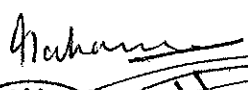

Date: 07-05-2020

UDIN:20205496AAA8N5153



For and on behalf of the LLP



MEENAKSHI TOWERS LLP		
Statement of Cashflows for the year ended 31 March 2020		
Particulars	For the year ended 31 March 2020 (₹)	For the year ended 31 March 2019 (₹)
I Cash flows from operating activities		
Profit before tax for the year	(6,56,40,428)	(7,09,90,541)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	5,14,548	5,09,523
Interest income	(19,90,523)	(2,51,110)
Operating profit before working capital changes	(6,71,16,402)	(7,07,32,128)
<i>Adjustments for (increase)/ decrease in operating assets:</i>		
Inventories	13,62,03,242	22,97,40,672
Trade receivables	24,54,661	11,17,42,225
Other current financial assets	13,80,680	1,73,19,020
Other current assets	8,14,388	45,75,199
<i>Adjustments for (increase)/ decrease in operating liabilities:</i>		
Trade payables	26,11,058	(41,19,536)
Other current financial liabilities	52,95,79,648	(69,61,043)
Other current liabilities	(4,88,547)	(13,52,14,969)
Cash generated from operations	60,54,38,728	14,63,49,440
(Income taxes paid)		-
Net cash (used in)/generated by operating activities (I)	60,54,38,728	14,63,49,440
II Cash flows from investing activities		
Additions to Property, Plant and Equipment	(40,300)	(31,000)
Interest income	19,90,523	2,51,110
Net cash (used in)/generated by investing activities (II)	19,50,223	2,20,110
III Cash flows from financing activities		
(Net Repayment of borrowings)	(10,85,39,003)	(60,96,85,361)
Receipt of Deposit	(50,00,00,000)	50,00,00,000
Net cash (used in)/generated by financing activities (III)	(60,85,39,003)	(10,96,85,361)
IV Net increase/(decrease) in cash and cash equivalents (I+II+III)	(11,50,053)	3,68,84,189
V Cash and cash equivalents at the beginning of the year	4,55,42,979	86,58,790
VI Cash and cash equivalents at the end of the year (IV+V)	4,43,92,927	4,55,42,979
Cash and cash equivalents constitute (Refer Note 1.4)		
Balances with banks		
Current accounts	68,67,702	95,30,189
Fixed deposits	3,75,06,417	3,60,00,000
Cash-in-Hand	18,809	12,791
<i>The accompanying notes form an integral part of the financial statements</i>		
As per our attached report of even date		
For P.Chandrasekar LLP		
Chartered Accountants		
FRN: 000580S/S200066		
 		
S. Sriram		
Partner		
Membership No: 205496		
Place: Chennai		
Date: 07-05-2020		
UDIN:20205496AAAABN5153		
<p style="text-align: right;">For and behalf of the LLP</p>  		
Designated Partners		

1 Significant accounting policies

This note provides a list of the significant accounting policies adopted in preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

(a) Compliance with Ind AS

The LLP's financial statements comply in all material respects with Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India.

The LLP's financial statements are prepared in compliance with the Accounting Standards, but these proforma financial statements are prepared in compliance to the Ind AS for the purpose of consolidation of these financial statements with those of the parent entity.

(b) Historic cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

(c) Functional currency transactions

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the LLP.

1.2 Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets

Recoverability of advances/ receivables

Useful lives of depreciable/amortisable assets

1.3 Classification of assets and liabilities as current and non-current

All assets and liabilities have been classified as current or non-current as per the LLP's normal operating cycle. Based on the nature of service rendered and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the LLP has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

1.4 Revenue recognition

(a) Rendering of services

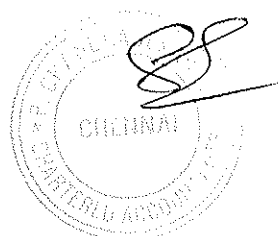
Revenue arises from the rendering of construction services to customers. It is measured as the fair value of consideration received or receivable. Amounts disclosed as revenue are net of refunds, trade discounts and amounts collected on behalf of third parties.

The LLP recognises revenue when or as it transfers promised goods or services to a customer. A 'transfer' occurs when the customer obtains control of the good or service.

A customer obtains control of an asset (good or service) when it can direct the use of and obtain substantially all the remaining benefits from it. Control includes the ability to prevent other entities from directing the use of and obtaining the benefits from an asset.

(b) Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.



1.5 Income taxes

Taxes comprise current income tax and deferred tax.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period. The LLP establishes provisions where appropriate on the amounts expected to be paid to the tax authorities. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

(b) Deferred tax

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax is recognised in profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

1.6 Cash and cash equivalents

For the purpose of presentation in the Statement of cash flows, cash and cash equivalent comprise cash at banks and on hand and deposits held at call with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.7 Property, Plant and Equipment

The LLP has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. The LLP has provided for depreciation on straight line basis over the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

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

1.8 Fair value measurement

(a) Financial assets

Initial recognition and measurement

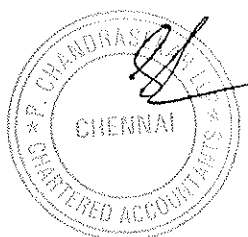
Financial assets are recognised when the LLP becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Subsequent measurement

A debt instrument is measured at the amortised cost if the assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. All other debt instruments are measured as Fair Value through other comprehensive income or Fair value through profit and loss based on LLP's business model.

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.



(b) 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. Financial liabilities are classified at amortised cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial assets

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.

1.9 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. 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. Loan origination costs are amortised over the tenor of respective loans using effective interest method.

1.1 Provisions, contingent assets and contingent liabilities

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. 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 assets are neither recognized nor disclosed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

1.11 Impairment of financial assets

In accordance with Ind-AS 109, the LLP applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the LLP in accordance with the contract and all the cash flows that the LLP expects to receive.

When estimating the cash flows, the LLP 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.

The LLP measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis.

1.12 Long term and post employment obligations

The LLP doesn't have any long term and post employment obligation which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service

1.13 Inventory

Work in Progress and unsold flats are valued at cost. Cost of work in progress and unsold flats are determined by considering direct material cost, labour costs and appropriate portion of overheads and non-recoverable duties incurred in bringing the inventories to their present location and condition.

1.14 Events after Reporting Period

The amounts in the financial statements are adjusted to reflect adjusting events, if any, after the reporting period.

