BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
				₹ in Lakhs
I ASSETS				
NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	1	**142.33**	194.04	246.69
(b) Deferred Tax Assets (Net)	2	**–**	10.76	12.71
(c) Other Non-current Assets	3	**239.13**	239.78	215.23
SUB-TOTAL		**381.46**	444.58	474.63
CURRENT ASSETS				
(a) Inventories	4	**6,470.36**	7,066.32	7,186.96
(b) Financial Assets				
(i) Trade Receivables	5	**206.43**	417.76	608.60
(ii) Cash and Cash Equivalents	6	**338.82**	133.14	129.13
(iii) Other Bank Balances	6	**39.55**	414.55	39.55
(c) Other Current Assets	3	**3,064.62**	6,170.63	4,458.54
SUB-TOTAL		**10,119.78**	14,202.40	12,422.77
TOTAL ASSETS		**10,501.25**	14,646.98	12,897.40
II EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	7	**5.00**	5.00	5.00
(b) Other Equity	8	**1,524.15**	853.53	629.64
SUB-TOTAL		**1,529.15**	858.53	634.64
LIABILITIES				
2 NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
Borrowings	9	**2,521.42**	2,521.42	5,021.42
(b) Provisions	10	**14.35**	–	–
(c) Deferred Tax Liabilities (Net)	2	**9.91**	–	–
SUB-TOTAL		**2,545.68**	2,521.42	5,021.42
3 CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	11	**1,000.00**	2,331.52	1,290.20
(ii) Trade Payables	12	**3,600.40**	4,427.63	3,700.00
(iii) Other Financial Liabilities	13	**1,282.35**	4,009.93	1,220.04
(b) Provisions	10	**113.21**	137.01	104.58
(c) Current Tax Liabilities (Net)		**69.41**	–	117.14
(d) Other Current Liabilities	14	**361.05**	360.96	809.39
SUB-TOTAL		**6,426.42**	11,267.04	7,241.35
TOTAL		**10,501.24**	14,646.99	12,897.40

The accompanying notes 1 to 25 are an integral part of the Financial Statements

The Financial Statement for the financial year ended on 31st March, 2017 have been finalised by the management and are subject to (i) approval of the Board of Directors and (ii) statutory audit.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

	Particulars	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
	Continuing Operations			
I	Revenue from operations	15	4,898.32	5,892.25
II	Other Income	16	53.95	56.89
III	**Total Revenue (I + II)**		4,952.27	5,949.14
IV	**EXPENSES**			
	(a) Cost of materials consumed	17(a)	2,662.37	4,294.04
	(b) Changes in stock	17(b)	595.96	440.63
	(c) Employee benefit expense	18	92.89	87.25
	(d) Depreciation and amortisation expense	1	64.75	62.19
	(e) Other expenses	19	470.62	729.20
	Total Expenses (V)		3,886.59	5,613.30
	Profit/(loss) before exceptional items and tax (I - IV)		1,065.68	335.84
	Exceptional Items		–	–
VII	**Profit/(loss) before tax (VII - VIII)**		1,065.68	335.84
VIII	**Tax Expense**			
	(1) Current tax	20	374.38	110.00
	(2) Deferred tax	20	20.68	1.95
	Total tax expense		395.06	111.95
XII	**Profit/(loss) for the period (XI + XIV)**		670.62	223.89
XIII	**Profit/(Loss) from continuing operations for the period attributable to:**			
	Owners of the Company		670.62	223.89
	Non controlling interests			
			670.62	223.89
XV	**Other comprehensive income**		6.08	–
	A (i) Items that will not be recycled to profit or loss		–	–
	(a) Remeasurements of the defined benefit liabilities/(asset)		6.08	–
XVI	**Total comprehensive income for the period (XV + XVIII)**		676.71	223.89
XVII	**Total comprehensive income for the period attributable to:**			
	Owners of the Company		676.71	–
	Non controlling interests		–	–
XVIII	**Earnings per equity share (for continuing operation):**			
	(1) Basic	21	1,341.25	447.78
	(2) Diluted	21	1,341.25	447.78

The accompanying notes 1 to 25 are an integral part of the Financial Statements

The Financial Statement for the financial year ended on 31st March, 2017 have been finalised by the management and are subject to (i) approval of the Board of Directors and (ii) statutory audit.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

Particulars	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
Cash flows from operating activities			
Profit before tax for the year	PL	**1,065.68**	287.10
Adjustments for:			
Income tax expense recognised in profit or loss		**(374.38)**	(110.00)
Depreciation and amortisation of non–current assets	1	**64.75**	62.19
Movements in working capital:			
Increase in trade and other receivables		**211.33**	418.58
(Increase)/decrease in inventories		**595.96**	165.35
(Increase)/decrease in other assets		**2,174.16**	(2,354.93)
Decrease in trade and other payables		**(2,826.69)**	749.73
Cash generated from operations		**910.81**	(781.98)
Income taxes paid		**281.00**	129.21
Net cash generated by operating activities		**1,191.81**	(652.77)
Cash flows from investing activities			
Payments for property, plant and equipment		**(13.04)**	(9.54)
Net cash (used in)/generated by investing activities		**(13.04)**	(9.54)
Cash flows from financing activities			
Proceeds from borrowings		**–**	1,541.32
Repayment of borrowings		**(1,348.09)**	(500.00)
Net cash used in financing activities		**(1,348.09)**	1,041.32
Net increase in cash and cash equivalents		**(169.32)**	379.01
Cash and cash equivalents at the beginning of the year		**508.14**	129.13
Cash and cash equivalents at the end of the year		**338.81**	508.14

The accompanying notes 1 to 25 are an integral part of the Financial Statements

The Financial Statement for the financial year ended on 31st March, 2017 have been finalised by the management and are subject to (i) approval of the Board of Directors and (ii) statutory audit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. 1 – PROPERTY, PLANT AND EQUIPMENT

₹. In Lakhs

Description of Assets	Buildings – Leasehold	Office Equipment	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at 1st April 2016	255.23	16.98	37.79	26.35	336.35
Additions		1.27	2.79	8.99	13.04
Acquisitions through business combinations					
Disposals					
Reclassified as held for sale					
Others [describe]					
Balance as at 31st March 2017	**255.23**	**18.25**	**40.58**	**35.33**	**349.39**
II. Accumulated depreciation and impairment					
Balance as at 1st April 2016	106.69	9.32	10.36	15.94	142.31
Depreciation expense for the year	49.96	3.72	3.75	7.33	64.75
Eliminated on disposal of assets					
Eliminated on reclassification as held for sale					
Impairment losses recognised in profit or loss					
Reversals of impairment losses recognised in profit or loss					
Others [describe]					
Balance as at 31st March 2017	**156.65**	**13.03**	**14.11**	**23.27**	**207.06**
III. Net carrying amount (I–II)	**98.57**	**5.22**	**26.47**	**12.06**	**142.33**

₹. In Lakhs

Description of Assets	Buildings – Leasehold	Office Equipment	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at 1st April 2015	255.23	14.77	37.10	19.71	326.81
Additions	–	2.21	0.70	6.63	9.54
Acquisitions through business combinations					–
Disposals				–	–
Reclassified as held for sale					–
Others [describe]					–
Balance as at 31st March 2016	255.23	16.98	37.79	26.35	336.35
II. Accumulated depreciation and impairment					
Balance as at 1st April 2015	56.74	6.01	7.01	10.38	80.12
Depreciation expense for the year	49.96	3.31	3.35	5.57	62.19
Eliminated on disposal of assets				–	–
Eliminated on reclassification as held for sale					–
Impairment losses recognised in profit or loss					–
Reversals of impairment losses recognised in profit or loss					–
Others [describe]					–
Balance as at 31st March 2016	106.69	9.32	10.36	15.94	142.31
III. Net carrying amount (I–II)	148.53	7.67	27.43	10.40	194.04

Assets pledged as security and restriction on titles

As on reporting date Company had not pledged any item of PPE as security and there is no restriction on title

Impairment losses recognised in the year:

During the reporting period Company had not recognised any impairment loss on PPE

Method of Depreciations:

Depreciation on tangible fixed assets has been provided on prorata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or estimated useful life, whichever is lower. Sales office & the sample flat/show unit cost is amortised over a period of 5 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. 2: CURRENT TAX AND DEFERRED TAX

(i) Movement in deferred tax balances

₹. In Lakhs

Particulars	For the Year ended 31st March, 2017 Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	19.57	19.77	39.34
Intangible Assets			
Investment Property			
FVTOCI financial asset			
FVTPL financial asset			
Derivatives			
Other Temporary Differences (please specify)			
	19.57	19.77	39.34
Tax effect of items constituting deferred tax assets			
Employee Benefits	3.79	40.48	44.27
Equity–Settled Share Based payments			–
Provisions			–
Deferred income			–
Other Items	(12.59)	(80.93)	(93.52)
Carryforward Tax Loss			–
Minimum Alternate Tax Credit			–
Other Temporary Differences (please specify)			
	(8.80)	(40.45)	(49.25)
Net Tax Asset (Liabilities)	**10.76**	**(20.68)**	**(9.91)**

₹. In Lakhs

Particulars	For the Year ended 31st March, 2016 Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment			
Intangible Assets			
Investment Property			
FVTOCI financial asset			
FVTPL financial asset			
Derivatives			
	–	–	–
Tax effect of items constituting deferred tax assets			
Employee Benefits			
Equity–Settled Share Based payments			
Provisions			
Deferred income			
Other Items	12.71	(1.95)	10.76
Carryforward Tax Loss			
Minimum Alternate Tax Credit			
Other Temporary Differences (please specify)			
	12.71	(1.95)	10.76
Net Tax Asset (Liabilities)	**12.71**	**(1.95)**	**10.76**

Note No. 3 – OTHER CURRENT ASSETS

₹. In Lakhs

Particulars	As at 31st March, 2017 Current	As at 31st March, 2017 Non-Current	As at 31st March, 2016 Current	As at 31st March, 2016 Non-Current	As at 1st April, 2015 Current	As at 1st April, 2015 Non-Current
(a) Capital advances						
(i) For Capital work in progress						
(ii) For intangible asset under development						
(iii) For Investment property under development						
(b) Advances other than capital advances						
(i) Security Deposits		239.13		239.78		215.23
(ii) Advances to related parties	1,002.79		2,058.56		1,101.22	
(iii) Balances with government authorities (other than income taxes)	106.54		319.27		306.81	
(iv) Other advances	1,955.29		3,792.80		3,050.51	
	3,064.62	239.13	6,170.63	239.78	4,458.54	215.23

Notes:

1. The Company has entered into a contract dated 28th September, 2011 with M/s B. E. Billimoria & Co (BEBL) as a Contractor for its construction project at MIHAN Nagpur. In terms of Clause 3.2, 12.3 and 12.6 of the said contract, BEBL had provided the company with Bank gurantees as follows:-

   a) Advance BG of ₹ 227 Lakhs

   b) Performance BG of ₹ 932 Lakhs

   c) Retention BG of ₹ 251 Lakhs

The Company was constrained to invoke the Bank Guarantees Given by BEBL. On Invocation, an amount of ₹ 227 Lakhs are adjusted against mobilisation advance, ₹ 932 Lakhs and ₹ 251 Lakhs are adjusted against other advances recoverable from BEBL.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE NO. 4 – INVENTORIES

₹. In Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Raw materials			
(b) Work-in-progress	6,470.36	7,066.32	7,186.96
(c) Finished and semi-finished goods			
(d) Stock-in-trade of goods acquired for trading			
(e) Stores and spares			
(f) Loose Tools			
(g) Agricultural produce (including biological assets)			
(h) Others (specify the nature)			
Total Inventories (at lower of cost and net realisable value)	6,470.36	7,066.32	7,186.96
Included above, goods-in-transit:			
(i) Raw materials			
(ii) Finished and semi-finished goods			
(iii) Stock-in-trade of goods acquired for trading			
(iv) Stores and spares			
(v) Loose Tools			
(vi) Others			
Total goods-in-transit		–	–

4 (a) Construction Work in Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

4 (b) The unsold inventories as on Balance sheet date having charge with Kotak Mahindra Bank against the CC limit of ₹ 30 crores sanctioned for Bloomdale Project.

NOTE NO. 5 – TRADE RECEIVABLES

₹. In Lakhs

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
Particulars	**Current**	**Non Current**	Current	Non Current	Current	Non Current
Trade receivables						
(a) Secured, considered good	206.43		417.76		608.60	
(b) Unsecured, considered good						
(c) Doubtful						
Less: Allowance for Credit Losses						
TOTAL	**206.43**	**–**	**417.76**	**–**	**608.60**	**–**
Of the above, trade receivables from:						
– Related Parties						
– Others	206.43	–	417.76	–	608.60	–
Total	**206.43**	**–**	417.76	–	608.60	–

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non interest bearing and are generally on the terms of 21 to 60 days.

NOTE NO. 6 – CASH AND BANK BALANCES

₹. In Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents			
(a) Balances with banks	**338.56**	133.13	129.12
(b) Cheques, drafts on hand			
(c) Cash on hand	**0.26**	0.01	0.00
(d) Others			
Total Cash and cash equivalent	**338.82**	133.14	129.13
Other Bank Balances			
(a) Earmarked balances with banks			
(b) Balances with Banks:			
(i) On Margin Accounts	**39.55**	39.55	39.55
(ii) Fixed Deposits with maturity greater than 3 months	**–**	375.00	
Total Other Bank balances	**39.55**	414.55	39.55
	378.37	547.69	168.68

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Reconcliation of Cash and Cash Equivalents

₹. In Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Total Cash and Cash Equivalents as per Balance Sheet	338.82	133.14	129.13
Add: Bank Overdraft	–		
Add: Cash and bank balances included in a disposal group held for sale	–	–	–
Total Cash and Cash Equivalents as per Statement of Cashflow	338.82	133.14	129.13

Details transaction in specified Bank Notes:

₹. In Lakhs

Particulars	*SBNs*	*Other denomination notes*	*Total*
Closing cash in hand as on 08.11.2016	–	*0.00*	*0.00*
(+) Permitted receipts	–	*0.80*	*0.80*
(–) Permitted payments	–	*0.61*	*0.61*
(–) Amount deposited in Banks	–	–	–
Closing cash in hand as on 30.12.2016	–	***0.19***	***0.19***

NOTE NO. 7 – EQUITY SHARE CAPITAL

₹. In Lakhs

Particulars	As at 31st March, 2017 No. of shares	As at 31st March, 2017 Amount	As at 31st March, 2016 No. of shares	As at 31st March, 2016 Amount	As at 1st April, 2015 No. of shares	As at 1st April, 2015 Amount
Authorised:						
Equity shares of ₹ 10 each with voting rights	50,000	5.00	50,000	5.00	50,000	5.00
Equity shares of ₹ ___ each with differential voting rights	–	–	–	–	–	–
Preference shares of ₹ ___ each	–	–	–	–	–	–
Issued, Subscribed and Fully Paid:						
Equity shares of ₹ 10 each with voting rights	50,000	5.00	50,000	5.00	50,000	5.00
Equity shares of ₹ ___ each with differential voting rights	–	–	–	–	–	–
Preference shares of ₹ ___ each	–	–	–	–	–	–
Issued, Subscribed and Partly Paid:						
Equity shares of ₹ 10 each with voting rights	50,000	5.00	50,000	5.00	50,000	5.00
Equity shares of ₹ ___ each with differential voting rights	–	–	–	–	–	–
Preference shares of ₹ ___ each	–	–	–	–	–	–
Forfeited shares						
Treasury Shares (par value)						
Total	50,000	5.00	50,000	5.00	50,000	5.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

₹. In Lakhs

Particulars		Opening Balance	Closing Balance
(a) Equity Shares with Voting rights*			
Year Ended 31st March 2017			
	No. of Shares	50000	50,000
	Amount	5.00	5.00
Year Ended 31st March 2016			
	No. of Shares	50,000	50,000
	Amount	5.00	5.00
Year Ended 1st April 2015			
	No. of Shares	50,000	50,000
	Amount	5.00	5.00

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31st March, 2017 Number of shares held	As at 31st March, 2017 % holding in that class of shares	As at 31st March, 2016 Number of shares held	As at 31st March, 2016 % holding in that class of shares	As at 1st April, 2015 Number of shares held	As at 1st April, 2015 % holding in that class of shares
Equity shares with voting rights:						
Mahindra Lifespace Developers Ltd.	**35,000**	**70.00%**	35,000	70.00%	35,000	70.00%
B E Billimoria & Co Ltd.	**15,000**	**30.00%**	15,000	30.00%	15,000	30.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Statement Of Changes In Equity for the year ended 31st March 2017

A. Equity share capital

	₹. In Lakhs
As at 1st April 2015	5.00
Changes in equity share capital during the year	–
As at 31st March 2016	5.00
Changes in equity share capital during the year	–
As at 31st March 2017	5.00

7(a) 35,000 equity shares are held by Mahindra Lifespace Developers Limited and its nominees.

7(b)There has been no movement in the equity share capital during the year.

Terms/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.

Repayment of capital on liquidation will be in proportion to the number of equity shares held.

Details of shares held by each shareholder including Holding Company, holding more than 5% of the aggregate shares in the Company:

	As on 31st March, 2017 ₹. In Lakhs		As on 31st March, 2016 ₹. In Lakhs	
	No of Shares	**Value of Shares**	No of Shares	Value of Shares
Holding Company (70%)				
Mahindra Lifespace Developers Limited				
Equity	35,000	3.50	35,000	3.50
B. E. Billimoria & Co Limited (30%)				
Equity	15,000	1.50	15,000	1.50

NOTE–8: STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

b. Other Equity

	General Reserve	**Debenture redemption Reserve**	**Retained Earnings**	**Total**
As at 1st April 2015		**625.00**	**4.64**	**629.64**
Profit/(Loss) for the period			223.89	223.89
Other Comprehensive Income/(Loss)				
Total Comprehensive Income for the year				
Dividend paid on Equity Shares			–	
Dividend Distribution Tax			–	
Transfers to Reserves				
Transfers from retained earnings		–		
Equity Share Issuance Costs				
Exercise of employee stock options		–		
Options granted during the period		–		
Any other changes (to be specified)		–		
As at 31st March 2016	**–**	**625.00**	**228.53**	**853.53**
Profit/(Loss) for the period			670.62	**670.62**
Other Comprehensive Income/(Loss)				
Total Comprehensive Income for the year				
Dividend paid on Equity Shares				
Dividend Distribution Tax				
Transfers to Reserves				
Transfers from retained earnings		(625)	625	–
Equity Share Issuance Costs				
Exercise of employee stock options		–		
Options granted during the period		–		
Any other changes (to be specified)				
As at 31st March 2017	**–**		**1,524.15**	**1,524.15**

Particulars	**31st March, 2017**	31st March, 2016	1st April, 2015
(I) Debenture Redemption Reserve :			
Balance as at the beginning of the year	**625.00**	625.00	114.32
Add :			
Transfer from Surplus in Statement of Profit and Loss	**–**	–	510.68
Less :			
Transfer to Surplus in Statement of Profit and Loss	**625.00**	–	–
Balance as at the end of the year	**–**	625.00	625.00

Debenture Redemption Reserve has been created to the extent of 25% of NCD issued. Same has been redeemed on 09 Sept 2016 and hence the Debenture Redemption Reserve amount has been transferred back to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE NO. 9 - NON-CURRENT BORROWINGS

₹. In Lakhs

Particulars	Rate of Interest	Maturity	As at 31st March, 2017 Amount	As at 31st March, 2016 Amount	As at 1st April, 2015 Amount
Measured at amortised cost*					
A. Secured Borrowings:					
(a) Bonds/Debentures	11.25%		–	–	2,500.00
(b) Term Loans					
(1) From Banks					
(2) From Others Parties					
(c) Deferred payment liabilities					
(d) Deposits					
(e) Loans from related parties					
(f) Long term maturities of Finance Lease Obligations					
(g) Liability component of compound financial instruments					
(h) Other Loans					
Total Secured Borrowings			**2,521.42**	2,521.42	2,500.00
B. Unsecured Borrowings – at amortised Cost					
(a) Bonds/Debentures					
(b) Term Loans					
(1) From Banks					
(2) From Financial Institutions & Others					
(c) Deferred payment liabilities					
(d) Deposits					
(e) Loans from related parties	12.75%		**2,521.42**	2,521.42	2,521.42
(f) Long term maturities of Finance Lease Obligations					
(g) Liability component of compound financial instruments					
(h) Other Loans					
Total Unsecured Borrowings			**2,521.42**	2,521.42	2,521.42
Total Borrowings			**2,521.42**	2,521.42	5,021.42

NOTE NO. 10 – PROVISIONS

₹. In Lakhs

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	**Non-Current**	Current	Non-Current	Current	Non-Current
(a) Provision for employee benefits	**1.44**	**14.35**	20.30		14.76	
(b) Other Provisions						
1 Warranty	**93.00**		93.00		72.00	
2 Other Provisions	**18.78**		23.71		17.82	
Total Provisions	**113.21**	**14.35**	137.01	–	104.58	–

Details of movement in Other Provisions is as follows:

Particulars	Warranty	Other Provisions	Total
Balance at 1st April 2015		17.82	17.82
Additional provisions recognised	93.00	5.89	98.89
Amounts used during the period	–		
Unused amounts reversed during the period	–		
Unwinding of discount and effect of changes in the discount rate	–		
Balance at 31st March 2016	93.00	23.71	116.71
Balance at 1st April 2016	93.00	23.71	116.71

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Warranty	Other Provisions	Total
Additional provisions recognised	–		
Amounts used during the period	–		
Unused amounts reversed during the period	–		
Unwinding of discount and effect of changes in the discount rate	–		
Balance at 31st March 2017	93.00	23.71	**116.71**

Warranty:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of product, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period ranging from 6 months to 5 years. It is expected that most of these costs will be incurred in the next two financial years and all will have been incurred within five years after the reporting date.

NOTE NO. 11 – CURRENT BORROWINGS

₹. In Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April 2015
A. Secured Borrowings			
(a) Loans repayable on demand			
(1) From Banks	–	376.30	1,290.20
(2) from other parties			
(b) Loans from related parties			
(c) Deposits			
(d) Other Loans			
Total Secured Borrowings	–	376.30	1,290.20
B. Unsecured Borrowings			
(a) Loans repayable on demand			
(1) From Banks	–		
(2) from other parties	**1,000.00**	1,955.22	
(b) Loans from related parties			
(c) Deposits			
(d) Other Loans			
Total Unsecured Borrowings	**1,000.00**	1,955.22	–
Total Current Borrowings	**1,000.00**	2,331.52	1,290.20

The above facility of Loan repayable on Demand is secured by First pari passu charge by way of mortgage on the Property/Project and second charge over escrow of receivables from Project Rate of interest is base rate plus 1% (presently 10.3% p.a)

The company has not defaulted in repayment of interest or principal.

NOTE NO. 12 – TRADE PAYABLES

₹ In Lakhs

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	**Non Current**	Current	Non Current	Current	Non Current
Trade payable - Micro and small enterprises	–	–	–	–	–	–
Trade payable - Other than micro ans small enterprises	**3,600.40**	–	4,427.63	–	3,700.00	–
Liability for Cash-settled share-based payments	–					
Acceptances	–					
Total trade payables						
	3,600.40	–	4,427.63	–	3,700.00	–

12 (a) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

12 (b) Based on the information available with the Company there are no outstandings in respect of Micro, Small and Medium Enterprises as of Balance Sheet date.

NOTE NO. 13 – OTHER FINANCIAL LIABILITIES

₹ In Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Other Financial Liabilities Measured at Amortised Cost			
Non-Current			
(a) Security Deposits			
(b) Other long term liabilities			
	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

₹ In Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
(a) Current maturities of long-term debt -	–	3,000.00	500.00
(b) Current maturities of finance lease obligations	–		
(c) Interest accrued	**1,282.35**	1,009.93	720.04
(d) Unpaid dividends (includes preference dividend of ₹ XX, considered as interest)			
(e) Application money received due for refund and interest accrued thereon			
(f) Unpaid matured deposits and interest accrued thereon			
(g) Unpaid matured debentures and interest accrued thereon			
(h) Unpaid matured preference shares			
(i) Other liabilities			
(1) Creditors for capital supplies/services			
(2) Retention Money			
	1,282.35	4,009.93	1,220.04
Other Financial Liabilities Measured at Fair value			
(a) Derivatives designated and effective as hedging instruments			
(b) Derivatives not designated as a hedging instruments			
(c) Other Financial Intruments carried at FVTPL:			
(1) Non-derivative held for trading liabilities			
(2) Contingent consideration on acquisitions			
(3) Financial guarantee contracts			
(4) Redeemable preference shares (at fair value)			
Total other financial liabilities	–	–	–

NOTE NO. 14 – OTHER LIABILITIES

₹ In Lakhs

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	**Non Current**	Current	Non Current	Current	Non Current
a. Advances received from customers	**215.41**		218.75	–	745.38	–
b. Defered Revenue						
– Deferred Revenue arising from Customer Loyalty program						
– Deferred Government grant related to assets						
– Other Deferred Revenues						
c. Society Payable (Net of surplus parked in FDs)	**144.82**		115.61	–	0.47396	
c. Statutory dues						
– taxes payable (other than income taxes)	**0.82**		26.60		63.54	
– Employee Recoveries and Employer Contributions						
TOTAL OTHER LIABILITIES	**361.05**	–	360.96	–	809.39	–

NOTE NO. 15 – REVENUE FROM OPERATIONS

The following is an analysis of the company's revenue for the year from continuing operations.

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	₹ in Lakhs	₹ in Lakhs
(a) Income from Projects	**4,898.32**	5,892.25
(b) Revenue from rendering of services		
(c) Other operating revenue		
(d) In respect of current year		
(e) Construction contract revenue		
Total Revenue from Operations	**4,898.32**	5,892.25

NOTE NO. 16 – OTHER INCOME

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	₹ in Lakhs	₹ in Lakhs
(a) Interest Income		
(1) Interest on InterCorporate Deposits	–	–
(2) Interest on Bank Deposits	–	–
(3) Others	**48.47**	47.50
(b) Dividend Income		
(c) Miscellaneous Income	**5.48**	9.39
	53.95	56.89

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE NO. 17(A) – COST OF MATERIALS CONSUMED

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	₹ in Lakhs	₹ in Lakhs
Architect Fees	**51.91**	–
Stamp Duty	**4.97**	0.24
Interest on loan from related parties	**321.48**	322.14
Interest on Debentures	**124.10**	281.59
Interest On Term Loans - Rupee Loans	**164.51**	118.84
Interest on Cash Credit	**56.60**	167.52
Employee, Remuneration & Staff Welfare Expenses	**129.90**	133.55
Civil Work	**1,729.40**	3,054.46
Club House Interior work	**54.47**	–
Hvac Work	**25.11**	–
Liasoning /Statutory Fees	**–**	33.68
Electrical Work	**2.94**	2.90
Fabrication Work	**3.14**	1.21
Security Services	**32.85**	31.89
Land Development	**–**	151.51
Consultant & Professional Charges	**29.97**	14.47
Other Expenses	**1.26**	9.50
Miscellaneous Expenses	**–**	5.00
Other Income	**0.64**	(0.64)
Interest on FD	**(18.97)**	(33.81)
Cost of materials consumed	**2,662.37**	4,294.04

17(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	₹ in Lakhs	₹ in Lakhs
Inventories at the end of the year:		
Finished goods		
Work-in-progress	**6,470.36**	7,066.32
Stock-in-trade		
	6,470.36	7,066.32
Inventories at the beginning of the year:		
Finished goods		
Work-in-progress	**7,066.32**	7,506.95
Stock-in-trade		
	7,066.32	7,506.95
Net (increase)/decrease	**595.96**	440.63

NOTE NO. 18 – EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	₹ in Lakhs	₹ in Lakhs
(a) Salaries and wages, including bonus	**206.40**	208.79
(b) Contribution to provident and other funds	**7.40**	–
(c) Share based payment transactions expenses		–
(1) Equity-settled share-based payments		–
(2) Cash-settled share-based payments		–
(d) Staff welfare expenses	**8.99**	12.00
Less : Allocated to projects	**(129.90)**	(133.55)
Total Employee Benefit Expense	**92.89**	87.25

NOTE NO. 19 – OTHER EXPENSES

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	₹ in Lakhs	₹ in Lakhs
(a) Repairs and maintenance - Others	**39.78**	36.10
(b) Advertisement	**233.45**	150.41
(c) Commission on sales/contracts (net)	**74.13**	52.27
(i) As Auditors	**5.03**	6.50
(ii) For Taxation matters	**0.75**	0.75
(iii) For Company Law matters	**–**	–
(iv) For Other services	**0.75**	1.00
(v) For reimbursement of expenses		
(d) Other expenses		
(1) Provision for diminution of Investments		
(2) Provision for losses of subsidiaries		
(3) Legal and other professional costs	**37.20**	232.24
(4) Printing & Stationery		
(5) Communication		
(6) Others	**79.53**	249.93
Total Other Expenses	**470.62**	729.20

NOTE NO. 20 – CURRENT TAX AND DEFERRED TAX

(a) Income Tax recognised in profit or loss

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	₹ in Lakhs	₹ in Lakhs
Current Tax:		
In respect of current year	**374.38**	110
In respect of prior years		
Unrecognised tax loss used to reduce current tax expense		
Others		
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**20.68**	(14.91)
Unrecognised tax loss used to reduce deferred tax expense		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Year ended 31st March, 2017 ₹ in Lakhs	Year ended 31st March, 2016 ₹ in Lakhs
Deferred Tax reclassified from equity to profit or loss		
Adustments due to changes in tax rates		
Write down/Reversal of previous write-downs of deferred tax assets		
Others		
Total income tax expense on continuing operations	**395.06**	95.09

NOTE NO. 21 – EARNINGS PER SHARE

Particulars	Year ended 31st March, 2017 ₹ Per Share	Year ended 31st March, 2016 ₹ Per Share
Basic Earnings per share		
From continuing operations	**1,341.25**	447.78
From discontinuing operations		
Total basic earnings per share	**1,341.25**	447.78
Diluted Earnings per share		
From continuing operations	**1,341.25**	447.78
From discontinuing operations		
Total diluted earnings per share	**1,341.25**	447.78

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹. In Lakhs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit/(loss) for the year attributable to owners of the Company	**670.62**	223.89
Less: Preference dividend and tax thereon		
Profit/(loss) for the year used in the calculation of basic earnings per share	**670.62**	223.89
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations		
Profits used in the calculation of basic earnings per share from continuing operations	**670.62**	223.89
Weighted average number of equity shares	**50000**	50000

₹. In Lakhs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Earnings per share from continuing operations - Basic	**1,341.25**	447.78

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.

₹. In Lakhs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit/(loss) for the year used in the calculation of basic earnings per share	**670.62**	223.89
Add: Interest expense and exchange fluctuation on convertible bonds (net) - adjusted for attributable taxes		
Profit/(loss) for the year used in the calculation of diluted earnings per share	**670.62**	223.89
Profit for the year on discontinued operations used in the calculation of diluted earnings per share from discontinued operations		
Profits used in the calculation of diluted earnings per share from continuing operations	**670.62**	223.89

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Weighted average number of equity shares used in the calculation of Basic EPS	**50000**	50000
ESOPs	**0**	0
Convertible bonds		
Others if any		
Weighted average number of equity shares used in the calculation of Diluted EPS	**50000**	50000

A) Reconciliation of Equity

₹ In Lakhs

Particulars	As at 1st April, 2015	As at 30th June, 2015	As at 30th September, 2015	As at 31st December, 2015	As at 31st March, 2016
Equity as reported under Indian GAAP	642.71	655.26	838.74	972.69	834.73
Ind AS Adjustments :					
IND AS transition reserve (Cost, revenue & Deferred tax impact on on unwinding deferred payment liability for Royalty)	(8.08)	23.80	23.80	23.80	23.80
Sub-total	(8.08)	23.80	23.80	23.80	23.80
Equity as reported under IND AS	**634.64**	**679.06**	**862.54**	**996.49**	**858.53**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

B) Reconciliation of Profit

₹ In Lakhs

Particulars	Quarter Ended 30th June, 2015	Quarter Ended 30th September, 2015	Quarter Ended 31st December, 2015	Quarter Ended 31st March, 2016	Year Ended 31st March, 2016
Profit/(Loss) as per Indian GAAP	12.55	183.48	133.95	(137.96)	192.02
Ind AS Adjustments:					
Add					
Impact on Revenue on unwinding deferred payment liability for Royalty	23.15	34.25	68.83	101.51	227.74
Deferred Tax - Expenses	(1.60)	(1.69)	(5.35)	(8.22)	(16.86)
Less:					
Impact on Cost on unwinding deferred payment liability	(18.52)	(29.36)	(53.35)	(77.77)	(179.00)
Profit or loss under Ind AS	**15.57**	**186.68**	**144.07**	**(122.44)**	**223.89**
Other comprehensive income					
Total comprehensive income under Ind AS	**15.57**	**186.68**	**144.07**	**(122.44)**	**223.89**

22 Employee benefits-Gratuity

22a Principal Actuarial Assumptions

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Discount rate	**7.20%**	7.80%
Retirement age	**60 yrs**	60 yrs
Salary escalation	**10.00%**	10.00%

22b Reconciliation of Benefit Obligation

Change in defined benefit obligations (DBO)	As at 31st March, 2017 ₹ in Lakhs	As at 31st March, 2016 ₹ in Lakhs
Present value of DBO at beginning of the year	**10.37**	8.63
Current service cost	**2.66**	2.27
Interest cost	**0.81**	0.67
Actuarial (gains)/losses	**(6.08)**	(1.20)
Benefits paid	**–**	–
Present value of DBO at the end of the year	**7.76**	10.37

22c Expenses recognised in the statement of profit and loss for the year ended 31st March 2017:

Components of employer expense	Year ended 31st March, 2017 ₹ in Lakhs	Year ended 31st March, 2016 ₹ in Lakhs
Current service cost	**2.66**	2.27
Interest cost	**0.81**	0.67
Actuarial losses/(gains)	**–**	(1.20)
Total expense recognised in the statement of profit and loss	**3.47**	1.74

NOTE NO. 23 – RELATED PARTY TRANSACTIONS

23a

Description of relationship	Names of related parties
Holding company of enterprise having joint control over the Company	Mahindra & Mahindra Limited
Enterprise having joint control over the Company	Mahindra Lifespaces Developers Limited
Enterprise having joint control over the Company	B.E. Billimoria & Co. Ltd

Note: Related parties have been identified by the Management.

Details of related party transactions and balances outstanding as at 31st March, 2017 :

₹ In Lakhs

23b Nature of transactions:	Enterprise having joint control over the Company (Mahindra Lifespace Developers Ltd)		Enterprise having joint control over the Company (B.E. Billimoria & Co Ltd)	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016	**Year Ended 31st March, 2017**	Year Ended 31st March, 2016
Transactions during FY 16-17				
Purchase of services	**–**	212.72	**1,646.95**	2,158.43
Inter corporate deposit taken	**–**	–	**–**	–
Interest on inter corporate deposit	**224.98**	225.44	**96.50**	96.70
Inter corporate deposit repaid	**–**	–	**–**	–
Outstandings as on Balance Sheet date		–		–
Payable Towards Mark Up	**582.90**	361.67	**–**	–
Payable Towards ICD Interest	**897.48**	492.10	**384.87**	211.00
Other advances recoverable		–	**(743.46)**	(395.10)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

					₹ In Lakhs
23b	**Nature of transactions:**	**Enterprise having joint control over the Company (Mahindra Lifespace Developers Ltd)**		**Enterprise having joint control over the Company (B.E. Billimoria & Co Ltd)**	
		Year Ended 31st March, 2017	Year Ended 31st March, 2016	**Year Ended 31st March, 2017**	Year Ended 31st March, 2016
	Mob Adv Recoverable		–	**(259.33)**	(706.81)
			–		–
	Payable Towards ICD	**1,764.56**	1,764.56	**756.86**	756.86
			–		–
	Less : Payment (Towards Purchase)	**–**	–		–
	Net Payable	**3,244.94**	3,042.46	**138.94**	(1,028.24)

NOTE NO. 24 – The Company operates in one segment namely Project and development activity.

NOTE NO. 25 – Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

The accompanying notes 1 to 25 are an integral part of the Financial Statements

The Financial Statement for the financial year ended on 31st March, 2017 have been finalised by the management and are subject to (i) approval of the Board of Directors and (ii) statutory audit.

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. General Information

Mahindra Bebanco Developers Limited is a limited company incorporated in India. It is a joint venture company between Mahindra Lifespace Developers Ltd. and B. E. Billimoria & Co Ltd.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The principal activity of the Company is development of residential complexes in MIHAN Nagpur.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended 31st March 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.4.1 Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under trade receivables.

Owing to the amounts outstanding from the Contractor as well as its refusal to pay and denial of the claims made by the Company, the Company was constrained to invoke the Bank Guarantees given by the Contractor aggregating ₹ 14,10,46,948 in Q4 FY17. Out of the aforesaid amount, ₹ 2,26,60,528 pertaining to Mobilisation bank guarantee and ₹ 2,51,37,108 pertaining to Retention bank guarantee and ₹ 9,32,49,312 pertaining to performance bank guarantee all were adjusted against the advances given to the Contractor.

Further, in accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the Institute of Chartered Accountants of India, revenues will be recognized from these real estate projects only when

i. All critical approvals necessary for commencement of the project have been obtained and
ii. the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost) and
iii. when at least 10% of the sales consideration is realised and
iv. where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

2.4.2 Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is measured based on the proportion of costs incurred for rendering of the service to date relative to the estimated total costs, except where this would not be representative of the stage of completion

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.4.3 Sale of goods

Revenue from the sale of goods (i.e. residential units sold and entire consideration after the receipt of completion certificate or similar document from the concerned local authority) is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.12.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the asset is held within a business model whose objective
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.12.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.12.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.12.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

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Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.12.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument 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.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.12.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.12.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

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- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.13 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.13.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.13.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.13.2.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.13.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.13.2.3 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting

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periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.13.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.13.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.13.2.6 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.13.2.7 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.14 1.28 First-time adoption – mandatory exceptions, optional exemptions, and

2.14.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

2.14.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2015 (the transition date).

2.14.3 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

2.14.4 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

2.14.5 Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

2.14.6 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.