

A. T. JAIN & CO.

CHARTERED ACCOUNTANTS

AUDITED ANNUAL REPORT

FINANCIAL YEAR 2015-2016

WALKWATER PROPERTIES PRIVATE LIMITED



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WALKWATER PROPERTIES PRIVATE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Walkwater Properties Private Limited (the Company), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 3(2) of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

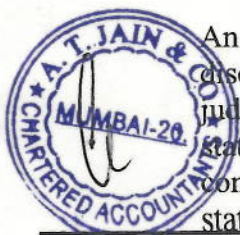
AUDITORS' RESPONSIBILITY

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

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

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

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





appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards specified under section 133 of the Act, read with rule 3(2) of the Companies (Indian Accounting Standards) Rules, 2015.
 - e. On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.





f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- i. the Company does not have pending litigations which would impact its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For A.T. Jain & Co.
Chartered Accountants
(Firm Registration No. 103886W)

Sushil T Jain
Partner
Membership No.: 33809
Place: Mumbai
Date: 24th May, 2016

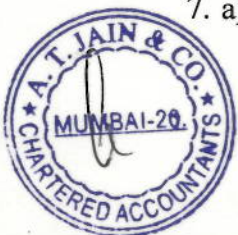




Annexure A to the Independent Auditor's Report of even date on the Financial Statements of WALKWATER PROPERTIES PRIVATE LIMITED

We report that

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As per the information and explanations given to us, Fixed Assets were physically verified during the year by the management as per its programme. The frequency of verification is reasonable and no material discrepancies have been noticed on such verification.
 - c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the company does not own any immovable properties as fixed assets and hence paragraph 3(i)(c) of the order is not applicable.
2. As explained to us, the inventory has been physically verified during the year by the management. The frequency of verification is reasonable in our opinion. No material discrepancy was noticed on physical verification by the management.
3. As per the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of paragraph 3(iii) of the order are not applicable to the company.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to security given.
5. As per the information's and explanations given to us the company has not accepted any deposits from the public during the year. Therefore the provisions of paragraph 3(v) of the Order are not applicable to the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.





As explained to us, the Company did not have any dues on account of employees' state insurance. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.
8. According to the information and explanation given to us and based on the documents and records examined by us, the company has not taken any loans or borrowings from banks, financial institutions or government nor raised money through debentures. Therefore the provisions of paragraph 3(viii) of the Order are not applicable to the Company.
9. In our opinion and on the basis of information and explanations given to us, the company has not raised money by way of initial public offer or by way of term loans. Therefore the provisions of paragraph 3(ix) of the Order are not applicable to the Company.
10. According to the information and explanations given to us, no fraud on or by the company was noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not paid/provided for any managerial remuneration. Therefore the provisions of paragraph 3(xi) of the Order are not applicable to the Company.
12. In our opinion and according to the explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.





15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A.T. Jain & Co.
Chartered Accountants
Firm Registration Nos. 103886W

A handwritten signature in blue ink, appearing to read 'Sushil T Jain'.



Sushil T Jain
(Partner)
Membership No. 33809
Place: Mumbai
Date: 24th May, 2016



Annexure B to the Independent Auditor's Report of even date on the Financial Statements of WALKWATER PROPERTIES PRIVATE LIMITED

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

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

Management's Responsibility for Internal Financial Controls

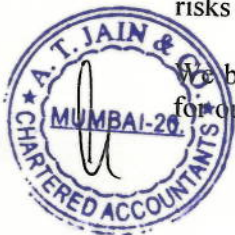
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

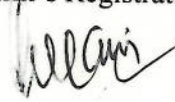
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For A.T. Jain & Co.
Chartered Accountants
(Firm's Registration No.103886W)


Sushil T Jain
Partner
Membership no. 33809
Place: Mumbai
Date: 24th May, 2016



WALKWATER PROPERTIES PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH , 2016

(Amount in Rs.)

PARTICULARS	Note	As at	
		31st March , 2016	31st March , 2015
I] EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	1	215,663,210	4,150,000
b) Reserves and Surplus	2	827,893,604	(13,975,944)
		1,043,556,814	(9,825,944)
2) Current Liabilities			
a) Short Term Borrowings	3	5,400,000	5,400,000
b) Other Current Liabilities	4	66,507,976	64,098,316
		71,907,976	69,498,316
TOTAL		1,115,464,790	59,672,372
II] ASSETS			
1) Non Current Assets			
a) Fixed Assets			
i) Tangible Assets	5	4,631,139	3,699,858
		4,631,139	3,699,858
2) Current Assets			
a) Inventories	6	1,109,680,244	46,721,080
b) Current Investment	7	-	5,700,000
c) Cash and Bank Balances	8	396,804	275,462
d) Short Term Loans And Advances	9	756,605	3,275,973
		1,110,833,653	55,972,515
TOTAL		1,115,464,790	59,672,372

The Significant Accounting Policies and Notes referred to above form an integral part of Financial Statements.

As per our report of even date

For A.T Jain & Co.

Firm Registration No.:103886W

Chartered Accountants



S.T Jain

Partner

Membership No. : 33809

Place : Mumbai

Date: 24th May 2016



For and on behalf of the Board of Directors of
Walkwater Properties Private Limited



Director



Director

Place : Mumbai

Date: 24th May 2016



WALKWATER PROPERTIES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

(Amount in Rs.)

PARTICULARS	Note	2015-16	2014-15
REVENUE			
Other Income	10	2,157,980	37,800
Total Revenue		2,157,980	37,800
EXPENSES			
Operating and Other Expenses	11	6,210,234	976,000
Total Expenses		6,210,234	976,000
Earning before interest, tax, depreciation and amortization (EBITDA)		(4,052,254)	(938,200)
Less:			
Depreciation and Amortisation Expense	5	2,016,537	2,229,433
Interest & Finance costs	12	33,495	224
Profit / (Loss) before exception and extraordinary item		(6,102,286)	(3,167,857)
Add: Prior Period Item		1,918,994	-
Profit / (Loss) Before Tax		(4,183,292)	(3,167,857)
Current Tax		-	-
Deferred Tax		-	-
MAT Credit Entitlement		-	-
Profit / (Loss) After Tax for the year		(4,183,292)	(3,167,857)
Earnings per equity share			
Nominal value per equity share : Rs.10/-			
Basic		(2.48)	(14.13)
Diluted		(2.48)	(14.13)

The Significant Accounting Policies and Notes referred to above form an integral part of Financial Statements.

As per our report of even date

For A.T Jain & Co.

Firm Registration No.:103886W

Chartered Accountants



S.T Jain

Partner

Membership No. : 33809



For and on behalf of the Board of Directors of
Walkwater Properties Private Limited



Director



Director

Place : Mumbai

Date: 24th May 2016

Place : Mumbai

Date: 24th May 2016



WALKWATER PROPERTIES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

Particulars	2015-16	2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) profit before tax and extraordinary items [A]	(4,183,292)	(3,167,857)
Adjustment for:		
Depreciation	2,016,537	2,229,433
Sundry Balances written off	-	393,248
Prior Period Item	(1,918,994)	
Gain on Redemption of Mutual Fund	(357,980)	-
Total Adjustment [B]	(260,437)	2,622,681
Operating profit before working capital changes [C=A+B]	(4,443,729)	(545,176)
Adjustment for changes in working capital :		
(Increase) / Decrease in Other Receivables	2,699,368	(45,219,076)
Increase / (Decrease) in Trade and Other Payables	2,409,660	39,942,194
(Increase) / Decrease in Inventories	(5,393,114)	-
Total [D]	(284,086)	(5,276,882)
Cash generated from operations [E=C+D]	(4,727,815)	(5,822,058)
Taxes (Paid) / Received (Net of TDS) [F]	(180,000)	-
Net cash from operating activities before extraordinary expenditure [G=E+F]	(4,907,815)	(5,822,058)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Repayment of advance by related party	-	11,570,670
Purchase of Fixed Assets	(1,028,823)	-
Investment in Mutual Fund	-	(5,700,000)
Proceeds from Sale of Mutual Fund	6,057,980	-
Net cash used in Investing activities [H]	5,029,157	5,870,670
C. CASH FLOW FROM FINANCING ACTIVITIES		
Secured loan from Bank	-	-
Net cash used in financing activities [I]	-	-
Net Increase / (Decrease) in Cash & Cash equivalents [J=G+H+I]	121,342	48,612
Cash and cash equivalents - Opening	275,462	226,850
Cash and cash equivalents - Closing	396,804	275,462
Cash and cash equivalents comprise :		
Cash in hand	8,391	9,387
Balance with banks	388,413	266,075
Total cash and cash equivalents	396,804	275,462

As per our Review Report of even date
For A.T Jain & Co.

Firm Registration No.:103886W
Chartered Accountants



S.T Jain
Partner
Membership No. : 33809

Place : Mumbai
Date: 24th May 2016



For and on behalf of the Board of Directors of
Walkwater Properties Private Limited


Director


Director


Place : Mumbai
Date: 24th May 2016

WALKWATER PROPERTIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2016

Note No. 2 : Reserves And Surplus

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Securities Premium Account		
Opening Balance	-	-
Add: Premium on issue of shares during the year	846,052,840	
	846,052,840	-
Surplus / (Deficit) in Statement of Profit and Loss		
As per last Balance Sheet	(13,975,944)	(9,515,950)
Add/ (Less) Adjustment on account of depreciation	-	(1,292,137)
Add: Profit / (Loss) for the year	(4,183,292)	(3,167,857)
	(18,159,236)	(13,975,944)
Total reserves and surplus	827,893,604	(13,975,944)

Note No. 3 : Short Term Borrowings

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured		
Security Deposit from related party	5,400,000	5,400,000
Total	5,400,000	5,400,000

Note No. 4 : Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Advance received from		
- Related party	21,848,040	1,381,860
Other payables		
- Liability for expenses	3,408,449	1,197,819
- From other (Advance for project)	11,500,000	11,500,000
Deposit for project net Advance	19,146,464	50,000,000
Statutory dues	10,605,023	18,637
Total	66,507,976	64,098,316

Note No. 6 : Inventories

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Construction work in progress		
Opening work in progress - (a)	46,721,080	-
Add: Cost incurred during the year		
Land Cost	1,057,566,026	-
Stamp Duty expense	-	42,334,000
Municipal charges and taxes	3,814,750	-
Legal and Professional Fees	1,578,388	4,387,080
Cost incurred during the year- (b)	1,062,959,164	46,721,080
Total Cost of Construction at the year end - (a+b)	1,109,680,244	46,721,080
Less: Cost Transfer to the statement of profit and loss	-	-
Closing work in progress	1,109,680,244	46,721,080



WALKWATER PROPERTIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2016

Note No. 5 : Fixed Assets

Particulars of Assets	Gross Block					Accumulated Depreciation				Net Block	
	As at 1.4.2015	Additions	Deletions	As at 31.03.2015	As at 1.4.2015	For the year	Prior Period item / adjustment	Deletion/ Write Off	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets											
Office Equipments	3,933,901	235,619	-	4,169,520	3,737,207	211,037	-	-	3,948,244	221,276	196,694
Leasehold improvement Furniture and Fixtures	17,917,226	793,204	-	18,710,430	14,414,062	1,805,500	(1,918,995)	-	14,300,567	4,409,863	3,503,164
Total	21,851,127	1,028,823	-	22,879,950	18,151,269	2,016,537	(1,918,995)	-	18,248,811	4,631,139	3,699,858
Previous year	23,397,774	-	1,546,648	21,851,127	15,783,099	2,229,433	1,292,137	1,153,400	18,151,269	3,699,858	7,614,675



WALKWATER PROPERTIES PRIVATE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2016****Note No. 7 : Current Investment**

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unquoted, Non-trade Investment in Mutual Fund		
Baroda Pioneer Liquid Fund Units	-	5,700,000
Total	-	5,700,000

Note No. 8 : Cash and Bank Balances

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash Equivalents		
Balances with Bank	388,413	266,075
Cash on Hand	8,391	9,387
Total	396,804	275,462

Note No. 9 : Short Term Loans And Advances

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(Unsecured, Considered Good)		
MAT Credit Entitlement	289,213	289,213
Prepaid Expenses	76,413	2,986,760
TDS 2015-2016	180,000	-
Service Tax Receivable	210,979	-
Total	756,605	3,275,973

Note No. 10 : Other Income

(Amount in Rs.)

Particulars	2015-16	2014-15
Gain on Redemption of Mutual Fund	357,980	-
Rent Income	1,800,000	-
Interest on Income Tax Refund	-	37,800
Total	2,157,980	37,800

Note No. 11 : Other Expenses

(Amount in Rs.)

Particulars	2015-16	2014-15
Payment to Auditor	50,250	56,180
Legal Expenses	5,312	40,474
Rates & Taxes	2,500	236,260
Repairs and Maintenance	778,271	14,193
Other Expenses	-	11,187
Director Sitting Fees	100,375	140,450
Loss of fixed assets due to fire	-	393,248
Professional Fees	39,025	28,090
Insurance	170,772	55,918
ROC Filing Fees	2,663,200	-
Shares Allotment Expenses	1,057,567	-
Secondment Charges	1,342,962	-
Total	6,210,234	976,000

Note No. 12 : Finance Cost

(Amount in Rs.)

Particulars	2015-16	2014-15
Interest Expenses	33,495	-
Bank Charges	-	224
Total	33,495	224



WALKWATER PROPERTIES PRIVATE LIMITED

NOTE NO. 13

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 31ST MARCH, 2016

General note on Business

Walkwater Properties Private Limited (the Company)is engaged in the business of developing real estate and leasing of properties.

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements:

The Company follows Mercantile System of Accounting. The financial statements have been prepared and presented under the historical cost convention and in accordance with the accounting standards specified under section 133 of the Companies Act, 2013 read with rule 3(2) of the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

2. Use of Estimates

The Presentation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting year. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. Fixed Assets & Depreciation

Fixed Assets are stated at cost of acquisition, net of recoverable taxes including any cost attributable for bringing the asset to its working condition for its intended use and include amount added on revaluation, less accumulated depreciation and impairment losses, if any.

Leasehold improvements include tables, cabin doors, tiles, carpets, lights & electrical fittings, fire equipments and other assets of immovable nature. These assets are depreciated on the straight line basis over the tenure of the agreement.

During the year the Company has changed its accounting policy from Written Down Value Method to Straight Line Method to be in consonance with Holding Company Depreciation accounting Policy, further management believes that such change will result into more appropriate presentation of financial statements.

Had the Company continued to use the earlier method of depreciation on Fixed Assets as on 31st March,2016, the profit after tax for the current year would have been higher by Rs.196,694/- and the written down value of fixed assets would be higher by Rs.196,694/-

Useful life of the assets is tabulated below.

Sr.No.	Nature of Asset	Estimated Useful Life
1.	Office equipment's	5 years

4. Revenue Recognition

Revenue from operations is recognised on accrual basis.

5. Inventories

Inventories consist of Land and Properties under constructions, which are valued as under:

Land, other than area transferred to constructed properties, represent land acquired for future development and construction, and is stated at cost including the cost of land, the related cost of acquisition and other cost incurred to get the land ready for their intended use.



6. Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any such indication exists, then recoverable amount of the asset is estimated. An impairment loss, if any, is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

The impairment loss recognised in prior accounting period is reversed, if there has been a change in the estimate of recoverable amount.

7. Investments

Current Investments are stated at lower of Cost and Fair Value. Long Term Investments are stated at Cost. Provision for diminution in value of such investments is made only if such a decline is other than temporary.

8. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

9. Earnings per share

The basic earnings per share is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

10. Leased Assets

Operating Lease:

Assets given on Operating Lease are included in fixed assets. Lease Income is recognised in the Statement of Profit and Loss on straight line basis over the term of the lease.

11. Taxes on Income

Current Tax:

Provision for current Income Tax is made on the estimated taxable income using the applicable tax rates and tax laws.

Deferred Tax:

Deferred Tax arising on the timing differences and which are capable of reversal in one or more subsequent year is recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax asset is not recognized unless there is a virtual certainty as regards to the reversal of the same in future years.

12. Provisions and Contingencies:-

A provision is recognized when the company has a present obligation as a result of a past event, and is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economics benefits is remote.



WALKWATER PROPERTIES PRIVATE LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH, 2016****NOTE NO. 14: OTHER NOTES TO FINANCIAL STATEMENTS**

1. Capital Commitment not provided for - Rs.273,714,358 /- (P.Y. Rs.1,331,280,384/-)
2. Prior period item amounting to Rs.1,918,994/- represent excess depreciation erroneously charged on lease hold Improvements in earlier years.
3. **Auditors' Remuneration:**

Particulars	For the Year ended 31 st March, 2016	For the Year ended 31 st March, 2015
Statutory Audit Fees	50,250	56,180
Total	50,250	56,180

4. Earnings and Expenditure in foreign currency: Rs. Nil. (P.Y. Rs. Nil).
5. **Related Party Disclosure:**

Related party disclosures as required by Accounting Standard 18, "Related party Disclosures" are given below:

- i. Relationship (During the year):

		Name of the party	Relation
1	a.	Adlabs Entertainment Limited	Holding Company
2.		Key Management personnel	
	a.	Mr. Manmohan Shetty	Chairman of the Holding Company
	b.	Mr. Kapil Bagla	Whole-time Director (Appointed on 11/09/2014)
	c.	Ms. Anjali Seth	Director (Appointed on 11/09/2014) and an Independent Director in the Holding Company
	d.	Mr. Prashant Purker	Additional Director (Appointed on 31/10/2014)

- ii. The following transactions (excluding reimbursements) were carried out with the related parties in the ordinary course of business:

Sr. No.	Particulars	Type of Relationship	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
			Amount (Rs.)	Amount (Rs.)
	Transactions			
1	Share Capital Issued	1.a	1,057,566,026	4,050,000
2	Transfer of Project Work	1.a	-	4,050,000
3	Purchase of Land	1.a	1,057,566,026	-
4	Rent Amount Received*	1.a	2,061,000	-



5	Amount Received in advance	1.a	-	270,446
6	Loan Taken	1.a	4,000,000	-
7	Loan Repaid	1.a	4,000,000	-
8	Interest paid on Loan	1.a	31,219	-
9	Assignment of Advances	1.a	30,853,536	-
10	Secondment Charges*	1.a	1,537,691	-
11	Loan Taken	2.a.	-	15,487,580
12	Loan Repaid	2.a	-	3,916,910
13	Director's Sitting Fees	2.c.	113,965	100,000
14	Director's Sitting Fees	2.d.	-	25,000
	Balances Outstanding			
15	Other Payable	1.a	21,848,040	1,381,860
16	Deposit	1.a.	5,400,000	5,400,000

*Amounts are inclusive of Service Tax

6. Earnings Per Share (EPS):

Particulars		2015-16	2014-15
Profit / (Loss) after tax	Rs.	(4,183,292)	(3,167,856)
Number of shares issued during the year	Nos.	21,151,321	405,000
Number of shares at the end of the year	Nos.	215,66,321	415,000
Weighted Average Number of Shares	Nos.	1,686,390	224,151
Nominal value of Share	Rs.	10	10
Basic Earnings per Share	Rs.	(2.48)	(14.13)
Diluted Earnings per Share	Rs.	(2.48)	(14.13)

7. Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises (MSME). The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year-end together with interest paid/payable under this Act has not been stated.
8. The Company did not have any employees during the year. Therefore, the provisions of AS-15 are not applicable to the Company.
9. The Company is operating in only one primary business segment of developing real estate and leasing of properties. As such, there are no separate reportable or identifiable business segments as defined by Accounting Standard – 17 "Segment Reporting."
10. In the opinion of the Board of Directors, current assets, loans and advances are of values realisable in the ordinary course of business.
11. The Company has executed an agreement to sale on 7th November, 2014 to acquire 32.58 acres of land for a total consideration of Rs. 273,714,358/- from its Holding Company M/s Adlabs Entertainment Limited, subject to receipt of approval from the Directorate of Industries / Government of Maharashtra ("DIC") and a no objection (NOCs) from the lenders of M/s Adlabs Entertainment Limited.
12. During the year, the Company has acquired Mortgaged Land (Reflected under the head Inventories) from Holding Company for a total consideration of Rs 1,057,566,026/-, the Company has issued 21,151,321 shares at a premium of Rs 40/- per share as Consideration for the Acquisition of Land

Land is mortgaged against the Term Loan facilities availed by the Holding Company.



- 13. Previous year's figures have been regrouped, rearranged and reclassified wherever considered necessary.
- 14. Figures are rounded off to nearest rupee.

As per our report of even date

For A.T.Jain & Co.
Chartered Accountants
Firm Registration No.103886W



S.T. Jain
Partner
Membership No. 33809



Place: Mumbai
Date: 24th May, 2016

**For and on behalf of the board of
Walkwater Properties Private Limited**



Director



Director



Place: Mumbai
Date: 24th May, 2016