

## **Independent Auditor's Report**

### **To the Members of Incline Realty Private Limited**

#### **Report on the Standalone Financial Statements**

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

#### **Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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

#### **Opinion**

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 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"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26. A to the financial statements;
    - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. there were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

### ***FOR P. RAJ & CO.***

**Chartered Accountants**

Firm Registration No. 108310W

**P. S. Shah**

Partner

Membership No. 44611

Mumbai, April 29, 2016

## **Annexure - A to the Auditors' Report**

The Annexure referred to in paragraph 1 under the heading Report on Other Legal and Regulatory Requirements of Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets have been physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on verification were not material and have been properly dealt with in the books of account.
- (c) The Company does not have immovable properties and accordingly clause 3(i)(c) of the order is not applicable to the Company.
- (ii) The inventories have been physically verified during the year by management. In our opinion, the frequency of verification is reasonable. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and the book records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account
- (iii) The Company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly paragraph 3(iii) of the order is not applicable to the company.
- (iv) The Company has not entered into any transactions to which provisions of Section 185 and 186 of Companies Act 2013 apply. Accordingly, paragraph 3(iv) of the order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed for the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues during the year with the appropriate authorities. . As on March 31, 2016, there are no such undisputed dues payable for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no material dues of provident fund, employees state insurance, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income tax and Property tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs.)	Financial Year to which the amount relates	Forum where dispute is pending
Income Tax	Income Tax and Interest	57,880	2015-16	Commissioner of Income Tax (Appeals), Mumbai
Income Tax	Income Tax and Interest	17,09,880	2014-15	Commissioner of Income Tax (Appeals), Mumbai
Municipal Taxes	Property Tax	9,76,696	2014-15	The Assistant Assessor and Collector, Assessment Department, M.C.G.M

- (viii) According to information and explanation given to us, company has not defaulted in repayment of dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid or provided for managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give 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 under review.
- (xv) 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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**FOR P. RAJ & CO.**  
**Chartered Accountants**  
Firm Registration No. 108310W

**P. S. Shah**  
Partner  
Membership No. 044611  
Mumbai, April 29, 2016

## **Annexure - B to the Auditors' Report**

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

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

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 P. RAJ & CO.***

**Chartered Accountants**

Firm Registration No. 108310W

**P. S. Shah**

Partner

Membership No.44611

Mumbai, April 29, 2016

# Incline Realty Private Limited

(in Rupees)

Balance Sheet as at March 31,	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	5,00,00,000	5,00,00,000
Reserves and surplus	3	(2,36,96,787)	(17,62,633)
		<b>2,63,03,213</b>	<b>4,82,37,367</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	3,50,00,00,000	6,00,00,00,000
Deferred tax liabilities	5	-	98,902
Trade payables	6	21,90,405	24,603
Long-term provisions	7	2,12,154	-
		<b>3,50,24,02,559</b>	<b>6,00,01,23,505</b>
<b>Current liabilities</b>			
Short-term borrowings	8	10,02,26,62,825	7,50,78,96,645
Trade payables	6	3,58,15,809	25,80,512
Other current liabilities	9	4,90,26,07,313	82,92,55,748
Short-term provisions	7	25,269	-
		<b>14,96,11,11,216</b>	<b>8,33,97,32,905</b>
<b>Total</b>		<b>18,48,98,16,988</b>	<b>14,38,80,93,777</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	59,90,613	11,54,560
Capital work in progress		-	13,77,753
Deferred tax assets	5	97,66,087	-
Long-term loans and advances	11	47,59,181	6,22,855
		<b>2,05,15,881</b>	<b>31,55,167</b>
<b>Current assets</b>			
Current investment	12	9,89,00,000	-
Inventories	13	17,68,41,06,350	13,74,49,35,265
Trade receivables	14	27,80,68,068	-
Cash and bank balances	15	2,66,06,312	63,27,20,281
Short-term loans and advances	11	38,16,20,377	70,32,034
Other current assets	16	-	2,51,029
		<b>18,46,93,01,107</b>	<b>14,38,49,38,609</b>
<b>Total</b>		<b>18,48,98,16,988</b>	<b>14,38,80,93,777</b>

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

**For P. RAJ & CO.**

**Chartered Accountants**

Firm Registration No. 108310W

**P. S. Shah**

Partner

Membership No. 44611

Mumbai, April 29, 2016

**Vikas Oberoi**

Director

**T. P. Ostwal**

Director

**Saumil Daru**

Chief Financial Officer

**Bhaskar Kshirsagar**

Company Secretary

## Incline Realty Private Limited

		(in Rupees)	
Statement of Profit and Loss for the year ended March 31,	Note	2016	2015
<b>INCOME</b>			
Other income	17	2,35,64,410	1,59,82,487
<b>Total revenue</b>	<b>(A)</b>	<b>2,35,64,410</b>	<b>1,59,82,487</b>
<b>EXPENSES</b>			
Operating costs	18	4,14,248	-
Employee benefits expense	19	1,27,30,711	7,96,117
Other expenses	20	4,09,13,893	11,91,661
<b>Total expenses</b>	<b>(B)</b>	<b>5,40,58,852</b>	<b>19,87,777</b>
<b>Profit / (loss) before interest, depreciation and taxes (EBITDA)</b>	<b>(A-B)</b>	<b>(3,04,94,442)</b>	<b>1,39,94,710</b>
Depreciation	21	13,04,700	19,688
Interest and finance charges	22	-	1,56,06,164
<b>Profit / (loss) before tax</b>		<b>(3,17,99,143)</b>	<b>(16,31,143)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax assets		(98,64,989)	98,902
<b>Profit / (loss) after tax</b>		<b>(2,19,34,153)</b>	<b>(17,30,045)</b>
<b>Earnings per equity share (face value of Rs.10)</b>	<b>23</b>		
- Basic		(4.39)	(0.37)
- Diluted		(4.39)	(0.37)

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

**For P. RAJ & CO.**

**Chartered Accountants**

Firm Registration No. 108310W

**Vikas Oberoi**

Director

**T. P. Ostwal**

Director

**P. S. Shah**

Partner

Membership No. 44611

Mumbai, April 29, 2016

**Saumil Daru Bhaskar Kshirsagar**

Chief Financial Officer      Company Secretary



# Incline Realty Private Limited

(in Rupees)

Cash Flow Statement for the year ended March 31,	2016	2015
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Loss before tax as per statement of profit and loss	(3,17,99,143)	(16,31,143)
<b>Adjustments for</b>		
Depreciation	13,04,700	19,688
Interest income	(27,49,631)	(2,51,029)
Interest expenses	53,39,20,631	74,95,23,945
Dividend income	-	(4,54,581)
Loss / (profit) on sale of investments (net)	(2,08,14,779)	(1,52,76,877)
<b>Operating cash profit before working capital changes</b>	<b>47,98,61,779</b>	<b>73,19,30,003</b>
<b>Movement for working capital</b>		
Increase / (decrease) in trade payables	3,54,01,099	26,05,115
Increase / (decrease) in other liabilities	4,72,75,19,895	57,51,000
(Increase) / decrease in loans and advances	(33,70,24,915)	(76,54,888)
(Increase) / decrease in trade receivables	(27,80,68,068)	-
Increase / (decrease) in provisions	2,37,423	-
(Increase) / decrease in inventory	(3,93,91,71,084)	(13,74,49,35,265)
<b>Cash generated / (used) from operations</b>	<b>68,87,56,128</b>	<b>(13,01,23,04,035)</b>
Direct taxes (paid) / refund	(4,16,99,755)	-
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(A) 64,70,56,373</b>	<b>(13,01,23,04,035)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
(Acquisition) / sale of fixed assets / addition to capital work in progress (net)	(47,63,000)	(25,52,001)
Interest received	30,00,660	-
(Acquisition) / sale of investments (net)	2,08,14,779	1,52,76,877
(Increase) / decrease in other assets	63,19,00,000	(63,19,00,000)
Dividend received	-	4,54,581
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(B) 65,09,52,439</b>	<b>(61,87,20,543)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Issue of equity shares	-	4,99,00,000
Proceeds from issue of debentures	-	7,50,00,00,000
Prepayment of debentures	(2,50,00,00,000)	(99,00,00,000)
Repayment of debentures	(51,00,00,000)	-
Proceeds from borrowings	6,59,35,86,930	8,01,73,06,645
Repayment of borrowings	(4,07,88,20,750)	(50,94,10,000)
Interest paid	(67,80,88,961)	(43,60,27,315)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(C) (1,17,33,22,781)</b>	<b>13,63,17,69,330</b>

# Incline Realty Private Limited

(in Rupees)

Cash Flow Statement for the year ended March 31,		2016	2015
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	12,46,86,031	7,44,752
Add: Cash and cash equivalents at the beginning of the year		8,20,281	75,529
<b>Cash and cash equivalents at the end of the year</b>		<b>12,55,06,312</b>	<b>8,20,281</b>

## Components of cash and cash equivalents as at March 31,

		(in Rupees)	
		2016	2015
Cash on hand		20,000	5,000
Balance with banks in current accounts		2,65,86,312	8,15,281
<b>Cash and cash equivalents</b>		<b>2,66,06,312</b>	<b>8,20,281</b>
Add: Short term liquid investments		9,89,00,000	-
<b>Cash and cash equivalents at the end of the year</b>		<b>12,55,06,312</b>	<b>8,20,281</b>

## Reconciliation statement of cash and bank balances as at March 31,

		2016	2015
Cash and cash equivalents at the end of the year as per above		12,55,06,312	8,20,281
Add: Fixed deposits with banks (lien marked)		-	63,19,00,000
Less: Short term liquid investments (lien marked)		(9,89,00,000)	-
<b>Cash and bank balance as per balance sheet (as per note 15)</b>		<b>2,66,06,312</b>	<b>63,27,20,281</b>

Significant accounting policies (refer note 1)

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For P. RAJ & CO.**

**Chartered Accountants**

Firm Registration No. 108310W

**P. S. Shah**

Partner

Membership No. 44611

Mumbai, April 29, 2016

For and on behalf of the Board of Directors

**Vikas Oberoi**

Director

**T. P. Ostwal**

Director

**Saumil Daru**

Chief Financial Officer

**Bhaskar Kshirsagar**

Company Secretary

# **Incline Realty Private Limited**

## **Notes forming part of financial statements for the year ended March 31, 2016**

### **NATURE OF OPERATIONS**

Incline Realty Private Limited (the 'Company' or 'IRPL'), is engaged primarily in the business of real estate development.

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Basis of preparation**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards notified by Companies (Accounts) Rules, 2014, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted in India. The accounting policy has been consistently applied by the Company.

##### **B. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events, plans and actions, actual results could differ from these estimates. Any revision to accounting estimates and assumptions are recognised prospectively.

##### **C. Tangible assets, intangible assets and capital work in progress**

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other related incidental expenses. Revenues earned, if any during trial run of assets is adjusted against cost of the assets.

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use.

Capital work in progress is stated at cost less impairment losses, if any. Cost comprises of expenditures incurred in respect of capital projects under development and includes any attributable / allocable cost and other incidental expenses. Revenues earned, if any, before capitalisation from such capital project are adjusted against the capital work in progress.

Borrowing costs relating to acquisition / construction / development of tangible assets, intangible assets and capital work in progress which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

##### **D. Depreciation and amortisation**

###### **i) Tangible assets**

- (a) Depreciation is provided from the date the assets are ready to be put to use, on straight line method as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for the following class of assets where the management has estimated useful life which differs from the useful life prescribed under the Act.

# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31, 2016

Mobile handsets	3 years
Lessee specific assets and improvements	Over lease period or useful life as prescribed in Schedule II, whichever is lower

For these classes of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation method, useful life and residual value are reviewed periodically.

- (b) Assets individually costing less than or equal to Rs. 5,000 are fully depreciated in the year of purchase except under special circumstances.

ii) **Intangible assets**

Intangible assets are amortised using straight line method over the estimated useful life, not exceeding 5 years. Amortisation method, useful life and residual value are reviewed periodically.

- iii) Leasehold land and improvements are amortised on the basis of duration and other terms of lease.

E. **Impairment of tangible assets / intangible assets**

The carrying amount of tangible assets / intangible assets is reviewed periodically for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

F. **Investments**

Investments are classified into long-term (non-current) and short-term (current) investments. Investments intended to be held for not more than a year are classified as short-term investments. All other investments are classified as long-term investments. Long term investments are stated at cost less permanent diminution in value, if any. Short-term investments are stated at the lower of cost or fair value.

G. **Valuation of inventories**

i) **Construction materials and consumables**

The construction materials and consumables are valued at lower of cost or net realisable value. The construction materials and consumables purchased for construction work issued to the construction work in progress are treated as consumed.

ii) **Construction work in progress**

The construction work in progress is valued at lower of cost or net realisable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses.

# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31, 2016

### iii) **Finished stock of completed projects (ready units)**

Finished stock of completed projects and stock in trade of units is valued at lower of cost or net realisable value.

## H. **Segment reporting**

The Company's reporting segments are identified based on activities, risk and reward structure, organisation structure and internal reporting systems. Segment revenue and expense include amounts which can be directly attributable to the segment and allocable on reasonable basis. Segment assets and liabilities are assets / liabilities which are directly attributable to the segment or can be allocated on a reasonable basis. Income / expenses / assets / liabilities relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated income / expenses / assets / liabilities.

## I. **Revenue recognition**

### i) **Revenue from real estate projects**

The Company follows the percentage of project completion method for its projects. The revenue recognition policy is as under:

The Company recognises revenue in proportion to the actual project cost incurred (including land cost) as against the total estimated project cost (including land cost), subject to achieving the threshold level of project cost (excluding land cost) as well as area sold, in line with the Guidance Note issued by ICAI and depending on the type of project.

Revenue is recognised net of indirect taxes and on execution of either an agreement or a letter of allotment.

The estimates relating to percentage of completion, costs to completion, area available for sale etc. being of a technical nature are reviewed and revised periodically by the management and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognised prospectively in the period in which such changes are determined.

Land cost includes the cost of land, land related development rights and premium.

### ii) **Other income**

Dividend income is recognised when the right to receive dividend is established.

Other incomes are accounted on accrual basis, except interest on delayed payment by debtors and liquidated damages which is accounted on acceptance of the Company's claim.

## J. **Foreign currency transactions**

Foreign currency transactions are recorded in the reporting currency (Indian Rupee) by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

All monetary items denominated in foreign currency are converted into Indian rupees at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss. Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31, 2016

### K. Leases

#### i) Where the Company is the lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

#### ii) Where the Company is the lessor

Assets representing lease arrangements given under operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

Initial direct costs are recognised immediately in the statement of profit and loss.

### L. Taxation

- i) Provision for income-tax is made under the liability method after availing exemptions and deductions at the rates applicable under the Income-tax Act, 1961.
- ii) Deferred tax resulting from timing difference between book and tax profits is accounted for using the tax rates and laws that have been enacted as on the balance sheet date.
- iii) Deferred tax assets arising on the temporary timing differences are recognised only if there is reasonable certainty of realisation.
- iv) Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will be able to utilise the MAT Credit Entitlement within the period specified under the Income-tax Act, 1961.

### M. Provisions and contingent liabilities

- i) A provision is recognised when
  - (a) The Company has a present obligation as a result of a past event;
  - (b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
  - (c) A reliable estimate can be made of the amount of the obligation.
- ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably may not, require an outflow of resources. A contingent liability also arises in extreme cases where there is a probable liability that cannot be recognised because it cannot be measured reliably.

# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31, 2016

- iii) Where there is a possible obligation or a present obligation such that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### N. **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition / construction of qualifying assets or for long-term project development are capitalised as part of their costs.

Borrowing costs are considered as part of the asset cost when the activities that are necessary to prepare the assets for their intended use are in progress.

Other borrowing costs are recognised as an expense, in the period in which they are incurred.

### O. **Employee benefits**

#### i) **Defined contribution plans**

Retirement benefits in the form of contribution to provident fund and pension fund are charged to the statement of profit and loss.

#### ii) **Defined benefit plans**

Gratuity is in the nature of a defined benefit plan.

Provision for gratuity is calculated on the basis of actuarial valuations carried out at balance sheet date and is charged to the statement of profit and loss. The actuarial valuation is performed using the projected unit credit method.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

#### iii) **Other employee benefits**

Leave encashment is recognised as an expense in the statement of profit and loss as and when they accrue. The Company determines the liability using the projected unit credit method, with actuarial valuations carried out as at balance sheet date. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

### P. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31,

### 2. SHARE CAPITAL

	(in Rupees)	
	2016	2015
<b>Authorised share capital</b>		
50,00,000 (50,00,000) equity shares of Rs. 10 (Rupees ten only) each	5,00,00,000	5,00,00,000
	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b>Issued, subscribed and paid up share capital</b>		
50,00,000 (50,00,000) equity shares of Rs. 10 (Rupees ten only) each fully paid up {Entire equity shares are held by Oberoi Realty Limited (holding company) alongwith its nominees }	5,00,00,000	5,00,00,000
	<b>5,00,00,000</b>	<b>5,00,00,000</b>

#### A. Reconciliation of shares outstanding at the beginning and at the end of the year

##### Equity shares

	2016		2015	
	in No.	in Rupees	in No.	in Rupees
At the beginning of the year	50,00,000	5,00,00,000	10,000	1,00,000
Add: Issue of fresh shares	-	-	49,90,000	4,99,00,000
<b>At the end of the year</b>	<b>50,00,000</b>	<b>5,00,00,000</b>	<b>50,00,000</b>	<b>5,00,00,000</b>

#### B. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder of equity share is entitled to one vote per share. The Company declares dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

### 3. RESERVES AND SURPLUS

	(in Rupees)	
	2016	2015
<b>Deficit in statement of profit and loss</b>		
Opening balance	(17,62,633)	(32,588)
Less: Loss during the year as per statement of profit and loss	(2,19,34,153)	(17,30,045)
	<b>(2,36,96,787)</b>	<b>(17,62,633)</b>



# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31,

### 4. LONG-TERM BORROWINGS

	(in Rupees)			
	Long term (non-current)		Short term (current)	
	2016	2015	2016	2015
<b>Unsecured</b>				
10.85% Redeemable Non-Convertible Debenture				
Nil (150) - Series I (Face value of Rs.Nil (Rs.34,00,000) each fully paid up), redeemable on April 21, 2015	-	-	-	51,00,00,000
Nil (250) - Series II (Face value of Rs.Nil (Rs.1,00,00,000) each fully paid up), redeemable on April 21, 2016	-	2,50,00,00,000	-	-
250 (250) - Series III (Face value of Rs.1,00,00,000 (Rs.1,00,00,000) each fully paid up), redeemable on April 21, 2017	2,50,00,00,000	2,50,00,00,000	-	-
100 (100) - Series IV (Face value of Rs.1,00,00,000 (Rs.1,00,00,000) each fully paid up), redeemable on August 21, 2017	1,00,00,00,000	1,00,00,00,000	-	-
	<u>3,50,00,00,000</u>	<u>6,00,00,00,000</u>	<u>-</u>	<u>51,00,00,000</u>

#### Terms of Non Convertible Debentures

1) The coupon rate is 10.85% p.a., payable semi- annually. The Company has an option to redeem the debentures prior to the scheduled redemption date mentioned above in one or more tranches out of the sale proceeds of the security offered, subject to payment of early redemption premium. The Company also has a call option on Series III and IV on April 21, 2016 and August 21, 2016 respectively, subject to payment of prepayment premium.

During the current year, the Company prepaid Series II debentures prior to its original date of redemption.

#### 2) Security

The Debentures are unsecured for the purposes of Section 71(3) of the Companies Act, 2013. However, they are secured by (i) mortgage of an immovable property of the Company, (ii) certain immovable properties of the holding company and the hypothecation and escrow of the receivables thereof and (iii) further secured by way of an irrevocable and unconditional corporate guarantee of the holding company. The security cover as required under the terms of the issue of the said Debentures is maintained.

# Incline Realty Private Limited

Notes forming part of financial statements for the year ended March 31,

## 5. DEFERRED TAX (ASSETS) / LIABILITIES

	(in Rupees)	
	2016	2015
<b>Deferred tax liabilities</b>		
On depreciation	1,30,128	98,902
<b>Deferred tax assets</b>		
On other expenses	70,280	-
On carried forward losses	98,25,935	-
<b>Deferred tax (assets) / liabilities (net)</b>	<b>(97,66,087)</b>	<b>98,902</b>

## 6. TRADE PAYABLES

	(in Rupees)			
	Non-current portion		Current portion	
	2016	2015	2016	2015
<b>Trade payables (refer note 27)</b>				
Total outstanding dues of micro enterprises and small enterprises	-	-	36,575	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,90,405	24,603	3,54,38,188	25,80,512
<b>Others</b>				
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	3,41,045	-
	<b>21,90,405</b>	<b>24,603</b>	<b>3,58,15,809</b>	<b>25,80,512</b>

## 7. PROVISIONS

	(in Rupees)			
	Long term (non-current)		Short term (current)	
	2016	2015	2016	2015
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 24)	-	-	9,981	-
Provision for leave salary (refer note 24)	2,12,154	-	15,288	-
	<b>2,12,154</b>	<b>-</b>	<b>25,269</b>	<b>-</b>

# Incline Realty Private Limited

Notes forming part of financial statements for the year ended March 31,

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## 8. SHORT-TERM BORROWINGS (UNSECURED)

	2016	(in Rupees) 2015
	<u>2016</u>	<u>2015</u>
Loans and advances from holding company (refer note 25)	10,02,26,62,825	7,50,78,96,645
	<u><b>10,02,26,62,825</b></u>	<u><b>7,50,78,96,645</b></u>

## 9. OTHER CURRENT LIABILITIES

	2016	(in Rupees) 2015
	<u>2016</u>	<u>2015</u>
Current portion of long-term borrowings (refer note 4)	-	51,00,00,000
Billing in excess of revenue	4,42,86,39,050	-
Advances from customers	60,08,969	-
Other payables		
Provision for expenses	45,10,85,172	31,91,14,066
Statutory dues	1,56,95,710	1,34,781
Others	11,78,413	6,901
	<u><b>4,90,26,07,313</b></u>	<u><b>82,92,55,748</b></u>

**FIXED ASSETS****Incline Realty Private Limited**

Notes forming part of financial statements for the year ended March 31,

**10. FIXED ASSETS****(in Rupees)**

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01-04-2015	Additions	Deductions	As at 31-03-2016	As at 01-04-2015	For the year	Deductions	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
<b>Tangible assets</b>										
Office equipments	55,618	1,26,651	-	1,82,269	1,189	53,859	-	55,047	1,27,222	54,429
Plant Machinery	-	35,63,357	-	35,63,357	-	1,28,535	-	1,28,535	34,34,822	-
Furniture & Fixtures	-	14,74,043	-	14,74,043	-	4,66,039	-	4,66,039	10,08,004	-
Computers	11,18,630	9,76,702	-	20,95,332	18,499	6,56,267	-	6,74,767	14,20,565	11,00,131
<b>Total tangible assets</b>	<b>11,74,248</b>	<b>61,40,753</b>	<b>-</b>	<b>73,15,001</b>	<b>19,688</b>	<b>13,04,700</b>	<b>-</b>	<b>13,24,388</b>	<b>59,90,613</b>	<b>11,54,560</b>
Previous year	-	11,74,248	-	11,74,248	-	19,688	-	19,688	11,54,560	-

# Incline Realty Private Limited

Notes forming part of financial statements for the year ended March 31,

## 11. LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)

	(in Rupees)			
	Long term (non-current)		Short term (current)	
	2016	2015	2016	2015
Advances to vendors	-	-	1,11,51,121	11,01,510
Deposits	47,50,779	5,72,900	-	25,000
Advances recoverable in cash or kind	-	-	32,85,09,646	58,55,432
	<b>47,50,779</b>	<b>5,72,900</b>	<b>33,96,60,767</b>	<b>69,81,942</b>
<b>Other loans and advances</b>				
Income tax (net of provisions)	-	-	4,16,99,755	-
Prepaid expenses	8,402	49,955	2,59,856	50,091
	8,402	49,955	4,19,59,611	50,091
	<b>47,59,181</b>	<b>6,22,855</b>	<b>38,16,20,377</b>	<b>70,32,034</b>

## 12. CURRENT INVESTMENTS

	(in Rupees)	
	2016	2015
<b>Current investments (valued at lower of cost or fair value, unless stated otherwise)</b>		
<b>Quoted, non-trade investments in units of mutual funds</b>		
4,41,336 (Nil) units of Rs.100 each of ICICI Prudential Liquid - Direct Plan - Growth Option (lien marked)	9,89,00,000	-
	<b>9,89,00,000</b>	<b>-</b>
<b>Aggregate amount of</b>		
Book value of quoted investments	9,89,00,000	-
Market value of quoted investments	9,89,85,972	-

## 13. INVENTORIES

	(in Rupees)	
	2016	2015
Works in progress	17,68,26,02,610	13,74,34,31,525
Finished goods	15,03,740	15,03,740
	<b>17,68,41,06,350</b>	<b>13,74,49,35,265</b>

# Incline Realty Private Limited

Notes forming part of financial statements for the year ended March 31,

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## 14. TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD)

	(in Rupees)	
	2016	2015
Outstanding for a period exceeding six month from the date of becoming due for payment	-	-
Other receivables	27,80,68,068	-
	<b>27,80,68,068</b>	<b>-</b>

## 15. CASH AND BANK BALANCES

	(in Rupees)	
	2016	2015
<b>Cash and cash equivalents</b>		
Cash on hand	20,000	5,000
Balance with bank in current accounts	2,65,86,312	8,15,281
	<b>2,66,06,312</b>	<b>8,20,281</b>
<b>Other Bank Balances</b>		
Fixed deposits with banks (lien marked)	-	63,19,00,000
	<b>-</b>	<b>63,19,00,000</b>
	<b>2,66,06,312</b>	<b>63,27,20,281</b>

## 16. OTHER ASSETS

	(in Rupees)	
	2016	2015
Interest accrued but not due	-	2,51,029
	<b>-</b>	<b>2,51,029</b>

# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31,

### 17. OTHER INCOME

	2016	2015
		(in Rupees)
Interest income on		
Bank fixed deposits	26,94,076	2,51,029
Others	55,555	-
Dividend income on investments	-	4,54,581
Profit on sale of investments (net)	2,08,14,779	1,52,76,877
	<b>2,35,64,410</b>	<b>1,59,82,487</b>

### 18. OPERATING COSTS

	2016	2015
		(in Rupees)
Opening balance of works in progress	13,74,34,31,525	-
Opening stock of finished goods	15,03,740	-
	<b>(A) 13,74,49,35,265</b>	<b>-</b>
<b>Add: expenses incurred during the year</b>		
Land, development right and transferrable development rights	2,54,84,15,135	12,89,53,03,371
Materials, structural, labour and contract cost	8,78,03,353	83,01,016
Purchase of unit	-	15,03,740
Rates and taxes	69,15,96,551	5,21,53,333
Professional charges	4,90,03,252	2,48,95,199
Other project cost	30,66,01,471	-
<b>Allocated expenses to projects</b>		
Other expenses	1,34,94,904	80,49,978
Employee benefits expense	54,56,268	52,344
Interest and finance charges	54,38,15,869	75,46,76,285
	<b>(B) 4,24,61,86,804</b>	<b>13,74,49,35,265</b>
<b>Less:</b>		
Closing balance of works in progress	17,68,26,02,610	13,74,34,31,525
Closing stock of finished goods	15,03,740	15,03,740
Transfer to current assets	30,66,01,471	-
	<b>(C) 17,99,07,07,821</b>	<b>13,74,49,35,265</b>
	<b>(A+B+C) 4,14,248</b>	<b>-</b>

# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31,

### 19. EMPLOYEE BENEFITS EXPENSE

	(in Rupees)	
	2016	2015
Employee costs	1,51,89,915	7,71,994
Contribution to provident fund, gratuity and others	14,23,863	19,156
Staff welfare expenses	15,73,201	57,311
	<b>1,81,86,979</b>	<b>8,48,461</b>
Less: allocated to projects	54,56,268	52,344
	<b>1,27,30,711</b>	<b>7,96,117</b>

### 20. OTHER EXPENSES

	(in Rupees)	
	2016	2015
Advertising and marketing expenses	3,72,06,289	2,18,032
Books and periodicals expenses	1,528	12
Communication expenses	49,904	7,493
Conveyance and traveling expenses	22,56,863	27,99,758
Directors sitting fees	2,37,688	-
Electricity charges	28,36,131	6,79,779
Information technology expenses	12,15,740	39,968
Insurance charges	27,002	2,528
Hire charges	6,51,877	46,431
Legal and professional charges	4,43,471	29,83,959
Rent	6,53,250	-
Membership and subscription charges	42,828	-
Miscellaneous expenses	6,85,290	66,846
Payment to auditor (refer below note)	7,00,000	1,00,000
Printing and stationery expenses	8,16,044	92,257
Repairs and maintenance		
Plant and machinery	46,080	-
Others	21,11,232	4,398
Security expenses	44,27,580	21,99,226
Vehicle expenses	-	952
	<b>5,44,08,797</b>	<b>92,41,639</b>
Less: allocated to projects	1,34,94,904	80,49,978
	<b>4,09,13,893</b>	<b>11,91,661</b>

#### Note : Payment to auditor

	(in Rupees)	
	2016	2015
<b>As auditor</b>		
Statutory audit fees	7,00,000	1,00,000
	<b>7,00,000</b>	<b>1,00,000</b>



# Incline Realty Private Limited

Notes forming part of financial statements for the year ended March 31,

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## 21. DEPRECIATION

	2016	(in Rupees) 2015
Depreciation on tangible assets	13,04,700	19,688
	<b>13,04,700</b>	<b>19,688</b>

## 22. INTEREST AND FINANCE CHARGES

	2016	(in Rupees) 2015
Interest expenses	53,39,20,631	74,95,23,945
Bank and finance charges	98,95,238	2,07,58,504
	<b>54,38,15,869</b>	<b>77,02,82,449</b>
Less: allocated to projects	54,38,15,869	75,46,76,285
	<b>-</b>	<b>1,56,06,164</b>

## 23. EARNINGS PER SHARE (EPS)

	2016	(in Rupees) 2015
Profit/ (loss) after tax as per statement of profit and loss	(2,19,34,153)	(17,30,045)
Weighted average number of equity shares for basic & diluted EPS (in No.)	50,00,000	46,74,274
Face value of equity share (in Rs.)	10	10
<b>Basic earnings per share (Rs.)</b>	<b>(4.39)</b>	<b>(0.37)</b>
<b>Diluted earnings per share (Rs.)</b>	<b>(4.39)</b>	<b>(0.37)</b>

# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31,

### 24. EMPLOYEE BENEFITS

			(in Rupees)	
			2016	2015
<b>A. Defined contribution plans</b>				
Employer's contribution to provident fund			5,02,486	8,576
Employer's contribution to pension fund			1,87,077	10,580
Labour welfare fund contribution for workmen			720	-
<b>B. Defined benefit plans</b>				
	Gratuity		Leave encashment	
	2016	2015	2016	2015
<b>i) Changes in present value of obligations</b>				
Present value obligation at the beginning of the year	-	-	-	-
Adjustment to opening balance	6,56,386	-	-	-
Interest cost	51,307	-	-	-
Service cost	3,51,928	-	1,19,725	-
Past Service Cost- (non vested benefits)	-	-	-	-
Past Service Cost -(vested benefits)	-	-	1,07,717	-
Benefit paid	-	-	-	-
Actuarial (gains) / losses	3,49,190	-	-	-
<b>Present value obligation at the end of the year</b>	<b>14,08,811</b>	<b>-</b>	<b>2,27,442</b>	<b>-</b>
<b>ii) Change in fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year	-	-	-	-
Adjustment to opening balance	6,56,386	-	-	-
Expected return on plan assets	-	-	-	-
Contribution	7,23,599	-	-	-
Benefit paid	-	-	-	-
Actuarial gains / (losses)	18,845	-	-	-
<b>Closing balance of fair value of plan assets</b>	<b>13,98,830</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>iii) Experience history</b>				
(Gains) / losses on obligation due to change in assumption	-	-	-	-
Experience (gains) / losses on obligation	3,49,190	-	-	-
Actuarial gains / (losses) on plan assets	18,845	-	-	-
<b>iv) Amount recognised in the balance sheet</b>				
Present value of obligation at the end of year	14,08,811	-	2,27,442	-
Fair value of plan assets at the end of the year	13,98,830	-	-	-
Funded status	(9,981)	-	(2,27,442)	-
<b>Net assets / (liability) recognised in the balance sheet</b>	<b>(9,981)</b>	<b>-</b>	<b>(2,27,442)</b>	<b>-</b>

# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31,

### v) Expense recognised in statement of profit and loss

Current service cost	3,51,928	-	1,19,725	-
Interest cost	51,307	-	-	-
Past Service Cost- (non vested benefits)	-	-	-	-
Past Service Cost -(vested benefits)	-	-	1,07,717	-
Expected return on plan assets	-	-	-	-
Net actuarial (gains) / losses recognised for the year	3,30,345	-	-	-
<b>Expenses recognised in statement of profit and loss</b>	<b>7,33,580</b>	<b>-</b>	<b>2,27,442</b>	<b>-</b>

### vi) Movement in the liability recognised in balance sheet

Opening net liability	-	-	-	-
Expenses as above	7,33,580	-	2,27,442	-
Contribution paid	(7,23,599)	-	-	-
<b>Closing net liability</b>	<b>9,981</b>	<b>-</b>	<b>2,27,442</b>	<b>-</b>

### vii) Classification of defined benefit obligations

Non-current portion	-	-	2,12,154	-
Current portion	9,981	-	15,288	-

	Gratuity		Leave encashment	
	2016	2015	2016	2015
<b>Actuarial assumptions</b>				
Interest / discount rate	7.80%	-	7.80%	-
Expected return of return on plan assets	8.00%	-	-	-
Annual expected increase in salary cost	10.00%	-	10.00%	-

## C. General description of significant defined plans

### Gratuity plan

Gratuity is payable to all eligible employees of the Entity on death or on resignation, or on retirement after completion of five years of service.

### Leave plan

Eligible employees can carry forward leave in month of April of every year during tenure of service or encash the same on death, permanent disablement or resignation.

## D. Broad category of plan assets relating to gratuity as a percentage of total plan assets as on March 31,

	2016	2015
Government of India securities	NIL	NIL
High quality corporate bonds	NIL	NIL
Equity shares of listed companies	NIL	NIL
Property	NIL	NIL
Policy of insurance	100%	NIL
<b>Total</b>	<b>100%</b>	<b>NIL</b>

# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31,

### 25. RELATED PARTY DISCLOSURES

#### A. Name of related parties and related party relationship

##### i) Related parties with whom control exists

Holding company Oberoi Realty Limited

##### ii) Other party with whom transactions have taken place during the year

Fellow subsidiary Oberoi Constructions Limited

#### B. Related party transactions

(in Rupees)

Nature of transaction	Name	Holding company		Fellow subsidiary	
		2016	2015	2016	2015
Corporate guarantee	Oberoi Realty Limited	-	7,50,00,00,000	-	-
Loan received	Oberoi Realty Limited	6,59,35,86,930	8,01,73,06,645	-	-
Loan repaid	Oberoi Realty Limited	4,07,88,20,750	50,94,10,000	-	-
Purchase of assets	Oberoi Constructions Limited	-	-	-	8,60,253
	Oberoi Realty Limited	92,814	-	-	-
Recovery of expenses	Oberoi Constructions Limited	-	-	60,37,500	-
Sale of material	Oberoi Constructions Limited	-	-	-	72,378
Allotment of shares	Oberoi Realty Limited	-	4,99,00,000	-	-
Rent paid	Oberoi Realty Limited	7,44,250	-	-	-

#### C. Closing balances of related parties

(in Rupees)

Nature of transaction	Name	Holding company	
		2016	2015
Corporate guarantee	Oberoi Realty Limited	3,57,03,46,591	6,19,11,19,928
Loan received	Oberoi Realty Limited	10,02,26,62,825	7,50,78,96,645

# Incline Realty Private Limited

Notes forming part of financial statements for the year ended March 31,

## 26. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	2016	2015
<b>(in Rupees)</b>		
<b>A. Summary details of contingent liabilities</b>		
Litigations		
a) Legal cases against the Company not acknowledged as debt (excluding certain matters where amount are not ascertainable)	7,62,72,930	-
b) Income-tax matters in dispute	17,67,760	10,63,360
<b>B. Capital Commitments</b>		
Capital contracts (net of advances)	-	20,05,567

## 27. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

	2016	2015
<b>(in Rupees)</b>		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	36,575	-
- Interest amount	-	-

The amount of interest due and payable for the year due to delay in making payment under Micro, Small and Medium Enterprise Development Act, 2006 is Rs. Nil (Rs. Nil). No interest is accrued / unpaid for the current year.

Disclosure of trade payables under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

## 28. EXPENDITURE IN FOREIGN CURRENCY (ON PAYMENT BASIS)

	2016	2015
<b>(in Rupees)</b>		
Professional fees	2,66,23,929	1,76,45,813
	<b>2,66,23,929</b>	<b>1,76,45,813</b>

# Incline Realty Private Limited

## Notes forming part of financial statements for the year ended March 31,

### 29. EARNINGS IN FOREIGN CURRENCY (ON RECEIPT BASIS)

	(in Rupees)	
	2016	2015
Sale of residential units	1,28,77,276	-
	<u>1,28,77,276</u>	<u>-</u>

### 30. OTHER NOTES

A. Since the operations of the Company involve only real estate segment and one geographical segment, the segment information as required by Accounting Standard 17 "Segment Reporting" is not disclosed.

B. Balance of trade receivable, trade payables and loans and advances are subject to confirmation from respective parties and reconciliation, if any.

C. The Company is primarily engaged in real estate development. The Company has acquired various lands / development rights and certain projects are at initial stage of implementation. The projects may be developed with various end uses, such as hotel, retail outlets, plots, residential, commercial and IT specific use. Such projects will be classified under fixed assets or inventories, as the case may be, based on ultimate end use as per final development of the property. Pending such reclassification on final development of such properties, such plots and the cost incurred on development of projects is included under the head 'Work in progress' or 'Plots of land' as part of 'Current assets'.

D. The Company's normal operating cycle in respect of operations relating to under construction of real estate projects may vary depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects is based on 12 months period. Assets and liabilities have been classified into current and non-current based on the operating cycle of respective businesses.

E. In our opinion, all current assets appearing in the balance sheet as of March 31, 2016 have a value on realisation in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet.

F. Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

G. Figures have been rounded off to the nearest rupee.

As per our report of even date

**For P. RAJ & CO.**

**Chartered Accountants**

Firm Registration No. 108310W

**P. S. Shah**

Partner

Membership No. 44611

Mumbai, April 29, 2016

For and on behalf of the Board of Directors

**Vikas Oberoi**

Director

**T. P. Ostwal**

Director

**Saumil Daru**  
Chief Financial Officer

**Bhaskar Kshirsagar**  
Company Secretary