

## **Independent Auditor's Report**

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

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

We have audited the accompanying standalone Ind AS financial statements of Perspective Realty Private Limited ("the Company"), which comprises of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

#### **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 of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 judgements 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 standalone Ind AS 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 Ind AS financial statements based on our audit.

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

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at March 31, 2017, and its financial performance (including other comprehensive income), its cash flows and the changes in equity 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 section 143(11) 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 (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017, 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 standalone Ind AS financial statements – Refer Note 15 to the standalone Ind AS 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; and
    - iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation,

we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management - Refer Note 18 to the standalone Ind AS financial statements.

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

**P. S. Shah**  
Partner  
Membership No. 44611  
Mumbai, May 3, 2017

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

With reference to 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 Ind AS financial statements for the year ended March 31, 2017, we report that:

- (i) The Company does not have any fixed asset. Thus, paragraph 3(i) of the order is not applicable to the Company.
- (ii) By virtue of the activity carried out, the Company does not have any inventory. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (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) In our opinion and according to the information and explanations given to us, 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, 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, 2017, 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 statutory dues of provident fund, employees state insurance, income-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.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (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 to the Company.
- (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 given 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 to the Company.
- (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 to the Company.
- (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. 44611

Mumbai, May 3, 2017

## **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 Perspective Realty Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS 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 judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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, 2017, 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, May 3, 2017

# Perspective Realty Private Limited

(Rs. in lakh)

Balance Sheet as at	Note	March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>				
<b>Current assets</b>				
a) Financial assets				
i) Trade receivables	2	14.82	14.82	14.81
ii) Cash and cash equivalents	3	1.12	1.13	1.01
b) Current tax asset (net)	4	0.03	0.01	0.02
c) Other current assets	5	-	-	0.08
<b>TOTAL ASSETS</b>		<b>15.97</b>	<b>15.96</b>	<b>15.92</b>
<b>EQUITY AND LIABILITIES</b>				
<b>I) Equity</b>				
a) Equity share capital	6	9.00	9.00	9.00
b) Other equity	7	0.89	0.87	0.83
		<b>9.89</b>	<b>9.87</b>	<b>9.83</b>
<b>II) Liabilities</b>				
<b>Current liabilities</b>				
a) Financial liabilities				
i) Borrowings	8	6.04	6.04	6.04
b) Other current liabilities	9	0.04	0.05	0.06
		<b>6.08</b>	<b>6.09</b>	<b>6.10</b>
<b>TOTAL EQUITY AND LIABILITIES (I+II)</b>		<b>15.97</b>	<b>15.96</b>	<b>15.92</b>

Significant accounting policies 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

For and on behalf of the Board of Directors

**P. S. Shah**  
Partner  
Membership No. 44611  
Mumbai, May 3, 2017

**Saumil Daru**  
Director

**Bindu Oberoi**  
Director



## Perspective Realty Private Limited

(Rs. in lakh)

Statement of Profit and Loss for the year ended	Note	March 31, 2017	March 31, 2016
<b>INCOME</b>			
Other income	10	0.21	0.26
<b>Total revenue</b>	<b>(A)</b>	<b>0.21</b>	<b>0.26</b>
<b>EXPENSES</b>			
Other expenses	11	0.19	0.18
Interest and finance charges	12	0.00	0.02
<b>Total expenses</b>	<b>(B)</b>	<b>0.19</b>	<b>0.20</b>
<b>Profit before tax</b>	<b>(A-B)</b>	<b>0.02</b>	<b>0.06</b>
<b>Tax expense</b>			
Current tax		0.00	0.02
<b>Profit after tax</b>	<b>(C)</b>	<b>0.02</b>	<b>0.04</b>
Other comprehensive income	<b>(D)</b>	-	-
<b>Total comprehensive income for the year (Comprising profit / (loss) and other comprehensive income for the year)</b>	<b>(C+D)</b>	<b>0.02</b>	<b>0.04</b>
<b>Earnings per equity share (face value of Rs.10)</b>			
	13		
- Basic (in Rs.)		0.01	0.04
- Diluted (in Rs.)		0.01	0.04

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, May 3, 2017

**Saumil Daru**  
Director

**Bindu Oberoi**  
Director

## Perspective Realty Private Limited

### Statement of Changes In Equity

#### A. Equity Share Capital

(Rs. in lakh)

Particular	Note	Amount
As at April 1, 2015	6	9.00
Change in equity share capital		-
As at March 31, 2016	6	9.00
Change in equity share capital		-
<b>As at March 31, 2017</b>	<b>6</b>	<b>9.00</b>

#### B. Other Equity

(Rs. in lakh)

Particulars	Note	Retained earnings	Total
<b>A. Balance as at April 1, 2015</b>	<b>7</b>	<b>0.83</b>	<b>0.83</b>
<b>Changes during the year</b>			
Profit for the year		0.04	0.04
<b>B. Total changes during the year</b>		<b>0.04</b>	<b>0.04</b>
<b>(A+B) Balance as at March 31, 2016</b>	<b>7</b>	<b>0.87</b>	<b>0.87</b>

(Rs. in lakh)

Particulars	Note	Retained earnings	Total
<b>A. Balance as at April 1, 2016</b>	<b>7</b>	<b>0.87</b>	<b>0.87</b>
<b>Changes during the year</b>			
Profit for the year		0.02	0.02
<b>B. Total changes during the year</b>		<b>0.02</b>	<b>0.02</b>
<b>(A+B) Balance as at March 31, 2017</b>	<b>7</b>	<b>0.89</b>	<b>0.89</b>

As per our report of even date

*For P. RAJ & CO.*

**Chartered Accountants**

Firm Registration No. 108310W

**For and on behalf of the Board of Directors**

**P. S. Shah**

Partner

Membership No. 44611

Mumbai, May 3, 2017

**Saumil Daru**

Director

**Bindu Oberoi**

Director

## Perspective Realty Private Limited

(Rs. in lakh)

Cash Flow Statement for the year ended	March 31, 2017	March 31, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax as per statement of profit and loss	0.02	0.06
<b>Adjustments for</b>		
Interest income	(0.21)	(0.26)
<b>Operating cash loss before working capital changes</b>	<b>(0.19)</b>	<b>(0.20)</b>
<b>Movement for working capital</b>		
Increase / (decrease) in other liabilities	0.00	0.00
(Increase) / decrease in loans and advances	-	0.07
(Increase) / decrease in trade receivables	(0.01)	(0.00)
<b>Cash used from operations</b>	<b>(0.20)</b>	<b>(0.13)</b>
Direct taxes (paid) / refund	(0.02)	(0.01)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(A) (0.22)</b>	<b>(0.14)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Interest received	0.21	0.26
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(B) 0.21</b>	<b>0.26</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from borrowings	3.33	4.28
Repayment of borrowings	(3.33)	(4.28)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(C) -</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C) (0.01)</b>	<b>0.12</b>
Add: cash and cash equivalents at the beginning of the year	1.13	1.01
<b>Cash and cash equivalents at the end of the year</b>	<b>1.12</b>	<b>1.13</b>

### Components of cash and cash equivalents as at

	March 31, 2017	March 31, 2016
Cash on hand	0.12	0.02
Balance with bank in current account	1.00	1.11
<b>Cash and cash equivalents at the end of the year (refer note 3)</b>	<b>1.12</b>	<b>1.13</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

For and on behalf of the Board of Directors

**P. S. Shah**

Partner

Membership No. 44611

Mumbai, May 3, 2017

**Saumil Daru**

Director

**Bindu Oberoi**

Director

### 1. NATURE OF OPERATIONS

Perspective Realty Private Limited (the 'Company' or 'PRPL'), a private limited company is incorporated under the Companies Act 1956. The Company is engaged primarily in the business of real estate development.

The Company is headquartered in Mumbai, India. Its registered office is situated at Commerz, 3rd Floor, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai- 400 063.

The financial statements for the year ended March 31, 2017 were authorized and approved for issue by the Board of Directors on May 03, 2017.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 by Ministry of Corporate Affairs ('MCA') as amended by the Companies (Indian Accounting Standards) Rules, 2016.

For all periods up to and including the year ended March 31, 2015 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) as amended from time to time.

The financial statements for the year ended March 31, 2017 are the Company's first Ind AS financial statements. The Company has adopted Ind AS standards effective from April 01, 2016 with comparatives for year ending March 31, 2016 and April 01, 2015 being restated and the adoptions were carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. All applicable Ind AS have been applied consistently and retrospectively wherever required. Please refer to note 4.2 for information on how the Company has adopted Ind AS.

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

#### 2.2 Current/non-current classification

The Company's normal operating cycle in respect of operations relating to the construction of real estate projects may vary from project to project 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 their respective operating cycle.

## **2.3 Foreign currencies**

### **Initial recognition**

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

### **Conversion**

All monetary items outstanding at year end denominated in foreign currency are converted into Indian Rupees at the reporting date exchange rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### **Exchange differences**

The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss.

## **2.4 Property, plant and equipment (PPE)**

### **Transition to Ind AS**

Under the previous Indian GAAP, property plant and equipment were carried in the balance sheet at cost less accumulated depreciation / amortisation and impairment losses, if any. The Company has elected to regard those values of property, plant and equipment as deemed cost at the date of transition to Ind AS (April 01, 2015).

### **Recognition and initial measurement**

Property, plant and equipment are stated at cost less accumulated depreciation/amortisation 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. Revenue earned, if any, during trial run of assets is adjusted against cost of the assets. Cost also includes the cost of replacing part of the plant and equipment.

Borrowing costs relating to acquisition / construction / development of tangible assets, 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.

**Subsequent measurement (depreciation and useful lives)**

When significant components of property and equipment are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation, if these components are initially recognised as separate asset. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

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.

Building	60 years
Temporary structures	3 years
Plant and machinery	15 years
Furniture and fixtures	10 years
Electrical installations and equipments	10 years
Office equipments*	5 years
Computers	3 years
Vehicles	8 years

\*Mobile handsets - 3 years

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

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

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

**De-recognition**

PPE are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

**2.5 Intangible assets**

**Transition to Ind AS**

Under the previous Indian GAAP, intangible assets, were carried in the balance sheet at cost less accumulated depreciation / amortisation and impairment losses, if any. The Company has elected to regard those values of intangible assets as deemed cost at the date of transition to Ind AS (April 01, 2015).

### **Recognition and initial measurement**

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.

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

### **Subsequent measurement (Amortization)**

All intangible assets with definite useful life are amortized on a straight line basis over the estimated useful lives not exceeding 5 years.

The carrying amount of intangible asset is reviewed periodically for 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.

## **2.6 Revenue recognition**

### **2.6.1 Revenue from real estate projects**

The Company follows the percentage of project completion method for its projects.

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 "Revised Guidance Note on Accounting for Real Estate Transaction" (for entities to whom Ind AS is applicable) 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.

#### **2.6.2 Interest income**

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

#### **2.6.3 Dividend income**

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### **2.6.4 Other income**

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

### **2.7 Leases**

#### **2.7.1 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.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as prepaid rent and recognised over the lease term. Unwinding of discount is treated as finance income and recognised in the profit & loss account.

#### **2.7.2 Where the Company is the lessor**

Assets given under operating leases are included in Investment Properties. 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 incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Lease deposits received are financial instruments (financial liability) and need to be measured at fair value on initial recognition. The difference between the fair value and the nominal value of



deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the effective interest rate (EIR) method.

## **2.8 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **2.8.1 Financial assets**

#### **Initial measurement**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

#### **Subsequent measurement**

##### **(i) Financial assets at amortised cost**

Financial assets are measured at the amortised cost, if both of the following criteria are met:

- a. These assets are held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

##### **(ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are classified as FVTOCI if both of the following criteria are met:

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

Fair value movements are recognised in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss.

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

Any financial assets, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, are classified as at FVTPL. Gain or losses are recognised in the statement of profit and loss.

**(iv) Equity instruments**

Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as FVTPL, and measured at fair value with all changes recognised in the statement of profit and loss.

**De-recognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition.

**Impairment of financial assets**

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- a. Trade receivables; and
- b. All lease receivables resulting from transactions within the scope of Ind AS 17.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

#### **2.8.2 Financial liabilities**

##### **Initial measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and financial guarantee contracts

##### **Subsequent measurement**

Financial liabilities are subsequently carried at amortized cost using the EIR method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to the short maturity of these instruments.

##### **De-recognition**

A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

##### **Loan and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Intercompany loans are discounted to its present value using incremental borrowing rate applicable to the borrower entity. The difference between the carrying value of the loan and its present value is accounted based on the relationship with the borrower for e.g. in case of subsidiary, the difference is shown as further equity infusion in the subsidiary. The unwinding of discount from the date of loan to the transition date is shown as an income and recognised in "Retained earnings" of the Lender.

### **2.8.3 Fair value measurement**

The Company measures financial instruments at fair value on initial recognition and uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## **2.9 Derivative financial instruments**

### **Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, (forward currency contracts) to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

## **2.10 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management process.

## **2.11 Income taxes**

### **2.11.1 Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are in force at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets current tax assets and current tax liabilities where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

### **2.11.2 Deferred tax**

Deferred income tax is recognised using the balance sheet approach.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Such deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

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 reduces to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the MAT to be utilised.

## **2.12 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted market prices or other available fair value indicators.

## **2.13 Inventories**

### **2.13.1 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.

**2.13.2 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.

**2.13.3 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.

**2.14 Provisions and contingent liabilities**

(i) A provision is recognised when:

- The Company has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- 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.

(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.

**2.15 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.

Borrowing costs consist of interest and other costs that Company incurs in connection with the borrowing of funds. Other borrowing costs are recognised as an expense, in the period in which they are incurred.

## **2.16 Employee benefits**

### **2.16.1 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.

### **2.16.2 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 reporting date and is charged to the statement of profit and loss. The actuarial valuation is computed using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

### **2.16.3 Other employee benefits**

Leave encashment is recognised as an expense in the statement of profit and loss account 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 in the statement of other comprehensive income.

## **2.17 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.

## **3. USE OF JUDGMENTS AND ESTIMATES**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the reporting date. However, uncertainty about these



assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

### **3.1 Significant management judgements**

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

#### **3.1.1 Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

### **3.2 Estimates and assumptions**

#### **3.2.1 Classification of assets and liabilities into current and non-current**

The management classifies the assets and liabilities into current and non-current categories based on the operating cycle of the respective business / projects.

#### **3.2.2 Impairment of assets**

In assessing impairment, management estimates the recoverable amounts of each asset or CGU (in case of non-financial assets) based on expected future cash flows and uses an estimated interest rate to discount them. Estimation relates to assumptions about future cash flows and the determination of a suitable discount rate.

#### **3.2.3 Fair value measurements**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument / assets. Management bases its assumptions on observable data as far as possible but this may not always be available. In that case management uses the best relevant information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

#### **4. FIRST TIME ADOPTION OF IND AS**

The date of transition to Ind AS is April 01, 2015. The Company applied Ind AS 101 'First-time Adoption of Indian Accounting Standards' in preparing these first Ind AS financial statements. The effects of the transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the accompanying notes.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017 together with the comparative period data as at and for the year ended March 31, 2016 and April 01, 2015 being restated as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made and the exemptions applied by the Company in restating its previous Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

##### **4.1 First-time adoption exemptions applied**

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Company has applied the mandatory exceptions and certain optional exemptions, in preparing these financial statements, as set out below:

###### **4.1.1 Mandatory exemptions applied by the Company**

- (i) As per Ind AS 109, financial assets and liabilities that had been de-recognised before the date of transition to Ind AS under previous Indian GAAP have not been recognised under Ind AS.
- (ii) As per Ind AS 109, impairment of financial assets needs to be applied retrospectively. Company has reasonable and supportable information to determine the credit risk and it has concluded that the credit risk remains the same on the date of transition which was assessed to such instrument on the date of its initial recognition. Hence there is no impairment which is to be given effect retrospectively.

###### **4.1.2 Optional exemptions applied by the Company**

- (i) **Fair value measurement of financial assets or financial liabilities at initial recognition**

Ind AS 101 provides optional exemption to apply Ind AS 109 prospectively. Company has availed the said exemption.

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**4.2 Reconciliations**

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:

- 1 Equity as at April 1, 2015 and March 31, 2016
- 2 Net profit for the year ended March 31, 2016

**1 Reconciliation statement of equity as previously reported under IGAAP to Ind AS**

(Rs. in Lakh)

Particulars	Explanation	Balance Sheet as at March 31, 2016			Opening Balance Sheet as at April 1, 2015		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Current assets</b>							
a) Financial assets							
i) Trade receivables		14.82	-	14.82	14.81	-	14.81
ii) Cash and cash equivalents		1.13	-	1.13	1.01	-	1.01
b) Current tax assets (net)		0.01	-	0.01	0.02	-	0.02
c) Other current assets		-	-	-	0.08	-	0.08
<b>TOTAL ASSETS</b>		<b>15.96</b>	<b>-</b>	<b>15.96</b>	<b>15.92</b>	<b>-</b>	<b>15.92</b>
<b>EQUITY AND LIABILITIES</b>							
<b>I) Equity</b>							
a) Equity share capital		9.00	-	9.00	9.00	-	9.00
b) Other equity		0.87	-	0.87	0.83	-	0.83
		<b>9.87</b>	<b>-</b>	<b>9.87</b>	<b>9.83</b>	<b>-</b>	<b>9.83</b>
<b>II) Liabilities</b>							
<b>Current liabilities</b>							
a) Financial liabilities							
i) Borrowings		6.04	-	6.04	6.04	-	6.04
b) Other current liabilities		0.05	-	0.05	0.06	-	0.06
<b>TOTAL LIABILITIES</b>		<b>6.09</b>	<b>-</b>	<b>6.09</b>	<b>6.10</b>	<b>-</b>	<b>6.10</b>
<b>TOTAL EQUITY AND LIABILITIES (I+II)</b>		<b>15.96</b>	<b>-</b>	<b>15.96</b>	<b>15.92</b>	<b>-</b>	<b>15.92</b>

**Explanations for the reconciliation of the Balance Sheet and Profit and Loss Statement as previously reported under IGAAP to Ind AS:**

1. Figures for the previous year have been regrouped, re-arrange, reclassified wherever necessary.

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2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

(Rs. in Lakh)

Particulars	Explanation	Year Ended March 31, 2016		
		IGAAP	Effects of transition to Ind AS	Ind AS
<b>INCOME</b>				
Other income		0.26	-	0.26
<b>Total revenue</b>		<b>0.26</b>	-	<b>0.26</b>
<b>EXPENSES</b>				
Other expenses		0.18	-	0.18
Interest and finance charges		0.02	-	0.02
<b>Total expenses</b>		<b>0.20</b>	-	<b>0.20</b>
<b>Profit before tax</b>		0.06	-	0.06
<b>Tax expense</b>				
Current tax		0.02	-	0.02
<b>Profit after tax</b>		<b>0.04</b>	-	<b>0.04</b>
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year (Comprising profit / (loss) and other comprehensive income for the year)</b>		<b>0.04</b>	-	<b>0.04</b>

# Perspective Realty Private Limited

## Notes forming part of financial statements for the year ended

### 2. TRADE RECEIVABLES

	March 31, 2017	March 31, 2016	(Rs. in lakh) April 1, 2015
Unsecured and considered good	14.82	14.82	14.81
	<b>14.82</b>	<b>14.82</b>	<b>14.81</b>

### 3. CASH AND CASH EQUIVALENTS

	March 31, 2017	March 31, 2016	(Rs. in lakh) April 1, 2015
Balances with bank	1.00	1.11	1.00
Cash on hand	0.12	0.02	0.01
	<b>1.12</b>	<b>1.13</b>	<b>1.01</b>

### 4. CURRENT TAX ASSETS (NET)

	March 31, 2017	March 31, 2016	(Rs. in lakh) April 1, 2015
Income tax (net of provisions)	0.03	0.01	0.02
	<b>0.03</b>	<b>0.01</b>	<b>0.02</b>

**Note: Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016:**

	March 31, 2017	March 31, 2016
<b>Accounting Profit before Income Tax</b>	<b>0.02</b>	<b>0.06</b>
Tax on accounting profit at statutory income tax rate of 34.608% (March 31, 2016: 34.608%)	0.01	0.02
Change in tax rate	(0.01)	-
<b>Tax expense reported in the statement of profit &amp; loss (Current Tax)</b>	<b>0.00</b>	<b>0.02</b>

### 5. OTHER ASSETS

	March 31, 2017	March 31, 2016	(Rs. in lakh) April 1, 2015
<b>Advance other than capital advance</b>			
<b>Other advances</b>			
Advances recoverable in cash or kind	-	-	0.08
	<b>-</b>	<b>-</b>	<b>0.08</b>

# Perspective Realty Private Limited

## Notes forming part of financial statements for the year ended

### 6. SHARE CAPITAL

	(Rs. in lakh)		
	<u>March 31, 2017</u>	<u>March 31, 2016</u>	<u>April 1, 2015</u>
<b>Authorised share capital</b>			
4,50,000 (4,50,000) equity shares of Rs. 10 (Rupees ten only) each	45.00	45.00	45.00
	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>
<b>Issued, subscribed and paid up share capital</b>			
90,000 (90,000) equity shares of Rs. 10 (Rupees ten only) each fully paid up {entire equity shares are held by Oberoi Constructions Limited (holding company) alongwith its nominees }	9.00	9.00	9.00
	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>

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

##### Equity shares

Particulars	March 31, 2017		March 31, 2016	
	in No.	Rs. in lakh	in No.	Rs. in lakh
At the beginning of the year	90,000	9.00	90,000	9.00
Add: Issue of fresh shares	-	-	-	-
<b>At the end of the year</b>	<b>90,000</b>	<b>9.00</b>	<b>90,000</b>	<b>9.00</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 shares is entitled to one vote per share. The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

### 7. OTHER EQUITY

	(Rs. in lakh)		
	<u>March 31, 2017</u>	<u>March 31, 2016</u>	<u>April 1, 2015</u>
<b>Retained earnings</b>			
Opening balance	0.87	0.83	0.83
Profit during the year as per statement of profit and loss	0.02	0.04	-
	<b>0.89</b>	<b>0.87</b>	<b>0.83</b>

### 8. BORROWINGS

	(Rs. in lakh)		
	<u>March 31, 2017</u>	<u>March 31, 2016</u>	<u>April 1, 2015</u>
<b>Unsecured</b>			
Loan from related party (refer note 14)	6.04	6.04	6.04
	<b>6.04</b>	<b>6.04</b>	<b>6.04</b>

### 9. OTHER CURRENT LIABILITIES

	(Rs. in lakh)		
	<u>March 31, 2017</u>	<u>March 31, 2016</u>	<u>April 1, 2015</u>
<b>Other payables</b>			
Provision for expenses	0.04	0.05	0.06
	<b>0.04</b>	<b>0.05</b>	<b>0.06</b>

# Perspective Realty Private Limited

## Notes forming part of financial statements for the year ended

### 10. OTHER INCOME

	(Rs. in lakh)	
	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Interest income on		
Bank fixed deposits	0.21	0.261
Others	-	0.001
	<u>0.21</u>	<u>0.262</u>

### 11. OTHER EXPENSES

	(Rs. in lakh)	
	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Legal and professional charges	0.13	0.13
Miscellaneous expenses	0.01	0.00
Payment to auditor (refer below note)	0.05	0.05
	<u>0.19</u>	<u>0.18</u>

#### Note : Payment to auditor

	(Rs. in lakh)	
	<u>March 31, 2017</u>	<u>March 31, 2016</u>
As auditor		
Statutory audit fees	0.05	0.05
	<u>0.05</u>	<u>0.05</u>

### 12. INTEREST AND FINANCE CHARGES

	(Rs. in lakh)	
	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Bank and finance charges	0.00	0.02
	<u>0.00</u>	<u>0.02</u>

### 13. EARNINGS PER SHARE (EPS)

	(Rs. in lakh)	
	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Profit after tax as per statement of profit and loss	0.02	0.04
Weighted average number of equity shares for basic & diluted EPS (in No.)	90,000	90,000
Face value of equity share (Rs.)	10	10
<b>Basic earnings per share (Rs.)</b>	<u>0.01</u>	<u>0.04</u>
<b>Diluted earnings per share (Rs.)</b>	<u>0.01</u>	<u>0.04</u>

## Perspective Realty Private Limited

### Notes forming part of financial statements for the year ended

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#### 14. RELATED PARTY DISCLOSURES

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

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

Holding company                      Oberoi Constructions Limited  
    Oberoi Realty Limited

##### B. Related party transactions

(Rs. in lakh)

Nature of transaction	Name	Holding Company	
		March 31, 2017	March 31, 2016
Loan received	Oberoi Constructions Limited	3.33	4.28
Loan repaid	Oberoi Constructions Limited	3.33	4.28
Rent received on behalf by	Oberoi Realty Limited	0.02	0.02

##### C. Closing balance of related parties

(Rs. in lakh)

Nature of transaction	Name	Holding Company	
		March 31, 2017	March 31, 2016
Loan received	Oberoi Constructions Limited	6.04	6.04



# Perspective Realty Private Limited

## Notes forming part of financial statements for the year ended

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### 15. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	(Rs. in lakh)		
	<u>March 31, 2017</u>	<u>March 31, 2016</u>	<u>April 1, 2015</u>
A. Contingent liabilities not acknowledged as debt	-	-	-
A. Capital commitments	-	-	-

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

Based on the information available with the Company, there are no dues outstanding in respect of Micro, Small and Medium enterprises for more than 45 days. For the current year, no interest is accrued / unpaid.

17. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification

The carrying value of financial instruments by categories are as follows:

(Rs. in Lakh)

Particulars	Carrying Value								
	March 31, 2017			March 31, 2016			April 1, 2015		
	At Cost	Fair Value through profit or loss	Amortised Cost	At Cost	Fair Value through profit or loss	Amortised Cost	At Cost	Fair Value through profit or loss	Amortised Cost
<b>Financial assets</b>									
Cash and cash equivalents	-	-	1.12	-	-	1.13	-	-	1.01
Trade receivables	-	-	14.82	-	-	14.82	-	-	14.81
	-	-	<b>15.94</b>	-	-	<b>15.95</b>	-	-	<b>15.83</b>
<b>Financial liabilities</b>									
<b>Borrowings:</b>									
Loan from related party	-	-	6.04	-	-	6.04	-	-	6.04
	-	-	<b>6.04</b>	-	-	<b>6.04</b>	-	-	<b>6.04</b>

B. Fair Values

The management assessed that carrying amount of cash and cash equivalents, trade receivables and borrowings approximate their fair values amounts due to the short-term maturities of these instruments.

**17. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**

**C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its maintenance business as the same is done to the fact that the Company keep 3 to 12 months rental as deposit from the

No impairment is observed on the carrying value of trade receivable.

**Cash and cash equivalents**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed periodically by the Company and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Notes forming part of financial statements for the year ended

17. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Company’s objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans, debentures and inter-corporate loans.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Rs. in Lakh)

March 31, 2017	Contractual cash flows					
	Carrying amount	Total	Within 1 Year	1-2 years	2-5 years	More than 5 years
<b>Borrowings:</b>						
Loans from related parties	6.04	6.04	6.04	-	-	-
	<b>6.04</b>	<b>6.04</b>	<b>6.04</b>	-	-	-

(Rs. in Lakh)

March 31, 2016	Contractual cash flows					
	Carrying amount	Total	Within 1 Year	1-2 years	2-5 years	More than 5 years
<b>Borrowings:</b>						
Loans from related parties	6.04	6.04	6.04	-	-	-
	<b>6.04</b>	<b>6.04</b>	<b>6.04</b>	-	-	-

(Rs. in Lakh)

April 1, 2015	Contractual cash flows					
	Carrying amount	Total	Within 1 Year	1-2 years	2-5 years	More than 5 years
<b>Borrowings:</b>						
Loans from related parties	6.04	6.04	6.04	-	-	-
	<b>6.04</b>	<b>6.04</b>	<b>6.04</b>	-	-	-

**17. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**

**iii. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of certain commodities. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure to these risks in our revenues and costs.

**Currency risk**

The Company is not exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee.

**Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company do not have any long term external borrowing as on March 31, 2017.

**Commodity Price Risk**

The Company's activities are exposed to steel and cement price risks and therefore its overall risk management program focuses on the volatile nature of the steel and cement market, thus seeking to minimize potential adverse effects on the Company's financial performance on account of such volatility.

## Perspective Realty Private Limited

### Notes forming part of financial statements for the year ended

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#### 17. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

##### D. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, interest and non interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

The Company's adjusted net debt to equity ratio were as follows.

(Rs. in Lakh)

Particulars	March 31, 2017	March 31, 2016
Borrowings	6.04	6.04
Less : Cash and cash equivalent	1.12	1.13
<b>Adjusted net debt</b>	<b>4.92</b>	<b>4.91</b>
Total equity	9.89	9.87
<b>Adjusted equity</b>	<b>9.89</b>	<b>9.87</b>
Adjusted net debt to adjusted equity ratio	0.50	0.50

# Perspective Realty Private Limited

## Notes forming part of financial statements for the year ended

### 18. DISCLOSURE ON SPECIFIED BANK NOTES(SBNS)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R 308 (E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, the denominations wise SBNS and other notes as per the notification is given below :

(Rs. in lakh)

Particular	SBNS*	Other denomination	Total
Closing cash in hand as on November 08, 2016	-	0.02	0.02
(+) Permitted receipts	-	0.11	0.11
(-) Permitted payments	-	(0.01)	(0.01)
(-) Amount deposited in Banks	-	-	-
<b>Closing cash in hand as on December 30, 2016</b>	<b>-</b>	<b>0.12</b>	<b>0.12</b>

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

### 19. OTHER NOTES

A. Since the operations of the Company involve only real estate segment and one geographical segment, the segment information as required by Ind-AS 108 "Segment Reporting" is not disclosed.

B. In our opinion, all current assets appearing in the balance sheet as of March 31, 2017 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.

C. Balance of trade receivables are subject to confirmation from respective parties and reconciliation, if any.

D. Standards issued but not yet effective

The Government of India through the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 which are effective from April 1, 2017. These amendments are as follows:

The amendments to IND AS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require the Company to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, the Company is not required to provide comparative information for preceding periods. Application of amendments will result in additional disclosure provided by the Company.

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

F. Figures have been rounded off to the nearest thousand.

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, May 3, 2017

**Saumil Daru**  
Director

**Bindu Oberoi**  
Director