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Independent Auditor's Report

To the Members of Escapade Real Estate Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Escapade Real Estate Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.



5. 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 these financial statements are free from material misstatement.
6. 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 controls 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financials statement.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its loss and its cash flows for the year ended on that date.

Other Matter

9. The financial statements of the Company as at and for the year ended 31 March 2016 were audited by company's previous auditors M/s. B S R & Co. LLP Chartered Accountants, whose report dated 22 September 2016, expressed an unqualified opinion on those financial statements. The balances as at 31 March 2016 as per the audited financial statements, regrouped and/ or reclassified wherever necessary, have been considered as opening balances for the purpose of these financial statements.

Report on Other Legal and Regulatory Requirements

10. 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 paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;



- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 26 September 2017 as per Annexure B expressed unqualified opinion;
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in Note 30(a) to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2017;
 - ii. the Company did not have any long-term contracts including derivative contracts as at 31 March 2017 for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year;
 - iv. the Company, as detailed in Note 17(a) to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

Walker Chandiook & Co. LLP
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Kunj B Agrawal

per Kunj B Agrawal
Partner
Membership No.: 095829



Place: Chennai
Date: 26 September 2017

Annexure A to the Independent Auditor's Report of even date to the members of Escapade Real Estate Private Limited, on the financial statements for the year ended 31 March 2017

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, 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 during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of Clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory of construction work-in-progress at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) (a) During the year, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act during the year. Accordingly, the provisions of clauses 3(iii)(a) of the Order are not applicable.
- (b) The schedule of repayment of principal, in respect of loans granted in earlier years, has been stipulated and the principal amount is not due for repayment currently.
- (c) There is no overdue amount in respect of loan granted to such company in the earlier years.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act during the year. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues in respect of employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases with respect to value added tax, service tax, income tax, employees' state insurance and significant delays in few cases with respect to provident fund and income-tax. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:



Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due Date	Remarks
Income-tax Act, 1961	Income Tax	4,302,068	Assessment year 2015-16 (Financial year 2014-15)	30 September 2015	Paid in the month of April 2017
Employees Provident Funds & Miscellaneous Provisions Act, 1952	Employee & Employer contribution	20,987	May 2016	20 June 2016	-

- (b) According to the information and explanation given to us and according to the records of the Company examined by us, there are no dues of service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute. The particulars of dues outstanding in respect of income-tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	42,665	Nil	Assessment Year 2008-09	The Commissioner of Income Tax (Appeals), Chennai
Income-tax Act, 1961	Income Tax	8,601	Nil	Assessment Year 2009-10	The Commissioner of Income Tax (Appeals), Chennai
Income-tax Act, 1961	Income Tax	1,452,340	Nil	Assessment Year 2011-12	The Income Tax Appellate Tribunal, Chennai

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank during the year. The Company did not have any loans or borrowings payable to government and no dues payable to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.



Annexure A to the Independent Auditor's Report of even date to the members of Escapade Real Estate Private Limited, on the financial statements for the year ended 31 March 2017

- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute an audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable.

Walker Chandiok & Co. LLP
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

[Signature]
per Kunj B Agrawal
Partner
Membership No.: 095829



Place: Chennai
Date: 26 September 2017

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

1. In conjunction with our audit of the financial statements of Escapade Real Estate Private Limited ("the Company") as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 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.

Walker Chandiok & Co. LLP
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

[Signature]
per Kunj B. Agrawal
Partner
Membership No.: 095829



Place: Chennai
Date: 26 September 2017

Escapade Real Estate Private Limited
Balance Sheet as at 31 March 2017
(All amounts are in Indian ₹, unless otherwise stated)

	Note	As at 31 March 2017	As at 31 March 2016
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,65,00,000	1,65,00,000
Reserves and surplus	4	11,28,31,218	11,98,87,606
		12,93,31,218	13,63,87,606
Non-current liabilities			
Long-term borrowings	5	8,80,00,000	-
Other long term liabilities	6	23,99,58,169	25,00,00,000
Long-term provisions	7	5,04,712	10,13,268
		32,84,62,881	25,10,13,268
Current liabilities			
Short-term borrowings	8	45,00,000	-
Trade payables	9	-	-
- Total outstanding dues to micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		88,74,794	1,48,13,991
Other current liabilities	10	9,70,65,804	15,70,11,217
Short-term provisions	7	36,96,119	1,79,66,210
		11,41,36,717	18,97,91,418
Total		57,19,30,816	57,71,92,292
Assets			
Non-current assets			
Fixed assets			
- Tangible assets	11	2,79,533	6,94,082
Non-current investments	12	23,80,00,000	23,80,00,000
Deferred tax assets (net)	13	-	11,33,012
Long term loans and advances	14	22,00,00,000	22,00,00,000
		45,82,79,533	45,98,27,094
Current assets			
Construction work-in-progress	15	9,84,91,661	10,42,58,396
Trade receivables	16	27,01,621	48,73,766
Cash and bank balances	17	1,05,01,935	12,84,566
Short-term loans and advances	18	19,56,066	69,48,470
		11,36,51,283	11,73,65,198
Total		57,19,30,816	57,71,92,292

The accompanying notes form an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

Walker Chandio & Co. LLP

For Walker Chandio & Co LLP
Chartered Accountants

[Signature]
per Kunj B. Agrawal
Partner



Place : Chennai
Date : 26 September 2017

For and on behalf of the Board of Directors of
Escapade Real Estate Private Limited

[Signature]
Piyush Jagdish Bhatt
Director
DIN: 01680762

Place : Chennai
Date : 26 September 2017

[Signature]
Omprakash Madhav
Director
DIN: 03616030

Escapade Real Estate Private Limited
Statement of profit and loss for the year ended 31 March 2017
(All amounts are in Indian ₹, unless otherwise stated)

	Note	Year ended 31 March 2017	Year ended 31 March 2016
Revenue			
Revenue from operations	19	3,09,27,113	3,39,75,602
Other income	20	13,12,469	19,34,610
Total revenue		3,22,39,582	3,59,10,212
Expenses			
Cost of plots and construction/development sold	21	91,96,597	1,82,54,047
Employee benefits expense	22	14,34,192	32,56,770
Finance costs	23	1,86,79,051	2,15,99,622
Depreciation expense	11	4,14,549	8,11,515
Other expenses	24	73,17,860	1,58,34,124
Total expenses		3,70,42,249	5,97,56,078
Loss before tax		(48,02,667)	(2,38,45,866)
Tax expense			
- Reversal of tax pertaining to earlier years		45,18,452	-
- Deferred tax		(11,33,012)	11,33,012
Loss for the year		(14,17,227)	(2,27,12,854)
Earning per equity share (Loss)			
Basic and diluted	25	(0.86)	(13.42)

The accompanying notes form an integral part of these financial statements

This is the Statement of profit and loss referred to in our report of even date

Walker Chandio & Co. LLP

For Walker Chandio & Co LLP
Chartered Accountants

per Kunj B. Agrawal
Partner



Place : Chennai
Date : 26 September 2017

For and on behalf of the board of directors of
Escapade Real Estate Private Limited

Piyush Jagdish Bhatt

Piyush Jagdish Bhatt
Director
DIN: 01680762

Place : Chennai
Date : 26 September 2017

Omprakash Madhav

Omprakash Madhav
Director
DIN: 03616030

	Year ended 31 March 2017	Year ended 31 March 2016
A. Cash flows from operating activities		
Loss before tax	(48,02,667)	(2,38,45,866)
Adjustments for:		
Depreciation expense	4,14,549	8,11,515
Interest expense	1,76,44,051	2,15,99,622
Interest income	(867)	(2,34,661)
Provision for doubtful debts	6,67,295	-
Bad debts written off	15,04,881	27,12,560
Provision for employee benefits	(4,38,437)	(3,14,376)
Operating profit before working capital changes	1,49,88,805	7,28,794
Changes in working capital:		
(Increase) in trade receivables	(31)	(28,30,148)
Decrease in short-term loans and advances	49,92,404	22,48,60,641
Decrease in construction work-in-progress	57,66,735	23,89,266
Increase in other current liabilities	2,94,51,629	1,52,57,843
Increase/(Decrease) in trade payables	(59,39,197)	43,80,866
Increase/(Decrease) in other long term liabilities	(1,00,41,831)	5,00,00,000
Cash generated from operations	3,92,18,514	29,47,87,262
Less: Income taxes paid/ (refund), net	(1,54,60,919)	2,43,186
Net cash generated from operating activities	A 2,37,57,595	29,45,44,076
B. Cash flows from investing activities		
Purchase of fixed assets	-	(1,18,140)
Interest received	867	2,79,633
Net cash generated from investing activities	B 867	1,61,493
C. Cash flows from financing activities		
Proceeds from short-term borrowings	45,00,000	-
Proceeds from long-term borrowings	12,00,00,000	-
Repayment of long-term borrowings	(12,22,45,000)	(6,58,70,126)
Interest paid	(1,67,96,093)	(2,15,99,622)
Paid towards reduction of share capital (refer note 3e)	-	(22,00,00,000)
Net cash (used in) financing activities	C (1,45,41,093)	(30,74,69,748)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	92,17,369	(1,27,64,179)
Cash and cash equivalents at the beginning of the year	12,84,566	1,40,48,745
Cash and cash equivalents at the end of the year	1,05,01,935	12,84,566
Cash and cash equivalents comprise of:		
Cash on hand	53	3,592
Balances with banks		
- in current accounts	1,04,93,091	12,73,050
- in deposit accounts (with original maturity upto 3 months)	8,791	7,924
Total Cash and cash equivalents (Refer note 17)	1,05,01,935	12,84,566

The accompanying notes form an integral part of these financial statements

This is the Statement of cash flow referred to in our report of even date

Walker Chandio & Co. LLP

For Walker Chandio & Co LLP
Chartered Accountants

per Kunj B. Agrawal
Partner



Place : Chennai
Date : 26 September 2017

For and on behalf of the board of directors of
Escapade Real Estate Private Limited

Piyush Jagdish Bhatt

Piyush Jagdish Bhatt
Director
DIN: 01680762

Omprakash Madhav

Omprakash Madhav
Director
DIN: 03616030

Place : Chennai
Date : 26 September 2017

1 General information

Background

Escapade Real Estate Private Limited ("ERPL" or "the Company") is formed as a joint venture between Arihant Foundation and Housing Limited and JP Morgan India Property Fund Mauritius Company II with equal shareholding and was incorporated on 3 February 2007 as a private limited Company. It is engaged in the business of development of housing properties, sale of plots and construction of villas/apartments/residential

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements are prepared under the historic cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles ("the GAAP") applicable in India. The GAAP comprises mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India. The Accounting policies have been consistently applied by the Company except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

2.2 Use of estimates

The preparation of financial statements in conformity with the GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported income and expense for the year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from those estimates. Revisions to the estimates, if any, are recognised in the Statement of profit and loss in the periods in which the actual results are known.

2.3 Tangible assets and depreciation

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on tangible assets, other than buildings, is provided on prorata basis using the written down value method over the estimated useful lives of the assets as specified in Schedule II to the Act. Depreciation on project buildings is provided on prorata basis using straight line basis over the estimated time for completion of the project i.e. 8 years.

Individual assets costing upto ₹ 5,000 are fully depreciated in the year of acquisition.

Gains or losses arising on the disposal of the tangible assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the Statement of profit and loss.

2.4 Impairment

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For the assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash flows (cash generating units). Recoverable amount is the higher of the asset's or cash generating units net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of profit and loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.



2.5 Revenue recognition**2.5.1 Revenue from sale of constructed properties, plots and plot development rights**

Revenue from sale of constructed properties, plots and plot development rights are recognised upon transfer of all significant risks and rewards of ownership of such property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

2.5.2 Revenue from property under construction:

Revenue from projects under development comprises the amounts of sale price as per the agreements entered with the buyers. Revenue is recognised based on the percentage of completion method as the Company has obligations to perform substantial acts even after the transfer of all significant risks and rewards of ownership. Such percentage is arrived at based on surveys of work performed as at each balance sheet date.

Where the ultimate collection and the buyer's commitment to make the complete payment is not reasonably certain, the revenue is deferred until such certainty is established.

The estimates of the total costs to complete the project are reviewed periodically by the management and any effect of changes in estimates is recognised in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.

For projects commenced on or after April 1, 2012 and also to projects which have already commenced but where revenue is being recognised for the first time on or after April 1, 2012

Revenue from real estate projects is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognised by applying the percentage of completion method only if the following thresholds have been met:

- (a) all critical approvals necessary for the commencement of the project have been obtained
- (b) the expenditure incurred on construction and development costs (excluding land cost) is not less than 25 % of the total estimated construction and development costs;
- (c) at least 25 % of the saleable project area is secured by contracts/agreements with buyers; and
- (d) at least 20 % of the contracts/agreements value are realised at the reporting date in respect of such contracts/ agreements.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied, project revenue and project costs associated with the real estate project should be recognised as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).

2.6 Construction work in progress

Construction work-in-progress comprises of contract costs that relate to future activity on the contract and are recognised as contract work-in-progress provided it is probable that they will be recovered. Construction work-in-progress also comprises cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised.

Cost includes direct and indirect expenditure relating to construction activity. The expenditure incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the Statement of profit and loss.

2.7 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expended in the period they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.8 Leases (as a lessee)

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.



2.9 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. At the reporting date, current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision is made for diminution other than temporary in the value of the long-term investments.

2.10 Employee benefits**a) Provident fund**

The Company makes contribution to the statutory provident fund ("the Fund") in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952. It is a defined contribution plan, and the contributions towards the Fund are recognised in the Statement of profit and loss account when fallen due. The Company has no further obligation for future provident fund benefits other than the contributions made to the Fund.

b) Gratuity

The Company provides for gratuity, a post-employment benefit and in the nature of a defined benefit obligation. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation at the balance sheet date is determined by an independent actuary using the projected unit credit method as at the Balance Sheet date. Actuarial gains/losses arising from past experience and changes in actuarial assumptions are recognised in the Statement of profit and loss in the year in which they arise.

2.11 Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency by applying the exchange rates prevailing on the dates of the transactions. At reporting date, all monetary items are restated at the year end exchange rate. The foreign exchange gains and losses resulting from the settlement of such transactions and from the re-statement of monetary items are recognised in the Statement of profit and loss.

2.12 Taxation

Tax expense comprises current tax and deferred tax. Provision for current tax is made based on the estimated tax liability in accordance with the prevailing tax rates and tax laws.

Deferred taxes reflect the impact of timing differences between taxable income and book income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets of earlier years, if any and recognise to the extent that it has become reasonably certain/virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

2.13 Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.

2.14 Earnings per share

The basic earnings per equity share is computed by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for effects of all dilutive potential equity shares.



2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash comprises of cash on hand, cash at bank and demand deposits (with an original maturity of three months or less from the date of acquisition).

2.17 Comparatives

The previous year figures have been regrouped / re-arranged wherever considered necessary to conform to the current year classification.

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	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
3 Share capital				
Authorised				
Equity shares of ₹10 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
(Comprising of 1,000,000 Class A Shares, 2,000,000 Class B shares and 2,000,000 Class C shares)				
	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, subscribed and fully paid-up				
Class A equity shares of Rs. 10 each	2,00,000	20,00,000	2,00,000	20,00,000
Class B equity shares of Rs. 10 each	4,50,000	45,00,000	4,50,000	45,00,000
Class C equity shares of Rs. 10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	16,50,000	1,65,00,000	16,50,000	1,65,00,000
a) Reconciliation of number of Equity shares outstanding:	Number	Amount	Number	Amount
Balance at the beginning of the year	16,50,000	1,65,00,000	22,00,000	2,20,00,000
Reduction in share capital (Also, refer Note 3e)	-	-	(5,50,000)	(55,00,000)
Balance at the end of the year	16,50,000	1,65,00,000	16,50,000	1,65,00,000
b) Shares held by the Holding Company	Number	Amount	Number	Amount
Arihant Foundations and Housing Limited, Class A & C shares				
Equity shares of Rs 10 each fully paid-up:				
Class A shares	1,00,000	10,00,000	1,00,000	10,00,000
Class C shares	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	11,00,000	1,10,00,000	11,00,000	1,10,00,000
c) Shareholders holding more than 5% of each class of shares of the Company	Number	%	Number	%
Class A equity shares				
JP Morgan India Property Mauritius Company II, Mauritius	1,00,000	50%	1,00,000	50%
Arihant Foundations and Housing Limited	1,00,000	50%	1,00,000	50%
	2,00,000	100%	2,00,000	100%
Class B equity shares				
JP Morgan India Property Mauritius Company II, Mauritius	4,50,000	100%	4,50,000	100%
	4,50,000	100%	4,50,000	100%
Class C equity shares				
Arihant Foundations and Housing Limited	10,00,000	100%	10,00,000	100%
	10,00,000	100%	10,00,000	100%
d) Rights, preferences and restrictions attached to each class of the equity shares				
i) Class A equity shares				
Each of Class A shareholder is entitled to cast one vote per share held by them in a shareholders meeting of the Company. All equity shareholders are entitled to distribution rights as per ownership of Class A shares and as specified under the Shareholders agreement. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. In the event the Company merges or amalgamates with any other Company, the equity shareholders shall be issued similar instruments in the surviving Company on the same terms and conditions, at a price which shall be adjusted to reflect the merger/amalgamation exchange ratio.				
ii) Class B equity shares				
All Class B shareholders are entitled to cast only one vote in a shareholders meeting of the Company. All equity shareholders are entitled to distribution rights as per ownership of Class A shares and as specified under the Shareholders agreement. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. In the event the Company merges or amalgamates with any other Company, the equity shareholders shall be issued similar instruments in the surviving Company on the same terms and conditions, at a price which shall be adjusted to reflect the merger/amalgamation exchange ratio.				
iii) Class C equity shares				
All Class C shareholders are entitled to cast only one vote in a shareholders meeting of the Company. All equity shareholders are entitled to distribution rights as per ownership of Class A shares and as specified under the Shareholders agreement. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. In the event the Company merges or amalgamates with any other Company, the equity shareholders shall be issued similar instruments in the surviving Company on the same terms and conditions, at a price which shall be adjusted to reflect the merger/amalgamation exchange ratio.				



c) Reduction in share capital

In the previous year, the Hon'ble High Court of Judicature of Madras approved the special resolution for reduction of the issued, subscribed and fully paid-up Class B equity shares of the Company, by directing the 550,000 Class B equity shares of INR 10/- each, held by Heidoom Real Estate Private Limited be extinguished at a premium of ₹ 390 per share and dispensed with the usage of the words "and reduced", in its order dated April 28, 2015.

- f) During the immediately preceding period of five years there were no shares allotted pursuant to any contract without payment being received in cash, or shares allotted as fully paid up by way of bonus shares.

	As at 31 March 2017	As at 31 March 2016
4 Reserves and surplus		
Securities premium account		
Balance at the beginning of the year	11,49,00,000	32,94,00,000
Less: Share capital reduced (Also, refer note 3e)	-	(21,45,00,000)
Balance at the end of the year	11,49,00,000	11,49,00,000
Surplus/(Deficit) in Statement of profit and loss		
Balance at the beginning of the year	49,87,606	2,77,00,460
Less: Profit/(Loss) for the year	(14,17,227)	(2,27,12,854)
Less: Dividend Distribution Tax on share capital reduction*	(56,39,161)	-
Balance at the end of the year	(20,68,782)	49,87,606
Total reserves and surplus	11,28,31,218	11,98,87,606

* This represents the dividend distribution tax liability in respect of reduction in equity share capital during the financial year 2015-16 [Refer note 3(e)].

5 Long-term borrowings**Term Loans****Secured**

- From financial institutions

Less: Current maturities of Term borrowings from financial institutions (Also, refer note 10)

	11,76,25,000	11,98,70,000
	11,76,25,000	11,98,70,000
	(2,96,25,000)	(11,98,70,000)
	8,80,00,000	-

From financial institutions

-During the current year, the Company has obtained a term loan [Outstanding balance: ₹ 117,625,000 (Previous year: Nil)] from Aditya Birla Finance repayable in 15 equal monthly installment of principal beginning from 15 months of date of Disbursement i.e 30 June 2016 and carrying an effective rate of 13.5%. The loan is primarily secured by exclusive charge on 21 unsold villas & 16 unsold plots situated at Sengundram village, Maraimalai Nagar, Kancheepuram District and situated within the Registration District of Kancheepuram and Sub registration District of Joint II Chengelpet in the State of Tamil Nadu as reduced by subsequent sale of plots or undivided share of land and scheduled receivables. Also, the loan is also secured by way of Corporate guarantee of Arihant Foundation & Housing Limited (the Holding Company) and Personal guarantee of KMP of the Holding Company.

-The Company obtained a term loan [Outstanding balance: Nil (Previous year: ₹ 119,870,000)] from Housing Development and Finance Corporation Limited (HDFC Limited) and was repayable at a specific percentage (presently 75%) of collection from customers determined from time to time and not later than 31 December 2016. The term loan was secured by equitable mortgage by deposit of title documents of the land measuring 25 acres and 5.5 cents together with wells and service connections thereon and situated at Sengundram village, Maraimalai Nagar, Kancheepuram District and situated within the Registration District of Kancheepuram and Sub registration District of Joint II Chengelpet in the State of Tamil Nadu as reduced by subsequent sale of plots or undivided share of land and scheduled receivables and personal guarantee of a KMP of the holding Company. The Company has fully repaid the loan, during the year.

6 Other long-term liabilities

Security deposit (Also, refer note 28)

	23,99,58,169	25,00,00,000
	23,99,58,169	25,00,00,000



	As at 31 March 2017		As at 31 March 2016	
	Long term	Short Term	Long term	Short Term
7 Provisions				
Provision for employee benefits				
- Gratuity (Also, refer Note 'a' below)	5,04,712	31,659	7,63,028	16,542
- Compensated absences (Also, refer Note 'b' below)	-	86,352	2,50,240	31,350
Provision for taxation (net of advance tax)	-	35,78,108	-	1,79,18,318
	5,04,712	36,96,119	10,13,268	1,79,66,210

Notes:**a) Gratuity**

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date. The Company doesn't maintain any plan assets to fund its obligation with respect to gratuity.

	Year ended 31 March 2017	Year ended 31 March 2016
i) Change in present value of defined benefit obligations		
Present value of obligations at the beginning of the year	7,79,570	10,96,302
Current Service cost	1,24,083	1,98,310
Interest cost	62,366	82,046
Actuarial (gain)/loss	(4,29,648)	(5,08,222)
Benefits paid	-	(88,866)
Present value of obligations at the end of the year	5,36,371	7,79,570

ii) Reconciliation of present value of obligation on the fair value of plan assets

	As at 31 March 2017	As at 31 March 2016
Present value of projected benefit obligation at the end of the year	5,36,371	7,79,570
Fair value of plan assets at the end of the year	-	-
Liability recognised in the Balance Sheet	5,36,371	7,79,570
Classified as:		
Non-current (Note-7)	5,04,712	7,63,028
Current (Note-7)	31,659	16,542

iii) Components of net gratuity costs are:

	Year ended 31 March 2017	Year ended 31 March 2016
Current service cost	1,24,083	1,98,310
Interest cost	62,366	82,046
Net actuarial loss/(gain)	(4,29,648)	(5,08,222)
Net gratuity expense/(reversal) recognised in Statement of profit and loss	(2,43,199)	(2,27,866)

iv) Principal actuarial assumptions used:

Discount rate	6.85%	7.80%
Escalation rate	10.00%	8.00%
Attrition rate	10.00%	2.00%

v) Net liability recognised in Balance sheet in current year and in previous two years*

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Present value of defined benefit obligation	5,36,371	7,79,570	10,96,302
Fair value of plan assets	-	-	-
Deficit	5,36,371	7,79,570	10,96,302

* The Company was a Small and Medium Sized Company upto year ended 31 March 2015 and hence, the above disclosures were not applicable for the periods prior to 31 March 2015.

8 Short-term borrowings

	As at 31 March 2017	As at 31 March 2016
Unsecured		
Loans from related parties (Also, refer note 26 and note below)	45,00,000	-
	45,00,000	-

Note: The Company during the year has taken unsecured loans from Mrs.Madhu Lunawath and Mr.Abhishek Lunawath carrying an interest rate of 15% per annum payable quarterly. The loan is repayable on demand.



	As at 31 March 2017	As at 31 March 2016
9 Trade payables		
- Total outstanding dues to micro enterprises and small enterprises (Also, refer note below)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	88,74,794	1,48,13,991
	<u>88,74,794</u>	<u>1,48,13,991</u>

Note: The Company does not have any dues payable to any suppliers registered under as micro or small enterprise under Micro, Small & Medium Enterprises Development (MSMED) Act, 2006. The above disclosure has been determined to the extent such parties have been identified by the management on the basis of information available with the Company.

10 Other current liabilities		
Current maturities of long term borrowings from others (Also, refer note 5)	2,96,25,000	11,98,70,000
Interest accrued but not due on long-term and short-term borrowings	8,47,958	-
Advance from customers	5,47,93,609	2,91,74,747
Statutory dues payable	3,48,759	1,12,984
Employee dues payables	5,58,112	2,90,861
Other accrued liabilities	82,93,139	75,62,625
Payable to related parties (Also, refer note 26)	25,99,227	-
	<u>9,70,65,804</u>	<u>15,70,11,217</u>

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Escapade Real Estate Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts are in Indian ₹, unless otherwise stated)

11 Tangible assets

Particulars	Project building	Computers and accessories	Office equipments	Furniture and fixtures	Vehicles	Total
Gross block						
Balance as at 31 March 2015	45,30,091	4,87,760	4,53,918	1,39,463	18,48,814	74,60,046
Additions	-	-	1,18,140	-	-	1,18,140
Balance as at 31 March 2016	45,30,091	4,87,760	5,72,058	1,39,463	18,48,814	75,78,186
Additions	-	-	-	-	-	-
Balance as at 31 March 2017	45,30,091	4,87,760	5,72,058	1,39,463	18,48,814	75,78,186
Accumulated depreciation						
Balance as at 31 March 2015	36,55,088	4,62,983	4,03,172	1,10,536	14,40,810	60,72,589
Depreciation for the year	5,82,944	4,845	68,989	10,006	1,44,731	8,11,515
Balance as at 31 March 2016	42,38,032	4,67,828	4,72,161	1,20,542	15,85,541	68,84,104
Depreciation for the year	2,74,815	1,512	72,091	12,278	53,853	4,14,549
Balance as at 31 March 2017	45,12,847	4,69,340	5,44,252	1,32,820	16,39,394	72,98,653
Net block						
Balance as at 31 March 2016	2,92,059	19,932	99,897	18,921	2,63,273	6,94,082
Balance as at 31 March 2017	17,244	18,420	27,806	6,643	2,09,420	2,79,533



12 Non-current investments (valued at cost)

	As at 31 March 2017	As at 31 March 2016
Long-Term, Trade investments: unquoted		
Investment in subsidiary - preference shares		
23,800,000, 0.05% compulsorily convertible preference shares of Arihant Unitech Realty Projects Limited of ₹ 10 each. (Also, refer note below)	23,80,00,000	23,80,00,000
	<u>23,80,00,000</u>	<u>23,80,00,000</u>
Aggregate amount of unquoted non-current investments	23,80,00,000	23,80,00,000

Note: The Company has invested in 23,800,000 0.05% Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each at par aggregating to ₹ 238,000,000 in Arihant Unitech Realty Projects Limited (AURPL) during May 2007. The preference shares are convertible within 20 years from the date of issue. In view of the adequacy of the valuation of the underlying project land and other realisable assets of AURPL, the Company believes that there is no diminution in the value of its investment in AURPL and accordingly, no impairment has been considered.

As the Company does not carry any voting power in AURPL, preparation of consolidated financial statements does not apply to the Company in terms of "Accounting Standard 21 - Consolidated Financial Statements".

13 Deferred tax assets (net)

Deferred tax asset:		
Difference between depreciation as per books and as per tax	-	7,82,161
Provision for employee benefits	-	2,57,749
Provision for bad and doubtful debts	-	93,102
	<u>-</u>	<u>11,33,012</u>

Note:

In view of carry forward tax losses, deferred tax asset has not been recognised on consideration of prudence, in absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be there to set off such deferred tax assets.

14 Long-term loans and advances

(Unsecured and considered good)

Interest-free inter-corporate deposits to related party (Also, refer note below)	22,00,00,000	22,00,00,000
	<u>22,00,00,000</u>	<u>22,00,00,000</u>

Note:

The Company in earlier years, had advanced an unsecured interest free corporate deposit (ICD) amounting to ₹ 220,000,000/- to Arihant Foundations and Housing Limited (AFHL), the holding Company, for meeting certain general corporate expenditure. As per the said agreement, AFHL is required to repay the said ICD on or before 31 March 2021.

15 Construction work-in-progress

Properties under development	9,84,91,661	10,42,58,396
	<u>9,84,91,661</u>	<u>10,42,58,396</u>

16 Trade receivables

(Unsecured)

Outstanding for a period exceeding six months from the date they are due for payment		
- Considered doubtful	6,67,295	-
Less: Provision for doubtful debts	<u>(6,67,295)</u>	<u>-</u>
	-	-
Other receivables		
- Considered good	27,01,621	48,73,766
	<u>27,01,621</u>	<u>48,73,766</u>

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	As at 31 March 2017	As at 31 March 2016
17 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	53	3,592
Balances with banks		
- in current accounts	1,04,93,091	12,73,050
- in deposit accounts (with original maturity upto 3 months)	8,791	7,924
	<u>1,05,01,935</u>	<u>12,84,566</u>

a) Disclosure on Specified Bank Notes (SBNs)

Particulars	SBNs *	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	-	222	222
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	169	169
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30 December 2016	-	53	53

*** Note:**

For the purposes of this clause, the term 'Specified 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 the 08 November 2016.

18 Short-term loans and advances*Unsecured, considered good*

Advance to related parties (Also, refer note 26)	-	24,98,737
Balance with government authorities	4,83,504	11,24,463
Advances to suppliers	12,96,639	28,93,170
Advances to employees	1,64,711	1,97,054
Prepaid expense	11,212	59,497
Other advances	-	1,75,549
	<u>19,56,066</u>	<u>69,48,470</u>

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	Year ended 31 March 2017	Year ended 31 March 2016
19 Revenue from operations		
Contract Revenue - sale of constructed properties	83,61,152	2,82,68,430
Revenue from sale of plots* and plot development rights (Also, refer note 28)	2,25,65,961	57,07,172
	3,09,27,113	3,39,75,602
*(Includes ₹ 7,853,461 pertaining to plots sold in the previous year [Also, refer note 21])		
20 Other income		
Interest income on deposits	867	2,34,661
Reversal of excess gratuity provision [Also, refer note 7(iii)]	2,43,199	2,27,866
Miscellaneous income	10,68,403	14,72,083
	13,12,469	19,34,610
21 Cost of plots and construction/development sold		
Cost of constructed properties	71,09,252	1,71,41,684
Cost of plots* and plot development right (Also, refer note 28)	20,87,345	11,12,363
	91,96,597	1,82,54,047
*(Includes ₹ 850,816 pertaining to the cost of plot sold in the previous year [Also, refer note 19])		
22 Employee benefit expenses		
Salaries and wages	12,76,283	28,80,639
Contribution to provident and other funds	1,55,249	3,50,670
Staff welfare expenses	2,660	25,461
	14,34,192	32,56,770
23 Finance costs		
Interest on long-term borrowings	1,76,44,051	2,15,99,622
Other borrowing cost	10,35,000	-
	1,86,79,051	2,15,99,622
24 Other expenses		
Communication expenses	46,611	20,220
Repairs and maintenance - others	2,66,420	19,93,914
Advertisement expenses	4,14,155	47,44,878
Rates and taxes	7,19,357	4,511
Legal and professional charges	23,34,175	36,50,004
Payment to auditors (Also, refer note 27)	5,50,000	7,26,000
Marketing expenses	3,71,161	13,28,472
Insurance	1,14,785	1,35,912
Travelling and conveyance expenses	1,32,377	4,24,188
Provision for doubtful debts	6,67,295	-
Bad debts written off	15,04,881	27,12,560
Bank charges	58,824	1,302
Miscellaneous expenses	1,37,819	92,163
	73,17,860	1,58,34,124



25 Earning per equity share (Loss)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Loss after tax	(14,17,227)	(2,27,12,854)
Weighted average number of equity shares outstanding during the year (Number)	16,50,000	16,92,077
Nominal value per share	10	10
Loss per equity share (basic and diluted)	(0.86)	(13.42)

26 Related party disclosures (As per Accounting Standard : 18)

(a) Names of related parties*

Nature of relationship	Name of related party
a) Where control exists	
Holding Company	Arihant Foundations and Housing Limited (AFHL)
The enterprise having significant influence	JP Morgan India Property Mauritius Company II (JPM), Mauritius Heirloom Real Estate Private Limited (HRPL) (Upto 28th April 2015)
b) Other related parties with whom transactions have taken place during the year	
Relatives of KMP	Mrs. Madhu Lunawath (Mother of Director, Mr. Piyush Jagdish Bhatt) Mr. Abhishek Lunawath (Brother of Director, Mr. Piyush Jagdish Bhatt)

*(Related parties as identified by the management)

(b) Transactions during the year :

Name of the party	Nature	Year ended 31 March 2017	Year ended 31 March 2016
Arihant Foundations and Housing Limited	Project management fee (included under construction work-in-progress)	10,01,347	13,48,260
	Marketing expenses	3,59,145	8,40,874
	Reimbursement of expenses	41,871	12,86,934
	Advance given	74,16,943	51,20,961
	Advance received back	1,10,44,519	63,33,398
Heirloom Real Estate Private Limited	Advances received back	-	22,00,00,000
	Amount paid in connection with capital reduction	-	22,00,00,000
Mrs. Madhu Lunawath	Loan received	20,00,000	-
Mr. Abhishek Lunawath	Interest payable	1,45,685	-
	Loan received	25,00,000	-
	Interest payable	1,82,106	-

(c) Balance as at the year-end:

	As at 31 March 2017	As at 31 March 2016
Amounts payable		
Short-term borrowings from:		
Mrs. Madhu Lunawath	20,00,000	-
Mr. Abhishek Lunawath	25,00,000	-
	45,00,000	-
Other current liabilities:		
Arihant Foundations & Housing Limited	25,99,227	-
	25,99,227	-
Interest on short-term borrowings payable to:		
Mrs. Madhu Lunawath	67,500	-
Mr. Abhishek Lunawath	84,375	-
	1,51,875	-



Amounts receivables

	As at 31 March 2017	As at 31 March 2016
Short-term loans and advances:		
Arihant Foundations & Housing Limited	-	24,98,737
Heirloom Real Estate Private Limited	-	1,50,000
	-	26,48,737
Inter corporate deposit given:		
Arihant Foundations & Housing Limited	22,00,00,000	22,00,00,000
	22,00,00,000	22,00,00,000

27 Payment to Auditors*

	Year ended 31 March 2017	Year ended 31 March 2016
For Statutory audit	5,00,000	7,26,000
For Tax audit	50,000	-
	5,50,000	7,26,000

(*excluding taxes)

28 The Company had entered into a joint development agreement (JDA-1) dated 3 December 2014 with Ashiana Housing Limited ('AHL' or 'the Builder') for construction and development of housing establishments for senior citizens and/ or regular housing in accordance with applicable laws and approved building plans within a period of 5 years. In accordance with the above said JDA-1, the Company has granted developmental rights to AHL and has accepted interest free adjustable deposits amounting to ₹ 250,000,000/- from AHL upon execution of the JDA-1 agreement. As per JDA-1, the Company will get a specified percentage of Gross revenue receipts (GRR) earned by AHL, as its revenue share. A portion of Company's revenue share will be adjusted against the security deposit.

29 Segment reporting

The Company has identified business segment as its primary segment. The Company's operations predominantly relate to "development of housing properties, sale of plots and construction of villas/apartments/residential complexes." and accordingly this is the only primary reportable segment. Thus, the segment revenue, segment results, total carrying amount of segment assets and liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation during the year are all as reflected in the financial statements as at and for the year ended 31 March 2017.

The Company's has identified the geographical segment as its secondary segment, based on the location of its customers. The Company's entire operations are rendering services in India and accordingly this is the only secondary reportable segment. Thus, the segment revenue, total carrying value of segment assets and total cost incurred to acquire segment assets during the year are all as reflected in the financial statements as at and for the year ended 31 March 2017.

30 Contingent liabilities and Capital commitment:

	As at 31 March 2017	As at 31 March 2016
a) Contingent liabilities		
Relating to Income tax matters for- Assessment year 2008-09	42,665	-
Relating to Income tax matters for- Assessment year 2009-10	8,601	-
Relating to Income tax matters for- Assessment year 2011-12	14,52,340	-
	15,03,606	-

b) There were no contracts remaining to be executed on capital account and not provided for as at Balance Sheet date.

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- 31 The additional information required to be disclosed under Paragraph 5 (ii) to (vii) of Part II of Schedule III to the Act other than those disclosed, are either 'Nil' or 'Not applicable' to the Company.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

Walker Chandio & Co. LLP
For Walker Chandio & Co LLP
Chartered Accountants

Kunj B. Agrawal
per Kunj B. Agrawal
Partner

Place : Chennai
Date : 26 September 2017



For and on behalf of the board of directors of
Escapade Real Estate Private Limited

Piyush Jagdish Bhatt *Omprakash Madhav*

Piyush Jagdish Bhatt Omprakash Madhav
Director Director
DIN: 01680762 DIN: 03616030

Place : Chennai
Date : 26 September 2017