



S. K. AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306033E

SUITE NOS : 606-608

THE CHAMBERS, OPP. GITANJALI STADIUM

1865, RAJDANGA MAIN ROAD, KASBA

KOLKATA - 700 107

PHONE : 033-4008 9902/9903/9904

FAX : 033-40089905, Website : www.skagrawal.co.in

Independent Auditors' Report

To the Members of INDOCEAN DEVELOPERS PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have checked the accompanying Ind AS Financial Statements of **INDOCEAN DEVELOPERS PRIVATE LIMITED** ("the Company") incorporated at Sri Lanka, which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Statement of other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information being made in accordance with the requirements of Indian Companies Act ("the Indian Act") from the audited accounts of the company under the statute of the country of its incorporation which have been relied upon by us.

Management's Responsibility for the Ind AS 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 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) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, 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 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

The Audit was conducted under the statute of country of incorporation of the company, by the local auditor at Sri Lanka in LKR currency, followed by our further check of true and fairness of accounts drawn up in terms of requirement of Indian Act. Management has prepared Financial Statements based on the audited accounts in accordance with the provisions of the Indian Act, in Indian Rupees. We have checked the financial statements prepared by management in Indian currency.

We did not audit the financial statements of the Company. These financial statements were audited by the local auditor whose reports have been furnished to us, and our opinion is based solely on the reports of other auditors.





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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2018, and its Loss including Statement of other comprehensive income, and its Cash Flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the company.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our checking.
 - (b) In our opinion and based on the audit report of local auditor, proper books of account as required by law have been kept by the Company.
 - (c) In our opinion and based on the audit report of local auditor, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies(Accounts)Rules, 2014.
 - (e) On the basis of written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 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, we have not audited the internal financial controls over financial reporting since our report is solely based on the audited financial statements.





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

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

For **S.K.Agrawal & Co.**
Chartered Accountants
Firm Registration No.-306033E

(J.K.Choudhury)

Partner

Membership No. 9367

Place: Kolkata

Dated: 27th June, 2018



INDOCEAN DEVELOPERS PRIVATE LIMITED

Balance Sheet as at 31st March 18

		Amount in INR		
	Notes	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
ASSETS				
Non-Current Aassets				
Property, Plant and Equipment	4a	29,878,703	42,809,713	59,797,858
Intangible Assets	4b	1,044,579	-	-
Other Non-Current Assets	6	1,020,224,126	1,055,207,446	1,150,827,540
		1,051,147,408	1,098,017,159	1,210,625,398
Current Assets				
Inventories	7	9,024,487,590	6,788,100,012	4,427,666,082
Financial Assets				
(a) Investments	5a		37,229,816	-
(b) Cash and Cash Equivalents	8	60,305,403	395,210,712	563,237,025
(c) Loans	5b	805,522	440,746	736,200
(d) Other Financial assets	5c	-	-	4,539,917
Current Tax Assets (Net)	9	292,234		
Other Current Assets	6	597,367,857	183,124,473	333,658,661
		9,683,258,606	7,404,105,759	5,329,837,885
Total Assets		10,734,406,014	8,502,122,918	6,540,463,283
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	10	289,569,000	289,569,000	289,569,000
Other Equity	11	(259,896,574)	(200,893,523)	(88,850,687)
Total Equity		29,672,426	88,675,477	200,718,313
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(a) Borrowings	12a	2,253,428,792	3,828,999,744	2,928,274,481
(b) Other Financial Liabilities	12c	63,265,916	78,037,148	87,667,327
Provisions	13	1,868,749	1,660,975	1,615,191
		2,318,563,457	3,908,697,867	3,017,556,999
Current Liabilities				
Financial Liabilities				
(a) Borrowings	12b	1,532,989,514	-	520,907,377
(b) Trade Payables	14	4,911,587	5,995,957	18,424,679
(c) Other Financial Liabilities	12c	518,315,755	236,099,906	484,136,559
Other Current Liabilities	15	6,329,953,275	4,262,229,298	2,298,515,835
Current Tax Liabilities (Net)		-	424,413	203,521
		8,386,170,131	4,504,749,574	3,322,187,971
Total Liabilities		10,704,733,588	8,413,447,441	6,339,744,970
Total Equity and Liabilities		10,734,406,014	8,502,122,918	6,540,463,283

Significant Accounting Policies

3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

In terms of our attached report of even date

For **S. K. AGRAWAL & COMPANY**

Chartered Accountants

Firm Registration No : 3060331E

J.K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: **27 JUN 2018**



Director

Director

INDOCEAN DEVELOPERS PRIVATE LIMITED
Statement of Profit & Loss for the year ended March 31, 2018

	Notes	Amount in INR	
		2017-18	2016-17
Income			
Other Income	17	14,162,712	5,566,194
Total Income		14,162,712	5,566,194
Expenses			
Construction Cost	18	2,405,243,927	2,681,530,395
(Increase)/Decrease in Inventories of Finished Goods, Work-in-Progress	19	(2,405,243,927)	(2,681,530,395)
Finance Costs	20	-	40,784,539
Depreciation and Amortisation Expenses	21	10,405,843	10,453,548
Other Expenses	22	61,605,015	56,357,907
Total Expenses		72,010,858	107,595,994
Profit Before Tax		(57,848,146)	(102,029,800)
Tax Expense			
Current Tax		-	901,074
Income Tax of Earlier Years		472,029	-
		472,029	901,074
Profit for the Year (I)		(57,376,117)	(102,930,874)
Other Comprehensive Income:			

Items that will be Reclassified to profit or loss in subsequent periods:

Exchange differences on translating financial statements of a foreign operation	(1,626,934)	(9,111,962)
Total Other comprehensive income/(loss) for the year, net of tax (II)	(1,626,934)	(9,111,962)
Total comprehensive income for the year, net of tax (I + II)	(59,003,051)	(112,042,836)

Earnings per Equity Share of Rs.10 each	23		
Basic & Diluted		(8.21)	(14.74)

Significant accounting policies 3

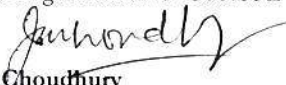
The accompanying notes are an integral part of the financial statements.
As per our report on even date

In terms of our attached report of even date

For **S. K. AGRAWAL & COMPANY**

Chartered Accountants

Firm Registration No : 306033E


J.K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: 27 JUN 2018





Director


Director

INDOCEAN DEVELOPERS PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31 March 2018

a. Equity Share Capital:

Equity shares of Rs 41.45 each issued, subscribed and fully paid

	No. of shares	Amount in INR
As at 1 April 2016	6,985,517	289,569,000
Issue of share capital	-	-
At 31 March 2017	6,985,517	289,569,000
Issue of share capital	-	-
At 31 March 2018	6,985,517	289,569,000

b. Other equity

For the year ended 31 March 2018

Amount in INR

Particulars	Reserve & Surplus		Items of OCI	Total Equity
	Retained Earnings	General Reserve	Exchange differences on translating financial statements of a foreign operation	
As at 1 April 2017	(225,508,995)	-	24,615,472	(200,893,523)
Profit for the year	(57,376,117)	-	-	(57,376,117)
Other comprehensive income for the year	-	-	(1,626,934)	(1,626,934)
Total Comprehensive Income for the year	(57,376,117)	-	(1,626,934)	(59,003,051)
As at 31 March 2018	(282,885,112)	-	22,988,538	(259,896,574)

For the year ended 31 March, 2017

Amount in INR

Particulars	Reserve & Surplus		Items of OCI	Total Equity
	Retained earnings	General Reserve	Exchange differences on translating financial statements of a foreign operation	
As at 1st April 2016	(122,578,121)	-	33,727,434	(88,850,687)
Profit for the year	(102,930,874)	-	-	(102,930,874)
Other comprehensive income for the year	-	-	(9,111,962)	(9,111,962)
Total Comprehensive Income for the year	(102,930,874)	-	(9,111,962)	(112,042,836)
As at 31 March 2017	(225,508,995)	-	24,615,472	(200,893,523)

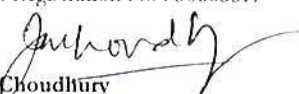
As per our report on even date

In terms of our attached report of even date

For **S. K. AGRAWAL & COMPANY**

Chartered Accountants

Firm Registration No : 3060331E


J.K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: **27 JUN 2018**





Director


 Director

INDOCEAN DEVELOPERS PRIVATE LIMITED
Statement of Cash Flows for the year ended 31 March 2018

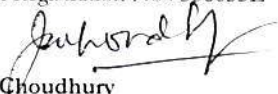
Particulars	Amount in INR	
	March 31,2018	March 31,2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	(57,848,146)	(102,029,800)
Adjustment to reconcile profit before tax to net cash flow		
Finance Cost		40,784,539
Amortisation of lease rental	1,099,796	1,091,163
Depreciation	10,085,627	10,453,548
Provision for Gratuity	207,774	45,784
Amortisation of intangible assets	320,216	
Interest and other non operating Income	(14,162,712)	(5,566,194)
Operating profit before working capital changes	(60,297,445)	(55,220,960)
Adjustments for-		
(Increase)/Decrease in inventories	(2,222,310,473)	(2,345,591,742)
Decrease/(Increase) in trade and Other receivables (short term loan & advances)	(414,992,713)	154,035,108
Increase/(Decrease) in trade and Other Payables	(1,084,370)	(12,428,722)
Increase/(decrease) in loans, deposits and other financial assets		-
(Increase)/decrease in other current and non current assets	(1,007,477)	(789,121)
Increase/(decrease) in other financial liabilities		-
Increase/(decrease) in short term provisions	(424,413)	352,228
Increase/(decrease) in other current liabilities	2,349,939,826	1,715,676,810
Increase/decrease in amounts due to related parties		
Cash generated in operations	(350,177,065)	(543,966,399)
Income Tax Paid (net of refund)	472,029	-
Net Cash inflow from Operating Activities	(349,705,036)	(543,966,399)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	6,122,606	5,566,194
Acquisition of Prepaid Lease	23,868,179	83,581,939
Acquisition of Fixed Assets	(2,452,499)	(650,624)
	27,538,286	88,497,509
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from/(Repayment of) non current borrowings	(42,581,438)	379,817,886
Interest income (foreign exchange gain)	8,040,106	
Changes in Long term Liabilities	(14,771,232)	(9,630,179)
Finance cost		(40,784,539)
Net cash flow from Financing Activities	(49,312,564)	329,403,168
D. Effect of Changes in Foreign Exchange Translation reserve	(655,811)	(4,730,775)
Net decrease in cash and cash equivalents (A+B+C+D)	(372,135,125)	(130,796,497)
Cash and Cash Equivalents at the beginning of the year (Refer note-8)	432,440,528	563,237,025
Cash and Cash Equivalents at the end of the year (Refer note-8)	60,305,403	432,440,528

In terms of our attached report of even date

For **S. K. AGRAWAL & COMPANY**

Chartered Accountants

Firm Registration No.: 306033E


J.K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: **27 JUN 2018**




Director


Director

INDOCEAN DEVELOPERS PRIVATE LIMITED
Statement of Cash Flows for the year ended 31 March 2018 (Contd.)

Notes :

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of Cash Flow.

(b)

Particulars	Amount in INR	
	As at 31.03.2018	As at 31.03.2017
Cash and Cash Equivalants comprises of		
Cash in hand	51,946	97,669
Balances with banks:		
– On current accounts	59,000,167	393,830,663
– Deposits with original maturity of less than three months	1,253,290	1,282,380
Cash and Cash Equivalants in Cash Flow Statement	60,305,403	395,210,712

(c) Amendment to Ind AS 7

The amendments to Ind AS - 7 Cash Flow Statements requires the entities 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 suggesting inclusion of a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities to meet the disclosures requirement. This amendment has become effective from 01.04.2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

Particulars	As at 31.03.2017	Cash Flow	Non - Cash Changes		As at 31.03.2018
			Fair Value Changes	Current/ Non - Current Classification	
Borrowings - Non Current	3,828,999,744	(1,575,570,952)	-	Non current	2,253,428,792
Borrowings - Current	-	1,532,989,514	-	Current	1,532,989,514

As per our report of even date

For **S. K. AGRAWAL & COMPANY**

Chartered Accountants

Firm Registration No : 329088E


J.K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: **27 JUN 2018**


Director


Director



INDOCEAN DEVELOPERS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

1. Corporate Information

Indocean Developers Private Limited (referred to as "the Company") is (a wholly owned subsidiary of M/S A A Infraproperties Pvt Ltd, a company incorporated in India) incorporated in SRI Lanka having its principal place of business in SRI LANKA, the registered office of the company is located at 121A Sir James Peiris Mawatha, Colombo -02 and the place of construction is at 127 Sir James Peiris Mawatha, Colombo-02. originally audited by the overseas auditors pursuant to law of the country of its incorporation have been made as per requirement of Indian Companies Act in due adherence to section 129 of the companies Act 2013 .

2. Basis of Preparation of financial statements

a) Compliance with INDAS

The accounts of the Company were audited by the overseas auditors pursuant to law of the country of its incorporation have been made as per requirement of Indian Companies Act in due adherence to section 129 of the companies Act 2013 . For all periods up to and including the year ended 31 March 2017, the Company converted its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March 2018 are the first financial statements which the Company has converted in accordance with Indian Accounting Standards ("Ind AS") including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent possible.

Translation of treatment of various heads of accounts has been done in accordance with Indian Accounting Standards("Ind AS") including the Ind AS specified under Section 133 of the Act read with the Companies(Indian Accounting Standards) Rules, 2015, as amended, to the extent possible.

Presentation of accounts are in terms of Schedule III to the Companies Act, 2013 including disclosure of necessary information as laid down under section 129 of Companies Act, 2013

b) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with the accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis, except for certain assets and liabilities which have been measured at fair values as explained in relevant accounting principles.

Accounting policies have been consistently applied 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.

3. Summary of Significant Accounting Policies

3.1. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing



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INDOCEAN DEVELOPERS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as sixty months for ongoing projects and twelve months in case of completed projects for the purpose of current- noncurrent classification of assets and liabilities.

3.2. Foreign Currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency- LKR'). The financial statements are translated in Indian Rupee (INR). Translation of accounts of the body corporate from the currency of country of its Incorporation LKR to Indian Rupee are as follows :

- a) Property, Plant and Equipment are translated to Indian rupee in terms of exchange rate prevailing at the year end.
- b) Current assets have been recognised in accounts at exchange rate prevailing at the year – end.
- c) All outside liabilities have been recognised in accounts at exchange rate prevailing at the year end.
- d) Income and expenses have been recognised in accounts at weighted average of exchange rate prevailing at the beginning and the end of each month.
- e) Equity Shares has been recognised in accounts at the exchange rate prevailing at the time of their issuance.
- f) Resultant gain/ loss because of above is accounted for in the balance sheet as “Foreign Exchange Translation Reserve”

3.3. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company 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:



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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.4. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.5. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.6. Property, Plant and Equipments

The Company has elected to adopt the carrying value of Property, Plant and Equipment under the Indian GAAP as on 1st April 2016, as the deemed cost for the purpose of transition to IND AS.

Property, plant and equipment and capital work in progress are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying



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INDOCEAN DEVELOPERS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Depreciation is provided on Straight line method over the useful lives of property, plant and equipment as estimated by management. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided prorata basis on straight line method at the rates determined based on estimated useful lives of property, plant and equipment where applicable.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7. Intangible Assets

The Company has elected to adopt the carrying value of Property, Plant and Equipment under the Indian GAAP as on 1st April 2016, as the deemed cost for the purpose of transition to IND AS.

Intangible Assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life of three years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and are charged to Statement of Profit and Loss for the year during which such expenditure is incurred.

3.8. Capital work-in-progress and intangible assets under development

Capital work-in-progress and intangible assets under development are carried at cost. Cost includes land, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

3.9. 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, 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) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are



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INDOCEAN DEVELOPERS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.10. Inventories

Raw materials, Construction work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost of inventories comprise all cost of purchase including cost of land, borrowing cost, development costs and other cost incurred in bringing them to their present location and condition. The cost, in general, is determined using weighted average cost method.

Contract cost incurred related to future activity of the contract are recognised as an asset provided it is probable that they will be recovered during the contract period. Such costs represent the amount due from customer and are often classified as Construction work-in-progress.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.11. Revenue and Other Income

Revenue is recognized when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of revenue transaction as set-out below:

Principles of Ind AS 18 in respect of sale of goods for recognising revenue, costs and profits from transactions of real estate which are in substance similar to delivery of goods when the revenue recognition process is completed; and

In case of real estate sales where agreement for sale is executed for under construction properties, revenue in respect of individual contracts is recognised when performance on the contract is considered to be completed.

Interest Income is recognised using the effective interest method and is included under the head 'Other Income' in the Statement of Profit and Loss.

Dividend Income is recognised when the Company's right to receive dividend is established.

All other incomes are recognised on accrual basis.

3.12. Employee Benefits

- I. Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to employees Provident Fund and Employees Trust Fund respectively.



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INDOCEAN DEVELOPERS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

Full provision has been made on account of retiring gratuity from the first year of service of the employees at half(1/2) months salary for each year's service . The gratuity liability is not externally funded.

However according to the Payment of gratuity Act No. 12 of 1983, the liability for gratuity payment to an employee arises only after the completion of 5 years of continued service.

3.13. Leases

Leasehold property comprising of land use rights and stated at valuation , are amortised on a straight line basis over the lease term . Amortisation that occurs during the period of construction of the inventory /investment property are capitalized under the category of construction work in progress.

3.14. Taxes on Income

Current Taxes

Company has entered into agreements with the Board of Investment of Sri Lanka which specifies that the section 17A of the Inland Revenue Act which relate to the exemption of Income Tax from the profits and income of any new undertaking is applicable for Indoceen Developers (Pvt) Ltd.

According to the agreement between the company and the Board of Investment of Sri Lanka, the Company is entitled to a twelve year "Tax Exemption Period" on its profits and income, commencing from the first year of making profit or any year of assessment not later than two(02) years reckoned from the date of commencement of commercial operations or production whichever is earlier.

Deferred Taxation

As the Inland Revenue Act does not apply as stated above, temporary differences do not arise during the tax exemption period. However, following technical guidelines issued by the Institute Of Chartered Accountants of Sri Lanka, the Board of Directors carries out an assessment of temporary differences which continue to prevail after the tax exemption period and any deferred tax asset or liability which need to be accounted for at each reporting date.

3.15. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of 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. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events



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INDOCEAN DEVELOPERS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.16. Borrowing Costs

Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

3.17. Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

3.18. 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.

A. Financial assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- a. Debt instruments at amortised cost
- b. Equity instruments measured at fair value through other comprehensive income FVTOCI



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Debt instruments at amortised cost other than derivative contracts

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value other than equity investments measured at deemed cost on first time adoption of Ind AS as set out in Note 30. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset

iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.



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INDOCEAN DEVELOPERS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

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 ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. 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, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B. Financial liabilities

i. Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.



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INDOCEAN DEVELOPERS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful debts.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year. The amounts are generally unsecured. Trade and other payables are presented as current liabilities unless payment is not due within the Company's operating cycle. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified



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INDOCEAN DEVELOPERS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.19. Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupee as per the requirement of Schedule III to the Act, unless otherwise stated.

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INDOCEAN DEVELOPERS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Note 4(a) - Property, Plant and Equipment

Particulars	Gross Block at Cost					Depreciation / Amortisation				Net Block		Amount in INR
	As at 31.03.2017	Adjustment due to translation	Additions	Deletions	As at 31.03.2018	As at 31.03.2017	Adjustment due to translation	For the Year	On Deletions (accumulated upto the date of sale)	As at 31.03.2018	As at 31.03.2017	
Office Equipment	574,992	298,833	81,096	-	954,921	138,991	308,724	151,716	-	599,431	355,490	436,001
Furniture and Fittings	11,748,737	4,790,573	507,208	-	17,046,518	2,794,970	4,993,686	2,785,306	-	10,573,962	6,472,556	8,953,767
Sales center Building	41,436,664	14,303,704	121,151	-	55,861,519	9,507,595	15,028,001	9,302,283	-	33,837,879	22,023,640	31,929,069
Computers	2,101,363	939,834	366,725	-	3,407,922	704,358	971,525	717,353	-	2,393,236	1,014,686	1,397,005
Site Equipment	205,538	232,196	11,524	-	449,258	111,667	234,327	90,933	-	436,927	12,331	93,871
TOTAL	56,067,294	20,565,140	1,087,704	-	77,720,138	13,257,581	21,536,263	13,047,591	-	47,841,435	29,878,703	42,809,713
Previous Year	83,908,207	(6,147,674)	650,624	-	78,411,157	24,110,349	(1,766,485)	13,257,581	-	35,601,445	42,809,713	59,797,858
Previous year net depreciation								13,257,581				
Related to project								2,961,964				
Net Transfer to P&L								10,405,843				

Note 4(b) - Intangible Assets

Particulars	Gross Block at Cost				Depreciation / Amortisation					Net Block	
	As at 31.03.2017	Adjustment due to translation	Additions	Deletions	As at 31.03.2018	As at 31.03.2017	Adjustment due to translation	For the Year	On Deletions(Accu mulated upto the date of sale)	As at 31.03.2018	As at 31.03.2017
Intangible Assets	-	-	1,364,795	-	1,364,795	-	-	320,216	-	320,216	1,044,579
											-
TOTAL	-		1,364,795.00	-	1,364,795.00	-		320,216.00	-	320,216.00	1,044,579.00
											-



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INDOCEAN DEVELOPERS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2017

Note 4(a) - Property, Plant and Equipment

Particulars	Gross Block at Cost					Depreciation / Amortisation				Amount in INR	
	As at 01.04.2016 (refer note 4(c) below)	Adjustment due to translation	Additions	Deletions	As at 31.03.2017	As at 01.04.2016	Adjustment due to translation	For the Year	On Deletions (accumulated upto the date of sale)	As at 31.03.2017	As at 01.04.2016
Office Equipment	484,939	(35,530)	125,583	-	574,992	-	-	138,991	-	138,991	484,939
Furniture and Fittings	12,366,330	(906,039)	288,446	-	11,748,737	-	-	2,794,970	-	2,794,970	12,366,330
Sales center Building	44,712,607	(3,275,943)	-	-	41,436,664	-	-	9,507,595	-	9,507,595	44,712,607
Computers	2,012,195	(147,427)	236,595	-	2,101,363	-	-	704,358	-	704,358	2,012,195
Site Equipment	221,787	(16,249)	-	-	205,538	-	-	111,667	-	111,667	221,787
TOTAL	59,797,858	(4,381,188)	650,624	-	56,067,294	-	-	13,257,581	-	13,257,581	59,797,858

Note 4 (a)

For Property, Plant and Equipment, Intangible assets as on 1st April 2016, i.e., the date of transition to Ind AS, the company has used Indian GAAP value as deemed cost as permitted by Ind AS 101- First Time Adoption. Accordingly the net

a) Property, Plant and Equipment

Particulars	Gross block	Accumulated depreciation	Net block	Adjustment due to translation	Adjustment due to translation	Net Adjustment due to translation
Office Equipment	829,284	344,345	484,939	(60,759)	(25,229)	(35,530)
Furniture and Fittings	17,949,888	5,583,558	12,366,330	(1,315,128)	(409,089)	(906,039)
Sales center Building	61,543,229	16,830,622	44,712,607	(4,509,066)	(1,233,123)	(3,275,943)
Computers	3,102,501	1,090,306	2,012,195	(227,310)	(79,883)	(147,427)
Site Equipment	483,305	261,518	221,787	(35,410)	(19,161)	(16,249)
Total	83,908,207	24,110,349	59,797,858	(6,147,673)	(1,766,485)	(4,381,188)



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INDOCEAN DEVELOPERS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Note 5a. Financial Assets - Investments

Amount in INR

	Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Investments (Fully Paid)			
At Fair Value through Profit & Loss:			
NDB Wealth Money Plus Fund	-	37,229,816	-
Investment in units of NDB Wealth Money Plus Fund 5503695.55 units of Rs.4.26 each fully paid up			
Total	-	37,229,816	-
Aggregate amount of Quoted Investments	-	37,229,816	-
Aggregate Market Value of Quoted Investments	-	37,285,573	-

Amount in INR

Note 5b. Financial Assets - Loans

(Unsecured considered good unless otherwise stated)

	Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Security Deposits	805,522	440,746	736,200
Total Loans	805,522	440,746	736,200

Note 5c. Other Financial Assets

Amount in INR

	Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advances to Related Party (Refer Note 26)			
Advances to Holding company			
AA Infraproperties Pvt Ltd	-	-	4,539,917
	-	-	4,539,917



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INDOCEAN DEVELOPERS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2018
Total Other Financial Assets

Note 6. Other Assets	Non-Current			Current		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Prepaid Lease Rental	1,020,224,126	1,055,207,446	1,150,827,540	294,137	386,456	688,498
Advances for Expenses	-	-	-	2,289,894	9,928,994	217,243
Advances given to suppliers & contractors	-	-	-	433,629,540	72,239,051	51,622,977
Mobilization Advance	-	-	-	158,150,868	97,267,540	278,936,540
Others	-	-	-	-	-	-
Prepaid expenses	-	-	-	557,215	751,030	10,762
VAT Recoverable	-	-	-	2,446,203	2,502,982	2,130,393
Employers claim	-	-	-	-	48,420	52,248
	1,020,224,126	1,055,207,446	1,150,827,540	597,367,857	183,124,473	333,658,661

Note 7. Inventories

(Lower of cost or net realisable value)

	Amount in INR		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Construction Work - in - progress	8,861,175,735	6,620,997,512	4,427,666,082
Buy Back of Apartment	163,311,855	167,102,500	-
Total inventories	9,024,487,590	6,788,100,012	4,427,666,082

Note 8. Cash and Cash Equivalents

	Amount in INR		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balances with Banks on Current Accounts	59,000,167	393,830,663	496,736,202
Cash on hand	51,946	97,669	84,403
Term Deposits with maturity of three months or less	1,253,290	1,282,380	66,416,420
Total Cash and Cash Equivalents	60,305,403	395,210,712	563,237,025

Note 9. Current Tax Assets/ (Liabilities)

	Amount in INR		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current Tax Assets	292,234	339,657	208,321
Current Tax liabilities	-	764,070	411,842
Net Current Tax Assets/ (Liabilities)	292,234	(424,413)	(203,521)


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INDOCEAN DEVELOPERS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2018
Note - 10. Equity Share Capital

	Amount in INR		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Authorised Capital			
69,85,317 Equity Shares of Rs. 41.45 each	289,569,000	289,569,000	289,569,000
Issued, Subscribed and Paid-up Capital			
69,85,317 Equity Shares of Rs. 41.45 each are held by the Holding Co- A A Infraproperties Private Ltd	289,569,000	289,569,000	289,569,000
Total Equity Share Capital	289,569,000	289,569,000	289,569,000

a) The Reconciliation of Share Capital is given below:

	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR	No. of Shares	Amount in INR
At the beginning of the year	6,985,317	289,569,000	6,985,317	289,569,000	6,985,317	289,569,000
Issued during the Year	-	-	-	-	-	-
At the end of the year	6,985,317	289,569,000	6,985,317	289,569,000	6,985,317	289,569,000

b) Terms/Rights attached to class of shares

The Company has only one class of Equity Shares having a par value of LKR 100 each. Holder of each Equity Share is entitled to one vote per share.

In the event of liquidation of the company, the holders of Equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Shareholders holding more than 5 percent of Equity Shares in the Company

	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
AA Infraproperties Private limited -Holding Co	6,985,317	100.00%	6,985,317	100.00%	6,985,317	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares



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INDOCEAN DEVELOPERS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2018

Note - 11. Other equity

	Amount in INR		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Reserves & Surplus			
Retained earnings	(282,885,112)	(225,508,995)	(122,578,121)
<u>Other Comprehensive Income</u>			
Exchange differences on translating financial statements of a foreign operation	22,988,538	24,615,472	33,727,434
Total other equity	(259,896,574)	(200,893,523)	(88,850,687)

Retained Earnings - Retained earnings includes surplus in the Statement of Profit and Loss, Ind-AS related adjustments as on the date of transition, remeasurement gains/ losses on defined benefit obligations.

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INDOCEAN DEVELOPERS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Note 12a.

Amount in INR

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Non-Current Borrowings			
Secured			
Term Loans from Banks	2,253,428,792	3,828,999,744	1,069,706,642
Total	2,253,428,792	3,828,999,744	1,069,706,642
Unsecured			
Loan from Holding Company A A Infraproperties Private Limited Terms of Repayment : 14% interest bearing unsecured loan repayable only after 5 Years from the date of drawdown	-	-	1,858,567,839
Total	-	-	1,858,567,839
Total Non Current Borrowings	2,253,428,792	3,828,999,744	2,928,274,481
Note. 12b			
Current Borrowing			
Secured			
Loan from Barclays Bank	-	-	318,092,344
Loan from Axis Bank	1,532,989,514	-	-
Total	1,532,989,514	-	318,092,344
Unsecured			
Loan from Holding Company A A Infraproperties Private Limited	-	-	202,815,033
Total	-	-	202,815,033
Total Current Borrowings	1,532,989,514	-	520,907,377

Terms and conditions

(1) Term loan from Banks	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Dollar term Loan from Axis Bank Ltd, Hong Kong amounting to USD 14.5 million, at the rate of 1 month LIBOR+2.85 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd and its parent company AA Infraproperties Pvt Ltd and Mr. Jaideep Halwasiya(Director)(that the loan will be payable on demand).	954,006,350	2,480,297,085	1,069,706,642
Dollar term Loan from Standard Chartered Bank, Colombo amounting to USD 20.5 million, at the rate 1month LIBOR +0.9 % per annum secured by guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd and its parent company AA Infraproperties Pvt Ltd and Mr. Jaideep Halwasiya(Director)(that the loan will be payable on demand).	1,299,422,442	1,348,702,659	-
Total of term loan from bank	2,253,428,792	3,828,999,744	1,069,706,642

Current borrowing	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Secured			
Loan from Barclays Bank Terms: The company has obtained a 3 months revolving loan from Barclays Bank PLC, Singapore amounting to USD 4.7 million at the rate of AWPLR + 1.9% secured by guarantee provided by its ultimate parent company South City Projects (Kolkata) Ltd that the loan will be payable on demand.	-	-	318,092,344
Loan from Axis Bank Dollar term Loan from Axis Bank Ltd, Hong Kong amounting to USD 23.3 million, at the rate of 3 month LIBOR+5.5 % per annum secured by immovable assets of the company and guarantee provided by its ultimate parent company South city projects (Kolkata) Ltd and its parent company AA Infraproperties Pvt Ltd(that the loan will be payable on demand).	1,532,989,514	-	-
Unsecured			
Loan from Holding Company A A Infraproperties Private Limited Terms of Repayment : 14% interest bearing unsecured loan repayable only after 5 Years from the date of drawdown	-	-	202,815,033
Total	1,532,989,514	-	520,907,377



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INDOCEAN DEVELOPERS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2018
Note 12 c. Other Financial Liabilities

	Non-Current			Current		Amount in INR
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Interest accrued and due on borrowings	-	-	-	-	-	312,088,700
Advances from Holding Company	-	-	-	13,055,510	14,337,814	-
Advances from Director	-	-	-	-	581,000	-
Advances from Ultimate Holding Company	-	-	-	14,799,168	22,306,406	3,547,184
Retention	63,265,916	78,037,148	87,667,327	65,140,110	-	-
Amount Payable to contractors	-	-	-	411,542,297	183,935,901	-
Interest Payable	-	-	-	-	-	4,406,375
Others Payable	-	-	-	13,778,670	14,938,785	164,094,300
Total other financial liabilities	63,265,916	78,037,148	87,667,327	518,315,755	236,099,906	484,136,559

Note 13. Provisions

	Non-Current			Current		Amount in INR
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Provision for retirement benefits of employees	1,868,749	1,660,975	1,615,191	-	-	-
	1,868,749	1,660,975	1,615,191	-	-	-

Note 14. Trade Payables

	Current		Amount in INR
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Trade Payables	-	-	-
- Total outstanding dues of Micro & Small Enterprises (See Note below)	-	-	-
- Total outstanding dues of creditors other than Micro & Small Enterprises	4,911,587	5,995,957	18,424,679
	4,911,587	5,995,957	18,424,679

Note: There are no Micro, Small and Medium Enterprises, to whom the company owes dues which are outstanding for more than 45 days during the year. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 as been determined to the extent such parties have been identified on the basis of information available with the company.

Note 15. Other Liabilities

	Current			Amount in INR
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	
Advances from Customers	6,329,953,275	4,262,229,298	2,298,515,835	
Total other current Liabilities	6,329,953,275	4,262,229,298	2,298,515,835	



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INDOCEAN DEVELOPERS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2018

Note 16a. Financial Assets

	Amount in INR		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Financial Assets - Current			
<u>At Fair Value through profit or loss</u>			
Investments	-	37,229,816	-
<u>At Amortised cost</u>			
(a) Trade Receivables			
(b) Cash and Cash Equivalents	60,305,403	395,210,712	563,237,025
(d) Loans	805,522	440,746	736,200
(e) Other Financial Assets	-	-	4,539,917
Total Current Financial Assets	61,110,925	432,881,274	568,513,142

Note 16b. Financial Liabilities

	Amount in INR		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Financial Liabilities - Non Current			
<u>At Amortised Cost</u>			
(a) Borrowings	2,253,428,792	3,828,999,744	2,928,274,481
(b) Other Financial Liabilities	63,265,916	78,037,148	87,667,327
Total Non Current Financial Liabilities (a)	2,316,694,708	3,907,036,892	3,015,941,808
Financial Liabilities - Current			
<u>At Amortised Cost</u>			
(a) Borrowings	1,532,989,514	-	520,907,377
(b) Trade payables	4,911,587	5,995,957	18,424,679
(c) Other Financial Liabilities	518,315,755	236,099,906	484,136,559
Total Current Financial Liabilities (b)	2,056,216,856	242,095,863	1,023,468,615
Total Financial Liabilities (a + b)	4,372,911,564	4,149,132,755	4,039,410,423



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INDOCEAN DEVELOPERS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Note 17. Other Income

	Amount in INR	
	2017-18	2016-17
Income from Financial Assets		
Interest Income on Deposits	853,714	3,603,822
Other Non Operating Income		
Profit on sale of units of Unit Trust	5,268,892	1,962,372
Net foreign exchange gain	8,040,106	-
Total	14,162,712	5,566,194

Note 18. Construction Cost

	Amount in INR	
	2017-18	2016-17
Project Expenses	2,405,243,927	2,681,530,395
Total	2,405,243,927	2,681,530,395

Note 19. (Increase)/Decrease in Inventories of Finished Goods and Construction Work-in-Process

	Amount in INR	
	2017-18	2016-17
Closing Stock		
Construction Work -in-progress	8,861,175,735	6,620,997,512
Buy Back of Apartment	163,311,855	-
Total (A)	9,024,487,590	6,620,997,512
Opening Stock		
Construction Work -in-progress	6,620,997,512	4,427,666,082
Buy Back of Apartment	167,102,500	-
Less: Adjustment due to translation	(168,856,349)	(488,198,965)
Total (B)	6,619,243,663	3,939,467,117
Total (A - B)	2,405,243,927	2,681,530,395



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INDOCEAN DEVELOPERS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2018
Note 20. Finance Costs

		Amount in INR	
		2017-18	2016-17
Interest Expense		-	40,784,539
Total		-	40,784,539

Note 21. Depreciation and Amortisation Expense

		Amount in INR	
		2017-18	2016-17
Depreciation of Tangible Assets (Note 4a)		10,085,627	10,453,548
Amortisation of Intangible Assets (Note 4a)		320,216	-
Total		10,405,843	10,453,548

Note 22. Other Expenses

		Amount in INR	
		2017-18	2016-17
Administrative & Other Expenses			
Printing & Stationery		304,541	693,221
Professional fees		266,045	1,246,003
Audit Fees		261,045	209,993
Courier Charges		257,239	453,372
Emigration expenses		156,461	131,729
Office Supplies		785,303	664,299
Office maintenance Expenses		1,782,863	1,190,119
Donation		926,605	6,314,312
Sales center site maintenance charges		654,040	848,792
Computer maintenance charges		1,199,120	836,458
Utility charges		3,554,083	3,795,522
Miscellaneous Expenses		127,653	153,075
Marketing & Promotional Expenses			
Lease premium - sales centre land		1,099,796	1,091,163
Advertisement expenses		11,427,005	15,801,134
Website development		799,440	821,078
Other promotional expenses		8,629,603	10,740,486
Sales Commission		29,374,173	11,367,151
Total		61,605,015	56,357,907

Note 22.1 Auditor's Remuneration

		Amount in INR	
		2017-18	2016-17
As Auditor:			
Audit fees		261,045	209,993



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INDOCEAN DEVELOPERS PRIVATE LIMITED**Notes to Financial Statements for the year ended March 31, 2018**

Note 23. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	2017-18	2016-17
Net Profit for calculation of Basic and Diluted Earnings Per Share (₹)	(57,376,117)	(102,930,874)
Weighted average number of shares (Nos.)	6,985,317	6,985,317
Earning per equity share		
Basic & Diluted earning per share (₹)	(8.21)	(14.74)

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Note 24. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements:

Defined Employer Benefit plans

The cost and the present value of the defined benefit gratuity plan and other post-employment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments and guarantees

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Depreciation on Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

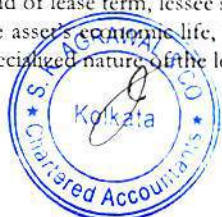
Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.



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S. K. Agarwal

Note 25. Commitment and Contingencies

	As at 31.03.2018	As at 31.03.2017	Amount in INR As at 01.04.2016
a. Guarantees given			
Against Loans taken	4,900,000,000	5,500,000,000	250,000,000
Total	4,900,000,000	5,500,000,000	250,000,000

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INDOCEAN DEVELOPERS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2018
Note 26. Disclosure in respect of Related Parties pursuant to Ind AS 24
List of Related Parties
I. Parent and Subsidiary Companies:

Name of related parties	Nature of relationship	% of Holding
1. South City Projects(Kolkata) Ltd	Ultimate holding company	87.5%
2. AA Infraproperties Private Ltd	Holding company	100%

II. Other related parties with whom transactions have taken place during the year:
a) Key Management Personnel

Name of related parties	Nature of relationship
Shri. Pradeep Kumar Sureka	Non - Executive Director
Shri. Jaideep Halwasiya	Non - Executive Director
Shri. Harendran Chelvadurai	Non - Executive Director
Shri Ram krishna Agrawal	Independent Director
Shri. Khemchand Pradeep Roshan Leo Moraes	Executive Director

b) Transactions

Particulars	Ultimate Holding Co- South City Projects (Kolkata) Ltd		Total Outstanding		
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	01.04.2016
Advance Received	14,799,168	1,250,000	14,799,168	-	3,547,184
Services Received	33,411,800	21,302,800	33,411,800	18,759,223	13,951,700

Particulars	Holding Co- A A Infraproperties Pvt Ltd		Total Outstanding		
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	01.04.2016
Issuance of shares	-	-	289,568,995	289,568,995	289,568,995
Loan Received	-	-	-	-	1,858,567,839
Loan Repayment	-	2,537,516,003	-	-	-
Advance Received	13,055,510	83,726,760	13,055,510	14,337,814	(4,539,917)
Advance Repayment	1,232,804	67,495,829	-	-	-
Services Received	1,600,000	2,646,800	-	-	-
Interest Payable	-	-	-	-	312,088,700
Interest Payment	-	164,044,430	-	-	-

A A Infraproperties Pvt. Ltd., South City Projects (Kolkata) Ltd. and the Director have jointly provided a Guarantee of Rs. 515,00,00,000 for the Company.

The company has provided counter guarantee to A A Infraproperties Pvt. Ltd., South City Projects (Kolkata) Ltd. and Director guarantors of term loan Rs. 490,00,00,000 sanctioned by Banks which will be repaid on time and the company will reimburse the Parent/Ultimate parent company/Director on any loss/repayment incurred by them.



Note 27. Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

a) **Financial Assets and Liabilities measured at Fair Value at 31 March 2018** R in Lakhs

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment at FVTPL				
In Mutual funds				

Financial Assets and Liabilities measured at Fair Value at 31 March 2017

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment at FVTPL				
In Mutual funds	37,229,816			37,229,816

Financial assets and liabilities measured at fair value at 1 April 2016

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment at FVTPL				
In Mutual funds				

(b) **Financial Instruments at Ammortized Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled

(c) During the year there has been no transfer from one level to another

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INDOCEAN DEVELOPERS PRIVATE LIMITED**Notes to Financial Statements for the year ended March 31, 2018****Note 28. Financial Risk Management, Objectives and Policies**

The Company's principal financial liabilities, comprise of borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's working capital requirements. The Company has various financial assets such as trade receivables, loans, investments, short-term deposits and cash & cash equivalents, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's Board of Directors assures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

A. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company.

a) Credit Risk Management

The Company provides for Expected Credit Loss based on the following:

Asset Group	Description	Provision for Expected Credit Loss*
Low Credit Risk	Cash and cash equivalents, other bank balances,	12 month expected credit loss/life time expected credit
Moderate Credit Risk	Trade receivables, loans and other financial assets	12 month expected credit loss/life time expected credit
High Credit Risk	Trade receivables, loans and other financial assets	Life time expected credit loss

*Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Credit Rating	Particulars	31.03.2018	31.03.2017	01.04.2016
Low Credit Risk	Cash and cash equivalents, other bank balances, investments, loans and other financial assets	61,110,925	432,881,274	568,513,142
High Credit Risk	Loans and Trade Receivables			

B. 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.

Maturities of Financial Liabilities

The table below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities

March 31, 2018

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	1,532,989,514	2,253,428,792		3,786,418,306
Trade Payable	4,911,587			4,911,587
Other Financial Liabilities	518,315,755	63,265,916		581,581,671

March 31, 2017

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	-	3,828,999,744		3,828,999,744
Trade Payable	5,995,957			5,995,957
Other Financial Liabilities	236,099,906	78,037,148		314,137,054

April 1, 2016

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	520,907,377	2,928,274,481		3,449,181,858
Trade Payable	18,424,679			18,424,679
Other Financial Liabilities	484,136,559	87,667,327		571,803,886



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INDOCEAN DEVELOPERS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

C. Market Risk**a. Interest Rate Risk**

The Company has taken debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the *Interest Rate Risk Exposure*

Particulars	31.03.2018	31.03.2017	01.04.2016
Variable Rate Borrowing	3,786,418,306	3,828,999,744	3,246,366,825
Fixed Rate Borrowing			

Interest Rate Sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2018	March 31, 2017
Interest Sensitivity*		
Interest Rates increase by 100 basis points	(37,864,183)	(38,289,997)
Interest Rates decrease by 100 basis points	37,864,183	38,289,997

*Holding all other variables constant

b. Price Risk

The Company's exposure to price risk arises from investments held and classified as FVTPL or FVOCI. To manage the price risk arising from

Sensitivity Analysis

Particulars	March 31, 2018	March 31, 2017
Price Sensitivity*		
Price increase by 5%- FVOCI		
Price decrease by 5%- FVOCI		
Price increase by 5%- FVTPL		1,861,491
Price decrease by 5%- FVTPL		(1,861,491)

*Holding all other variables constant



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INDOCEAN DEVELOPERS PRIVATE LIMITED**Notes to Financial Statements for the year ended March 31, 2018****Note 29. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The Company's policy is to use short term and longterm borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents). Equity comprises share capital and free reserves (total reserves excluding OCI). The following table summarizes the capital of the Company:

	31.03.2018	31.03.2017	01.04.2016
Borrowings	3,786,418,306	3,828,999,744	3,449,181,858
Trade Payables	4,911,587	5,995,957	18,424,679
Less: Cash and Cash Equivalents	60,305,403	395,210,712	563,237,025
Net Debt	3,731,024,490	3,439,784,989	2,904,369,512
 Total capital	 29,672,426	 88,675,477	 200,718,313
Capital and Net Debt	3,760,696,916	3,528,460,466	3,105,087,825
Gearing ratio	99%	97%	94%



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Note 30. First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first the Company has converted in accordance with Ind AS.

Accordingly, the Company has converted financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In converting these financial statements, the Company's opening balance sheet was converted as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Exemptions and exceptions applied

Ind AS 101 allows first-time adopters certain exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions and exceptions:

- a The Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value as on the date of transition. The written down value as per the Previous GAAP as on April 1, 2016 has been considered as the Gross Block under Ind AS for respective classes of assets in accordance with Ind AS 101- First-time adoption of Indian Accounting Standards.
- c The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from FVTPL – Mutual Funds and Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016 (i.e. the date of transition to Ind-AS) and as of 31 March 2017.

- d Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS in accordance with Ind AS 101- First-time adoption of Indian Accounting Standards.

Note 30.1 Effect of the Transition to Ind AS

The company balance sheet is converted under Indian GAAP and IND AS on April 1, 2016 and March 31, 2017 and since there is no such IND AS adjustments, hence reconciliation of Profit and loss for the year ended March 31, 2016 and March 31, 2017 prepared in accordance with Indian GAAP and IND AS are not required.

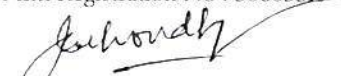
Note 30.2 Reconciliation of cash flows for the year ended March 31, 2017

The transition from erstwhile Indian GAAP to IND AS has not made a material impact on the statement of cash flows.

For **S. K. AGRAWAL & COMPANY**

Chartered Accountants

Firm Registration No : 306033E


J.K. Choudhury

Partner

Membership No-9367

Place: Kolkata

Dated: **27 JUN 2018**




Director


Director

Statement showing the calculation of FCTR

Particulars	LKR	LKR	Rate	INR	INR
	Debit	Credit		Debit	Credit
Share Capital		698,531,700	Actual		289,569,000
Share Issue Expenses		-	Actual		-
Reserve & Surplus		(491,084,642)	Opening		(225,508,995)
Non Current Assets (Leasehold property)					
Prepaid Lease Rental	2,442,110,491		Closing	1,020,224,126	
Sales/ Adjustments (Only FCTR Amount)				-	
Fixed Assets					
Opening	183,435,061		Closing	76,632,436	
Addition	5,870,548		Closing	2,452,499	
Accumulated Depreciation					
Opening		83,286,023	Closing	-	34,793,843
Addition		31,998,519	Closing		13,367,807
Non-current liabilities					
Long-term borrowings		5,394,032,500	Closing		2,253,428,792
Long Term liabilities		151,439,623	Closing		63,265,916
Long-term provisions		4,473,225	Closing		1,868,749
Other Non current Liabilities		-	Closing		-
Current liabilities					
Short-term Borrowings		3,669,517,000	Closing		1,532,989,514
Trade payables		11,756,866	Closing		4,911,587
Other current liabilities		15,152,009,155	Closing		6,329,953,275
Other current financial liabilities					
Interest accrued and due on borrowings					-
Advances from Holding Company		31,202,669	Closing		13,055,510
Advances from Director		-	Closing		-
Advances from Ultimate Holding Company		35,698,952	Closing		14,799,168
Retention		155,925,882	Closing		65,140,110
Amount Payable to contractors		985,108,796	Closing		411,542,297
Interest Payable		-	Closing		-
Others Payable		32,982,003			13,778,670
Short-term provisions		-	Closing		-
Current assets					
Current Investment			Closing		
Security Deposits	1,928,177		Closing	805,522	
Inventories	21,601,915,944		Closing	9,024,487,590	
Cash and cash equivalents	144,353,041		Closing	60,305,402	
Short-term loans and advances	1,429,215,364		Closing	597,073,720	
Other Current Assets	704,076		Closing	294,137	
Income tax receivable	699,520		Closing	292,234	
Other Operating Income		33,691,675	Average		14,162,712
Project Expenses	5,721,834,777		Average	2,405,243,927	
Changes in Inventory	(5,721,834,777)		Average	(2,405,243,927)	
Finance Costs	-		Average	-	
Administrative Expenses	24,443,192		Average	10,274,998	
Marketing & Promotional Expenses	122,108,976		Average	51,330,016	
Depreciation	24,908,465		Closing	10,405,842	
Tax Expenses/ (refund)		1,122,909	Closing		472,029
TOTAL	25,981,692,855	25,981,692,855		10,854,578,522	10,831,589,984

Foreign Currency Translation Reserve

0.00

22,988,538

(136,646,049)

9,680,171

(627,730,691)

32,668,709



✓ *Halwani*

Sgny

Exchange rates from Cbsl.gov.lk

Calculation of Average Rate

Month	Opening Rate (INR/LKR)	Closing Rate (INR/LKR)	Average Rate (INR/LKR)
Apr-17	2.3373	2.3692	2.3533
May-17	2.3640	2.3598	2.3619
Jun-17	2.3640	2.3741	2.3691
Jul-17	2.3756	2.3977	2.3867
Aug-17	2.3927	2.3884	2.3906
Sep-17	2.3860	2.3384	2.3622
Oct-17	2.3443	2.3680	2.3562
Nov-17	2.3721	2.3891	2.3806
Dec-17	2.3820	2.3854	2.3837
Jan-18	2.4100	2.4177	2.4139
Feb-18	2.4224	2.3856	2.4040
Mar-18	2.3759	2.3937	2.3848
Weighted Average Rate 2017-18			2.3789

✓ *Adwani*

Agar

