



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 South City Property Management Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of South City Property Management Private Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2018, the Profit and Loss (including the 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 (herein after referred to as "the Ind AS Financial statements").

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) prescribed 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

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and read with the Rules issued there under and the Order issued under section 143(11) of the Act.

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

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





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the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Profit including other comprehensive income, the changes in equity and its Cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the accompanying Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the Directors as on 31st March, 2018, and 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, refer to our separate Report in "Annexure B"; and





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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 the positions of financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Place: Kolkata

Dated: 22nd June, 2018

For S.K.AGRRAWAL & CO.

Chartered Accountants

Firm Registration No.-306033E

(J.K.Choudhury)

Partner

Membership No. 9367



S. K. AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306033E

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Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **South City Property Management Private Limited** ("the Company") on the Ind AS financial statements for the year ended on 31st March 2018. We report that:

- I. According to the information and explanations given to us and on the basis of our examination of the books of account, the company does not have any fixed assets. Accordingly, the provisions of this clause of the Order are not applicable.
- II. According to the information and explanations given to us and on the basis of our examination of the books of account, the company does not have any inventories. Accordingly, the provisions of this clause of the Order are not applicable.
- III. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies, Act, 2013. Accordingly, the provisions of this clause of the Order are not applicable.
- IV. In our opinion and according to the information and explanations given to us, the Company has not given any loan to directors or given any guarantee or security in connection with the loan.
- V. The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3(v) of the order are not applicable to the Company.
- VI. The maintenance of Cost Records as specified by the Central Government under section 148(1) of the Act is not applicable to the Company. Accordingly, the provisions of this clause of the Order are not applicable to the Company.
- VII. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Value added Tax, Goods & Services Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2018 for a period of more than six months from the date on which they became payable. During the year, the company did not have any dues towards duty of excise, duty of custom, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Value added Tax, Goods & Services Tax, Cess
(b) According to the information and explanations given to us, there are no material dues in respect of Sales Tax, Income Tax, Custom Duty, Service Tax, Goods & service Tax and Cess.
- VIII. To the best of our knowledge and belief and according to the information and explanations given to us the Company has not borrowed any sum or taken any loan from financial institutions, banks, Government or debenture holders.





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- IX. To the best of our knowledge and belief and according to the information and explanations given to us, the Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) or through term loans during the year;
- X. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- XI. According to the information and explanations given to us, the Company has not paid any remuneration to the managerial personnel. Accordingly, the provisions of this clause of the Order are not applicable to the Company.
- XII. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company;
- XIII. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards;
- XIV. According to the information and explanations given to us and based on our examination of records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;
- XV. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable; and
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.




Place: Kolkata

Dated: 22nd June, 2018

For S.K.AGRRAWAL & CO.

Chartered Accountants

Firm Registration No.-306033E


(J.K. Choudhury)

Partner

Membership No. 9367



S. K. AGRAWAL & CO.

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Annexure B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **South City Property Management Private Limited** ("the Company") to the extent records available with us in conjunction with our audit of the Ind AS financial statements of the company as of and for the year ended 31st March, 2018.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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





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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

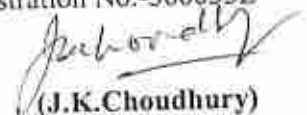
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the ICAI.



Place: Kolkata

Dated: 22nd June, 2018

For S.K.AGRRAWAL & CO.
Chartered Accountants
Firm Registration No.-306033E


(J.K. Choudhury)

Partner

Membership No. 9367

South City Property Management Private Limited
Balance Sheet as at 31st March 18

		Amount in Rs.		
Notes	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016	
ASSETS				
Current Assets				
Financial Assets				
(a) Investments	4a	1,00,00,000.00	-	-
(b) Trade Receivables	4f	36,691.00	36,691.00	36,691.00
(c) Cash and Cash Equivalents	4b	20,07,614.14	15,62,404.00	65,61,368.99
(d) Bank Balances Other than (c) above	4c	17,40,000.00	1,06,65,483.00	38,70,000.00
(e) Other Financial Assets	4d	1,68,807.72	1,90,525.00	1,71,440.10
Current Tax Assets (Net)		-	-	-
Other Current Assets	4e	10,150.00	10,150.00	10,150.00
		<u>1,39,63,262.86</u>	<u>1,24,65,253.00</u>	<u>1,06,49,650.09</u>
Total Assets		<u>1,39,63,263.09</u>	<u>1,24,65,253.00</u>	<u>1,06,49,650.09</u>

EQUITY AND LIABILITIES

Equity

Equity Share Capital	5	1,02,000.00	1,02,000.00	1,02,000.00
Other Equity	6	64,55,241.00	57,28,608.45	52,24,618.00
Total Equity		<u>65,57,241.00</u>	<u>58,30,608.45</u>	<u>53,26,618.00</u>

Liabilities

Non-Current Liabilities

Financial Liabilities				
(a) Other Financial Liabilities	7a	72,33,948.59	63,83,628.59	52,74,508.59
		<u>72,33,948.59</u>	<u>63,83,628.59</u>	<u>52,74,508.59</u>

Current Liabilities

Financial Liabilities				
(a) Borrowings	7b	-	1,36,476.00	-
(b) Trade payables	7c	16,540.00	11,500.00	11,500.00
Current Tax Liabilities (Net)		1,55,533.50	1,03,040.00	37,023.50
		<u>1,72,073.50</u>	<u>2,51,016.00</u>	<u>48,523.50</u>
Total Liabilities		<u>74,06,022.09</u>	<u>66,34,644.59</u>	<u>53,23,032.09</u>
Total Equity and Liabilities		<u>1,39,63,263.09</u>	<u>1,24,65,253.00</u>	<u>1,06,49,650.09</u>

Significant Accounting Policies

3

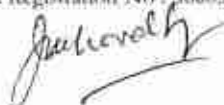
The accompanying notes are an integral part of the financial statements.

As per our report on even date.

For S. K. AGRAWAL & COMPANY

Chartered Accountants

Firm Registration No : 306033H



(J.K. CHOUDHURY)

Partner

Membership No-9367

Place: Kolkata

Dated: 22 JUN 2018

South City Property Management (P) Ltd. South City Property Management (P) Ltd.


Director

(PARIMAL AJMERA)

Director

DIN : 02126225

For and on behalf of Board of Directors

South City Property Management (P) Ltd.


Director

(MANOJ KUMAR SRIVASTWA)

Director

DIN : 02126412



South City Property Management Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

		Amount in Rs.	
	Notes	2017-18	2016-17
Other Income	8	9,72,292.72	8,18,062.15
Total Income		9,72,292.72	8,18,062.15
Expenses			
Employee Benefits Expense	9	-	1,55,996.00
Other Expenses	10	26,874.00	39,075.70
Total Expenses		26,874.00	1,95,071.70
Profit/(Loss) Before Tax		9,45,418.72	6,22,990.45
Tax Expense			
Current Tax		2,52,000.00	1,19,000.00
Deferred Tax		-	-
Income Tax for earlier year		(33,214.00)	-
		2,18,786.00	1,19,000.00
Profit/(Loss) for the Year (I)		7,26,632.72	5,03,990.45
Other Comprehensive Income:		-	-
Other Comprehensive Income/(Loss) for the Year, Net of Tax (II)		-	-
Total Comprehensive Income/(Loss) for the Year, Net of Tax (I + II)		7,26,632.72	5,03,990.45
Earnings per Equity Share of Rs.10 each			
Basic & Diluted	11	71.24	49.41

Significant Accounting Policies

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

As per our report on even date

For S. K. AGRAWAL & COMPANY

Chartered Accountants

Firm Registration No.: 306033E

[Signature]
(J. K. CHOUDBURY)

Partner

Membership No. 9307

Place: Kolkata

Dated: 2 5 2018



For and on behalf of Board of Directors

South City Property Management (P) Ltd. South City Property Management (P) Ltd.

[Signature]
Director
(PARIMAL AJMERIA)
Director
DIN : 02126225

[Signature]
Director
(MANOJ KUMAR SRIVASTAVA)
Director
DIN : 02126412

South City Property Management Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

a. Equity Share Capital:

Equity Shares of Re. 10 each Issued, Subscribed and fully paid
As at 1 April 2016
Issue of Share Capital
At 31 March 2017
Issue of Share Capital
At 31 March 2018

No. of Shares	Amount in Rs.
10,200	1,02,000.00
-	-
10,200	1,02,000.00
-	-
10,200	1,02,000.00

b. Other Equity

For the year ended 31st March 2018 Amount in Rs.

Particulars	Reserves & Surplus			Items of OCI	Total Equity
	Securities Premium Account	Retained Earnings	General Reserve	FVTOCI Reserve	
As at 1st April 2017	-	57,28,608.45	-	-	57,28,608.45
Profit for the year	-	7,26,632.72	-	-	7,26,632.72
Other comprehensive income for the year	-	-	-	-	-
Total Comprehensive Income for the year	-	7,26,632.72	-	-	7,26,632.72
As at 31 March 2018	-	64,55,241.17	-	-	64,55,241.17

For the year ended 31st March, 2017 Amount in Rs.


Particulars	Reserves & Surplus			Items of OCI	Total Equity
	Securities Premium Account	Retained Earnings	General Reserve	FVTOCI Reserve	
As at 1st April 2016	-	52,24,618.00	-	-	52,24,618.00
Profit for the year	-	5,03,990.45	-	-	5,03,990.45
Other comprehensive income for the year	-	-	-	-	-
Total Comprehensive Income for the year	-	5,03,990.45	-	-	5,03,990.45
As at 31st March 2017	-	57,28,608.45	-	-	57,28,608.45

As per our report on even date

For S. K. AGRAWAL & COMPANY
Chartered Accountants
Firm Registration No. 306033E


(J.K. CHOUDHURY)
Partner
Membership No-9367
Place: Kolkata
Dated: 22 JUN 2018

South City Property Management (P) Ltd. South City Property Management (P) Ltd.


Director
(PARIMAL MISHRA)
Director
DIN : 02126225

For and on behalf of Board of Directors


Director
(MANOJ KUMAR SHRIVASTAVA)
Director
DIN : 02126412



South City Property Management Private Limited
Statement of Cash Flows for the year ended 31 March 2018

Particulars	Amount in Rs.	
	March 31,2018	March 31,2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	9,45,418.72	6,22,990.45
Adjustment to reconcile profit before tax to net cash flow		
Profit on sale of non current investments	-	(3,41,599.15)
Sundry Balances Written Back	(33,214.00)	-
Fair value (gain)/loss on financial assets	-	-
Interest Income	(9,54,122.72)	(4,75,331.00)
Operating profit before working capital changes	(41,918.00)	(1,93,939.70)
Adjustments for-		
Increase/(decrease) in loans, deposits and other financial assets	1,07,424.28	46,931.60
Increase/(decrease) in other financial liabilities	8,50,320.00	11,09,120.00
Increase/(decrease) in other current and non current liabilities	5,040.00	-
Cash generated in operations	9,20,866.28	9,62,111.90
Income Tax Paid (net of refund)	2,18,786.00	1,19,000.00
Net Cash inflow from Operating Activities	7,02,080.28	8,43,111.90
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	9,54,122.72	4,75,331.00
Investment in Fixed Deposits (Net)	(1,00,00,000.00)	-
Sale of Non current Investments	-	3,41,599.15
	(90,45,877.28)	8,16,930.15
Net cash flow from Investing Activities	(90,45,877.28)	8,16,930.15
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from non current borrowings	-	-
Proceeds from current borrowings	(1,36,476.00)	1,36,476.00
Net cash flow from Financing Activities	(1,36,476.00)	1,36,476.00
Net decrease in cash and cash equivalents (A+B+C)	(84,80,273.00)	17,96,518.05
Cash and Cash Equivalents at the beginning of the year (Refer note-4b)	1,22,27,887.00	1,04,31,368.99
Cash and Cash Equivalents at the end of the year (Refer note-4b)	37,47,614.00	1,22,27,887.04

In terms of our attached report of even date

For: S. K. AGRAWAL & COMPANY
Chartered Accountants
Firm Registration No.: 30603ME


(J.K. CHOUDHURY)
Partner
Membership No. 9367
Place: Kolkata
Dated: 22 JUN 2018



For and on behalf of Board of Directors
South City Property Management (P) Ltd. South City Property Management (P) Ltd


Director

(PARIMAL AJMERIA)
Director
DIN : 02126225


Director

(MANOJ KUMAR SRIVASTAVA)
Director
DIN : 02126412

South City Property Management 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.

Particulars	Amount in Rs.	
	As at 31.03.2018	As at 31.03.2017
Cash and Cash Equivalants comprises of		
Cash in hand	16.00	16.00
Balances with banks		
— On current accounts	3,38,512.14	12,388.00
— Deposits with original maturity of less than three months	16,69,086.00	15,50,000.00
Cash and Cash Equivalants in Cash Flow Statement	20,07,614.14	15,62,404.00

(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 disclosure 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.

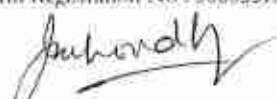
Particulars	As at 31.03.2017	Cash Flow	Non - Cash Changes		
			Fair Value Changes	Current/ Non - Current Classification	As at 31.03.2018
Borrowings - Non Current	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-
Borrowings - Current	-	-	-	-	-

As per our report of even date

For and on behalf of Board of Directors

For S.K. AGRAWAL & COMPANY
Chartered Accountants
Firm Registration No : 306033E

South City Property Management (P) Ltd.




Director


Director

J.K. CHOUDHURY
Partner
Membership No-09367
Place: Kolkata

(PARIMAL AJMERA)
Director
DIN : 02126225

(MANOJ KUMAR SRIVASTWA)
Director
DIN : 02126412

Dated: **22 JUN 2018**



SOUTH CITY PROPERTY MANAGEMENT PRIVATE LIMITED

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

1. Corporate Information

South City Property Management Private Limited (referred to as "the Company") is a public limited company established in 1991 under the Companies Act applicable in India. The Company is engaged in the business of Real Estate Maintenance Services. The Company is domiciled in India and has its registered office at 375, Prince Anwar Shah Road, Jadavpur, Kolkata – 700068.

2. Basis of Preparation of financial statements

a) Compliance with INDAS

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March 2018 are the first financial statements which the Company has prepared 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. Refer to note 15 for information on how the Company adopted Ind AS.

The financial statements were approved for issue in accordance with a resolution of the Board of directors on 22nd June 2018.

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

3.2. 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:

South City Property Management (P) Ltd.

South City Property Management (P) Ltd.



Regina
Director

H. Shri
Director

SOUTH CITY PROPERTY MANAGEMENT PRIVATE LIMITED

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

- 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.

3.3. 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.

3.4. 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.

3.5. Other Income

i) Other Revenues

Income from maintenance services etc. are recognised on accrual basis over the contract period as and when the services are rendered.


ii) Interest Income

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head 'Other Income' in the Statement of Profit and Loss.

South City Property Management (P) Ltd.


Director

South City Property Management (P) Ltd.


Director



SOUTH CITY PROPERTY MANAGEMENT PRIVATE LIMITED

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

3.6. Taxes on Income

Tax expense comprises current tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.7. 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.

3.8. Financial Instruments

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

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

South City Property Management (P) Ltd.



[Signature]
Director

[Signature]
Director

SOUTH CITY PROPERTY MANAGEMENT PRIVATE LIMITED

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

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.

ii. Subsequent measurement

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

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, borrowings are subsequently measured at amortised cost.

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 Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year. The amounts are generally unsecured. Trade 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.


3.9. Rounding off

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

South City Property Management (P) Ltd.

South City Property Management (P) Ltd.


Director


Director



South City Property Management Private Limited
Notes to financial statements for the year ended March 31, 2018

Note 4a. Financial assets - Investments

	Amount in Rs.		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Investment in Govt. Bonds (At Amortised Cost)			
8.17% GOI 2014 (No. of Bonds 95,000 Units)	1,00,00,000	-	-
Total Current Investments	1,00,00,000	-	-

Note 4b. Cash and Cash Equivalents

Balances with Banks:			
- On Current Accounts	3,38,512.14	12,388.00	51,10,842.99
- Deposits with original maturity of less than three months	16,69,086.00	15,50,000.00	14,50,000.00
Cash in Hand	16.00	16.00	526.00
Total Cash and Cash Equivalents	20,07,614.14	15,62,404.00	65,61,368.99

Note 4c. Other Bank Balances

Term Deposits with maturity of more than three months but less than twelve months*	17,40,000.00	1,06,65,483.00	38,70,000.00
Total Other Bank Balances	17,40,000.00	1,06,65,483.00	38,70,000.00

* It represents Term Deposits with Bandhan Bank.

South City Property Management (P) Ltd.

P. Aggarwal
Director

South City Property Management (P) Ltd.

H. Chh
Director



South City Property Management Private Limited
Notes to financial statements for the year ended March 31, 2018

Note 4d. Other Financial Assets

Amount in Rs.

	Current		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Interest Receivables	1,68,807.72	1,90,525.00	1,71,440.10
Total Other Financial Assets	1,68,807.72	1,90,525.00	1,71,440.10

Note 4e. Other Current Assets

	Current		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Income Tax Refundable	10,150.00	10,150.00	10,150.00
Total Other Current Assets	10,150.00	10,150.00	10,150.00

Note 4f. Trade Receivables
(Unsecured and Considered Good)

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Trade Receivables	36,691.00	36,691.00	36,691.00
Total Trade Receivables	36,691.00	36,691.00	36,691.00

South City Property Management (P) Ltd.

[Signature]
Director

South City Property

[Signature]
Director



Note - 5. Equity Share Capital

	Amount in Rs.		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Authorised Capital			
1,00,000 Equity Shares of Rs. 10 each	10,00,000.00	10,00,000.00	10,00,000.00
Issued, Subscribed and Paid-up Capital			
10,200 Equity Shares of Rs. 10 each fully paid up in cash	1,02,000.00	1,02,000.00	1,02,000.00
Total Equity Share Capital	1,02,000.00	1,02,000.00	1,02,000.00

a) The Reconciliation of Share Capital is given below:

	As at 31-Mar-2018		As at 31-Mar-2017		As at 01-Apr-2016	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
At the beginning of the year:	10,200	1,02,000.00	10,200	1,02,000.00	10,200	1,02,000.00
Issued during the Year	-	-	-	-	-	-
At the end of the year:	10,200	1,02,000.00	10,200	1,02,000.00	10,200	1,02,000.00

b) Terms/Rights attached to class of shares

The Company has only one class of Equity Shares having a par value of Rs. 10 each. Holder of each Equity Share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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-Mar-2018		As at 31-Mar-2017		As at 01-April-2016	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
South City Projects (Kolkata) Limited	10,200	100%	10,200	100%	10,200	100%

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.

South City Property Management (P) Ltd.

P. Aggarwal
Director

South City Property Management (P) Ltd.

H. Chatterjee
Director



Note - 6. Other Equity

	Amount in Rs.		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Reserves & Surplus			
Retained Earnings	64,55,241.17	57,28,608.45	52,24,618.00
Total Other Equity	64,55,241.17	57,28,608.45	52,24,618.00

Retained Earnings - Retained earnings includes surplus in the Statement of Profit and Loss.

FVTOCI Reserve - Net gain/(loss) on financial assets measured at fair value through other comprehensive income.

South City Property Management (P) Ltd.


Director

South City Property Management (P) Ltd.


Director



South City Property Management Private Limited
Notes to financial statements for the year ended March 31, 2018

Note 7 a. Other Financial Liabilities

	Non-Current			Current		
	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
Security Deposits Received	72,33,948.59	63,83,628.59	52,74,508.59	-	-	-
Total Other Financial Liabilities	72,33,948.59	63,83,628.59	52,74,508.59	-	-	-

Note 7 b. Current Borrowings

	Current		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Unsecured			
Temporary Bank Overdraft	-	1,36,476.00	-
		1,36,476.00	-
Total Current Borrowings		1,36,476.00	-

Note 7 c. Trade Payables

	Current		
	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	16,540.00	11,500.00	11,500.00
Total Trade Payables	16,540.00	11,500.00	11,500.00

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.

South City Property Management (P) Ltd.

P. Aggarwal
Director

South City Property Management (P) Ltd.

H. Chhikara
Director



Note 8. Other Income

	Amount in Rs.	
	2017-18	2016-17
Income form Financial Assets		
Interest Income on Bank Deposits:	9,32,563.00	4,75,331.00
Interest Income on investments in 8.17% GCI 2044 Bond	21,559.72	-
Other Non Operating Income		
Net Gain on Sale of Investments	-	3,41,599.15
Miscellaneous Income:	18,170.00	1,132.00
Total	9,72,292.72	8,18,062.15

South City Property Management (P) Ltd. South City Property Management (P) Ltd.

[Signature]
Director

[Signature]
Director



Note 9. Employee Benefits Expense

	Amount in Rs.	
	2017-18	2016-17
Salaries and Wages	-	1,55,996.00
Total	-	1,55,996.00

Note 10. Other Expenses

	Amount in Rs.	
	2017-18	2016-17
Rates & Taxes	4,650.00	4,400.00
Auditors Remuneration	12,100.00	11,500.00
Law & Professional Charges	3,540.00	2,587.00
Miscellaneous Expenses	6,584.00	20,588.70
Total	26,874.00	39,075.70

South City Property Management (P) Ltd.

F. J. Jha
Director

South City Property Management (P) Ltd.

H. Jha
Director



Note 11. Earnings Per Share (EPS)

Basic EPS amount is 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 amount is 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:

	Amount in Rs.	
	2017-18	2016-17
Net Profit for calculation of Basic and Diluted Earnings Per Share (Amount in Rs.)	7,26,632.72	5,03,990.45
Weighted average number of shares (Nos.)	10,200	10,200
Earning per equity share		
Basic & Diluted earning per share (Rs.)	71.24	49.41

South City Property Management (P) Ltd.


Director

South City Property Management (P) Ltd.


Director



Note 12. 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:

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 is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Revenue Recognition

The accounts has been prepared under Historical Cost Convention and on the basis of going concern concept. Income & Expenditure are recognised on accrual basis.

South City Property Management (P.) Ltd.


Director

South City Property Management (P.) Ltd.


Director



Note 13. Disclosure in respect of Related Parties pursuant to Ind AS 24

(A) List of Related Parties

I. Parent and Holding Company:

Name of related parties	Nature of relationship	% of Holding
1. South City Projects (Kolkata) Limited	Holding Co	100%

II. Key Management Personnel

Name of related parties	Nature of relationship
Shri Parima Ajmera	Non - Executive Director
Shri Manoj Kumar Srivastwa	Non - Executive Director

(B) Transaction with Related Parties:

Particulars	Holding Company- South City Projects (Kolkata) Limited	
	2017-18	2016-17
Advance given / (Received)		
Opening	-	-
During the year	(17,76,970)	(25,010)
Repayment of Advance Received / (Receipt)	17,76,970	25,010
Closing	-	-

South City Property Management (P) Ltd.

Parima Ajmera
Director

South City Projects (Kolkata) Limited

Manoj Kumar Srivastwa
Director



Note 14. 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 long-term 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-Mar-18	31-Mar-17	01-Apr-16
Borrowings	-	1,36,476.00	-
Trade payables	16,540.00	11,500.00	11,500.00
Other Financial Liabilities	72,33,948.59	63,83,628.59	52,74,508.59
Less: Cash and Cash Equivalents	29,07,614.14	15,62,404.00	65,61,368.99
Net Debt	52,42,874.45	49,69,200.59	(12,75,360.40)
Total Capital	65,57,241.00	58,30,608.45	53,26,618.00
Capital and Net Debt	1,18,00,115.45	1,07,99,809.04	40,51,257.60
Gearing Ratio	44%	46%	31%

South City Property Management Private Limited



Director

South City



Director


Note 15. First-time adoption of Ind AS

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

Accordingly, the Company has prepared 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 preparing these financial statements, the Company's opening balance sheet was prepared 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 estimates at 1st April 2016 and at 31st 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).
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2016 (i.e. the date of transition to Ind AS) and as of 31st March 2017.
- b. 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 15.1 Effect of the Transition to Ind AS

The Company's balance sheet is prepared under Indian GAAP and Ind AS as on April 1, 2016 and March 31, 2017 and since there is no such IND AS adjustments, hence reconciliation of Statement 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 15.2 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.

South City Property Management (P) Ltd.


Director

South City Property Management (P) Ltd.


Director



Note 16. Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise 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 enters into derivative transactions by way of forward exchange contracts to hedge its payables.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the Business Process and Risk Management Committee (BPRMC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The BPRMC provides assurance to the Company's Board of Directors 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. All derivative activities for risk management purposes are carried out by personnel that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk, liquidity risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and financial derivatives. The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant at 31 March 2017.

The analyses exclude the impact of movements in market variables on the carrying values of grants and other post-employment obligations.

The following assumptions have been made in calculating the sensitivity analyses:

► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

► The sensitivity of equity is calculated as at 31 March 2017 for the effects of the assumed changes of the underlying risk.

Interest Rate Risk

The Company has incurred short-term debt to finance its working capital, which exposes it to interest rate risk. Borrowings issued at variable rates expose the Company to interest rate risk. Borrowing issued at fixed rates expose the Company to fair value interest rate risk. The Company's interest rate risk management policy includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt through evaluation of various bank loans and money market instruments.

Some of the Company's borrowings are index linked, that is their cost is linked to changes in the London inter-bank offer rate (Libor).

Although the Company has significant variable rate interest bearing liabilities at March 31, 2017, there would not be any material impact on profits/profit of the Company on account of any anticipated fluctuations in interest.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer.

Financial instruments and cash deposits

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

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and buyers' credit facilities. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

				Amount in Rs.
	Less than 1 year	1-5 years	More than 5 years	Total
March 31, 2018				
Particulars				
Borrowings	-	-	-	-
Trade Payable	16,540.00	-	-	16,540
Security Deposits	-	-	-	-
Other Financial Liabilities	8,50,320.00	63,83,629	-	72,33,949
March 31, 2017				
Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	-	-	-	-
Trade Payable	11,500.00	-	-	11,500
Security Deposits	-	-	-	-
Other Financial Liabilities	11,09,120.00	52,74,508.59	-	63,83,629
April 1, 2016				
Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	-	-	-	-
Trade Payable	11,500.00	-	-	11,500
Security Deposits	-	-	-	-
Other Financial Liabilities	23,03,135.00	29,71,373.59	-	52,74,509

