

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present Third Board's Report of the Company together with the audited financial statements for the year ended 31st March, 2017.

### FINANCIAL RESULTS

The Company's financial performance for the year under review is given hereunder:

Particulars	(Amount in Rs.)	(Amount in Rs.)
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(Loss) for the year before Finance Cost, Depreciation and amortization	(18,63,39,589)	(7,93,08,952)
Add: Depreciation	1,70,58,559	47,66,924
Add: Finance Cost	57,036	-
<b>(Loss) before tax</b>	<b>(20,34,55,184)</b>	<b>(8,40,75,876)</b>
Less: Provision for current tax	-	-
<b>(Loss) after Tax carried to Balance Sheet</b>	<b>(20,34,55,184)</b>	<b>(8,40,75,876)</b>

### DIVIDEND

In view of the losses, your Directors express their inability to recommend any dividend for the year ended March 31, 2017.

### OPERATIONS & IMPLEMENTATION

During the year ended 31st March 2017, on the Sarjapur (63 Degree East) Project, after encouraging response from Tower 'C' the company has launched next Tower (i.e. Tower 'D') in November 2016. In addition, the company has also started construction of Tower 'C' in December 2016.

The company is planning to build Row Houses and one additional Tower on the new adjacent land acquired on 5th August 2016. The company had made significant progress in terms of planning and getting requisite approvals towards launch of Row Houses.

### RAISING OF FUNDS FOR PROJECTS AND RELATED EXPENSES

The company has issued and allotted 2,04,000 unsecured Optionally Fully Convertible Debentures ("OCDs") of Rs. 100 (Rupees One Hundred) per OCDs of the Company to Assetz Infrastructure Private Limited (AIPL) to fund the expenses on the Sarjapur and Sarjapur Extension Project. The funds are being utilized for the purpose of project at Sarjapur and Sarjapur Extension which is under implementation and also other expenses as per the business plan.

**APG Intelli Homes Pvt. Ltd.**

Regd. Office: Embassy Icon, Ground Floor, 3, Infantry Road, Bangalore 560 001

Tel: +91 80 4667 4000 [www.assetzproperty.com](http://www.assetzproperty.com)

CIN: U70100KA2014PTC077189

### **CREDIT RATING**

ICRA has reaffirmed the credit rating as BB+ (SO) for non-convertible secured debentures on 3rd February 2017 for the paid-up value.

### **PROMOTORS OF THE COMPANY & HOLDING COMPANY**

The Company is a Wholly Owned Subsidiary Company of Assetz Community Development Private Limited with effect from 22nd March 2016.

### **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

### **DEBENTURE REDEMPTION RESERVES**

In view of the losses, the Company has not created Debenture Redemption Reserve.

### **RESERVES**

In view of the losses, the company has not transferred any amount to reserve.

### **DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013**

No material changes and commitments affecting the financial position of the Company occurred between the end of the year to which this financial statement relate on the date of this report.

### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls, with reference to financial statement The Company have laid down an integrated framework for managing risks and internal controls. The internal financial controls have been documented and embedded in the business processes. Internal Control are regularly tested for design, implementation and operating effectiveness. The assurance on the effectiveness of the Internal Financial Control is obtained through management reviews, control self-assessment, continuous monitoring by functional heads as well as testing by Internal Auditors during the course of their audit. We believe that the Internal Financial Control are design effectively looking to the size of the Company and are operating as intended.

### **SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by any regulators or court or tribunals impacting the going concern status and future operations of the Company.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There is no material changes and commitments which affect the financial position of the company.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All the transactions/contracts/arrangements entered by the Company during the year with the related parties were in the ordinary course of business and on arms' length basis. The details of related party transaction as required under Accounting Standard 18 are set out in note no 20 in the financial statement forming part of the Annual report.

## **DISCLOSURE RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with Section 177 and 178 and other applicable provisions of Companies Act, 2013 read with rules issued thereunder, the Board of Directors constituted audit committee and nomination and remuneration committee and also formulated nomination and remuneration policy on the recommendation of Board. However, as there were no independent directors on Board, both the committees are not functional. Therefore, the matters to be decided/ approved by both these committees are done by the Board.

### **Independent Directors:**

With respect to the appointment of Independent Directors, as per the provision of Section 149 (4) of the Companies Act, 2013 only Public Listed Company are required to appoint the Independent Director. However, as per the Section 177 and 178 of Companies Act 2013, every listed company shall constitute Audit Committee and Nomination and Remuneration Committee and both these committees requires Independent directors constituting majority on the Committee.

In view of the conflicting provision and non-clarity on the appointment of Independent directors the process of appointment of independent directors was held back. However, as an abundant caution and in order to comply section 177 & 178 of Companies Act 2013, the Company constituted these committees with the Board as its members and the company has already initiated the identification of independent directors under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

### **Directors and Key Managerial Personnel:**

The company's board at its meeting held on 16th December 2016 accepted the resignation of Mr. Mallanna Sasalu vide his resignation letter dated 10th December 2016 from the office of Managing Director and Director of the Company with effect from 31st December 2016.

The Company had appointed Mr. Akshay Kishore Dewani as Director of the Company in the Second Annual General Meeting held on 30th September 2016. On account of Mr. Mallanna Sasalu's resignation from the office of Managing Director, it was obligatory under Section 203 of Companies Act, 2013 to appoint whole-time key managerial personnel (KMP) as Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-Time Director. So, the Board decided to appoint Mr. Akshay Dewani as a Whole-time Director of the Company who was already on the Board and hence Mr. Akshay Kishore Dewani was re-designated as Whole-time director with effect from 1st January 2017.

Further the Board of the Director in their meeting held on 22nd August 2017 accepted the resignation of Ms. Vimala Talla vide her resignation letter dated 14th June 2017 from the office of Director with effect from 14th June 2017.

Further Mr. Sachin Vora, Chief Financial Officer ('CFO') of the Company has resigned from the office of CFO vide his resignation letter dated 26th September 2017. The Board of Directors in their meeting held on 28th September 2017 accepted his resignation with effect from 26th September 2017.

#### **ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD**

In terms of section 134 (3) (p) of the Companies Act 2013, in the absence of functioning of the Nomination and Remuneration Committee, the Board has identified criteria upon which every Director shall be evaluated.

With regard to evaluation of the board, all the directors evaluated performance of each other pursuant to the evaluation framework.

#### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had 7 (Seven) Board meetings during the financial year under review.

<b>Sl. No.</b>	<b>Date of Board Meeting</b>
1.	19.04.2016
2.	31.05.2016
3.	21.07.2016
4.	29.09.2016
5.	15.11.2016
6.	16.12.2016
7.	28.03.2017

#### **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, your directors state that: -

- a) in the preparation of the annual accounts for the year ended 31st March 2017, the applicable accounting standards read with requirements set out under schedule III of the Act, have been followed and there are no material departures from the same;

- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2017 and the loss of the company for year ended on that date;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a 'going concern' basis; and
- e) the directors have laid down internal financial controls to be followed by the Company and such internal controls are adequate and operating effectively and completeness of the accounting records, and the timely preparation of reliable financial information.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **AUDITORS AND THEIR REPORTS**

M/s. B S R & Associates LLP, Chartered Accountants (Registration Number 116231W/W100024), were appointed as the Statutory Auditors of the Company in the first Annual General Meeting for the term of 5 years subject to ratification each year and then the Company had ratified their appointment in the Second Annual General Meeting and they hold office till the conclusion of ensuing Annual General Meeting. The Board of Directors recommends their ratification as statutory auditor of the Company from the conclusion of ensuing Annual General Meeting up to the conclusion of 4th Annual General Meeting in terms of the section 139 (1) of the Companies Act, 2013.

The Company has received a certificate from the above Auditors to the effect that if their appointment gets ratified, it would be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013 and rules framed thereunder.

The auditor's report does not contain any qualifications, reservations or adverse remarks.

#### **SECRETARIAL AUDITOR**

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s KJKS & Associates LLP, Practicing Company Secretaries to carry out Secretarial Audit of the Company.

In terms of provisions of sub-section 1 of Section 204 of the Companies Act, 2013, a Secretarial Audit Report given by a company secretary in practice is annexed to this Report as **Annexure**. The Secretarial Audit Report contains the following observations.

The following are the observations made by the Secretarial Auditor in their Secretarial Audit Report for the year ended March 31, 2017 and the replies by the Board of Directors of your company to the same.

Sl. No.	Secretarial Auditors' Observations	Replies by the Board of Directors of the Company
1.	<p>The company had not appointed a Company Secretary during the period from April 1, 2016 to September 28, 2016 as required under Clause (ii) of Sub Section (1) of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of SEBI LODR.</p> <p>The Company had appointed a Company Secretary (CS), however on the date of joining he declined to join the organization. The Company had reinitiated the process of identifying a CS and has filled the vacancy with effect from 29th September 2016.</p>	<p>The company has filled the vacancy of the office of a Company Secretary with effect from September 29, 2016.</p>
2.	<p>With respect to the Board composition, the Company is yet to appoint Independent Directors, as per the requirements under SEBI LODR.</p> <p>The Company has represented that as per the Companies Act, 2013 only a public listed company is required to appoint Independent Director(s). However, they are also aware that as per the Section 177 and 178 of Companies Act, 2013 every listed company shall constitute their Audit Committee and Nomination and Remuneration Committee having Independent directors constituting majority on the Committee.</p> <p>The management represents that in view of the ambiguity/conflict of compliance provisions under Companies Act, 2013 and SEBI LODR, the appointment of Independent director(s) was held back. Meanwhile, as an abundant caution and in order to comply with the spirit of the legal compliance provisions, the Company constituted the Audit Committee and Nomination and</p>	<p>The Company is in the process of identifying suitable person(s) for making the necessary appointments of independent director(s) on the Board.</p> <p>Due to resignation of Directors forming part of Audit Committee and Nomination and Remuneration Committee, these committees stand dissolved in the absence of any reconstitution to be effected by the Board. The Company in the ensuing meeting of Board will reconstitute these committees with the Board as its members.</p>

	<p>Remuneration Committee with the then available Board as the respective committee members. Further, the Company is in the process for identifying and appointing independent directors.</p> <p>Due to resignations of directors the Audit Committee and Nomination and Remuneration Committee stands dissolved in the absence of any reconstitution to be effected by the Board</p>	
3.	<p>There have been instances of nominal delays in intimating certain disclosures to the stock exchange.</p> <p>The same has no material impacts on any stakeholder.</p>	<p>The said delays were inadvertent and the Company endeavours to comply going ahead.</p>

**DISCLOSURE OF ESTABLISHMENT OF VIGIL MECHANISM.**

In compliance with the provisions of Section 177(9) the Board of Directors of the Company has framed the "Whistle Blower Policy" as the vigil mechanism for Directors and employees of the Company.

The Vigil & Whistleblower Policy of the Company is available on the website of Company.

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Board of Directors of the Company had formulated a policy on Risk Management. However as on the date of this report, necessary processes to assess, manage and mitigate risk are in place.

**EXTRACT OF ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure I** and is attached to this Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### Conservation of energy:

The steps taken or impact on conservation of energy	The Company is not actively engaged in the consumption of energy but has taken steps necessary to avoid energy wastage wherever possible.
The steps taken by the company for utilizing alternate sources of energy.	The Company is not actively engaged in the consumption of energy but has taken steps necessary to use alternate sources of energy wherever possible.
The capital investment on energy conservation equipment.	The Company is not actively engaged in the consumption of energy and henceforth is not necessitated to make any capital investment.

### Technology absorption:

The efforts made towards technology absorption	The company is not involved in technology absorption and therefore no efforts were required on behalf of the company.
The benefits derived like product improvement, cost reduction, product development or import substitution.	The company is not involved in technology absorption and therefore the derivation of benefits from product improvement or cost reduction etc. was not necessitated.
Import of Technology	There was no import of technology by the company during the year.
The expenditure incurred on Research and Development.	There was no expenditure on Research and Development by the company during the year.

### Foreign exchange earnings and outgo:

The total Foreign Exchange Inflow and Outflow during the year under review is as follows:

Particulars	2016-17 (in Rs.)
Inflow	Nil
Outflow	10,53,919

## DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of Section 135 of the Companies Act, 2013 as to Corporate Social Responsibility are not applicable to your Company.



**DISCLOSURE UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, we report that the company has not received any complaint from any employee or have we lodged any inquiry into any case on a voluntary basis.

**GENERAL:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. The Company has not given any loans, guarantees or made investments as referred under section 186 of the Companies Act, 2013

**ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company

**For and On Behalf of the Board**



**(Akshay Kishore Dewani)**  
**Executive Director**

Date: 28th September, 2017  
Place: Bangalore

**ANNEXURE I**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2017**

*Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014*

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U70100KA2014PTC077189
2.	Registration Date	11.11.2014
3.	Name of the Company	<b>APG Intelli Home Private Limited</b>
4.	Category Sub-category of the Company	Private Limited Company
5.	Address of the Registered office & contact details	<b>Embassy Icon, Ground Floor, 3, Infantry Road, Bangalore – 560001</b> Phone: (080)4667 4000 Fax: 4667 4040
6.	Whether listed company	Yes (Listed Debentures only)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Enterprise (India) Limited No. 30, Ramana Residency, 4th Cross Sampige Road, Malleswaram, Bangalore 560003

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Real Estate Activities	6810	NIL

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Assetz Communities Development Private Limited	6810	NIL



e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
-i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1	-	-	0.0001	1	-	-	0.0001	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>-Grand Total (A+B+C)</b>	<b>10,00,000</b>	-	-	<b>100</b>	<b>10,00,000</b>	-	-	<b>100</b>	-

B) Shareholding of Promoter-

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Assetz Communities Development Private Limited	9,99,999	99.9999	-	9,99,999	99.9999	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

D) Shareholding Pattern of top ten Shareholders:

Sl.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Assetz Communities Development Private Limited	9,99,999	99.9999	-	9,99,999	99.9999	-	-
2	Mallana Sasalu(Beneficial Owner Assetz Communities Development private Limited)	1	0.0001	-	1	0.0001	-	-

The company is wholly owned subsidiary company of Assetz Communities Development Private Limited ("ACD"). In the beginning of the year, ACD was holding 9,99,999 shares and Mr. Mallanna Sasalu was holding one share which he transferred the beneficial interest to ACD on 22nd March 2016 and continue to hold that one share as nominee of ACD.

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0.0001	1	0.0001
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g.	-	-	-	-

allotment / transfer / bonus/ sweat equity etc.):				
At the end of the year	1	0.0001	1	0.0001

- V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,30,58,94,240	29,81,70,000	Nil	1,60,40,64,240
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	21,42,12,530	4,55,02,090	Nil	25,97,14,620
<b>Total (i+ii+iii)</b>	<b>1,52,01,06,770</b>	<b>34,36,72,090</b>	<b>Nil</b>	<b>1,86,37,78,860</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	1,17,57,19,812	2,04,00,000	Nil	1,19,61,19,812
* Reduction	Nil	4,55,02,090	Nil	4,55,02,090
<b>Net Change</b>	<b>1,17,57,19,812</b>	<b>(2,51,02,090)</b>		<b>115,06,17,722</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,14,82,63,493	31,85,70,000	Nil	2,46,68,33,493
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	54,75,63,089	Nil	Nil	54,75,63,089
<b>Total (i+ii+iii)</b>	<b>2,69,58,26,582</b>	<b>31,85,70,000</b>	<b>Nil</b>	<b>3,01,43,96,582</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Mallanna Sasalu – Managing Director	Mr. Akshay Dewani, Executive Director	----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,55,83,336	31,68,000	Nil	Nil	1,87,51,336
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,62,117	Nil	Nil	Nil	7,62,117

	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>1,63,45,453</b>	<b>31,68,000</b>	<b>Nil</b>	<b>Nil</b>	<b>1,95,13,453</b>
	Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount	
		----	---	---	---	
1	Independent Directors	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Managerial Remuneration</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Overall Ceiling as per the Act</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	1,94,421	68,55,396	70,49,817
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil



	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	1,94,421	68,55,396	70,49,817

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	0	--	--	--	--
Punishment	0	--	--	--	--
Compounding					--
<b>B. DIRECTORS</b>					
Penalty	0	--	--	--	--
Punishment	0	--	--	--	--
Compounding					--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	0	--	--	--	--
Punishment	0	--	--	--	--
Compounding	0	--	--	--	--

For and On Behalf of the Board

  
**(Akshay Kishore Dewani)**  
 Executive Director

Date: 28th September, 2017

Place: Bangalore

## ANNEXURE I I

### PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are annexed herewith.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is also enclosed.

#### **Employees:**

The company as on the year ended on March 31, 2017 had 63 (Sixty-Three) employees on its rolls including Mr. Akshay Kishore Dewani (Executive Director) and Mr. Sachin Vora (Chief Financial Officer).

**Disclosures as per Sub Section (12) of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration) Rules, 2014 is as under:**

a) Pursuant to Rule 5(1)

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Requirements	Disclosures
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2016-17.	<b>Executive Director</b>
		Mr. Mallanna Sasalu - Managing Director – 21 times
		Mr. Akshay Dewani – Executive Director – 16 times
		<b>Non-Executive Director</b>
		Not applicable
II	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year.	For Directors, Managing Director, Whole-time Director, Company Secretary and Chief Financial Officer – 12.31%



III	The percentage increase in the median remuneration of employees in the financial year.	12.08%
IV	The number of permanent employees on the rolls of the Company.	63
V	The explanation on the relationship between average increase in remuneration and Company's performance.	Based on the Industry Benchmark and average inflation rate.
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	Not applicable to the Company as it has incurred losses in the current financial year.
VII	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	Not applicable
VIII	Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not Applicable to the Company, as all the employees are under Managerial cadre.
IX	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Not applicable as Company has incurred losses in the current financial year hence not applicable
X	The key parameters for any variable component of remuneration availed by the Directors.	Not Applicable
XI	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Not Applicable
XII	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration is as per the Nomination (including Boards' Diversity), Remuneration and Evaluation Policy of the Company.



b) Pursuant to Rule 5(2) and 5(3)

Details of the employees who were employed through the financial year and received a remuneration of `6 Million or above p.a. OR the employees who were employed for a part of the financial year and received remuneration of `0.5 Million p.m. under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Name & Designation	Qualification	Age	Joining Date	Experience	Nature of employment	Total remuneration (including retirement benefits)	Previous Employment	Relationship with any Director of the Company
1	Mr. Mallanna Sasalu Managing Director	BE (Civil)	51	01/01/2016	26 Years	Permanent	1,55,83,336	Assetz Communities Development Private Limited	No
2.	Mr. Akshay Kishore Dewani	CA	35	Appointed as Director – 30/09/2016. Re-designated as Whole-time Director – 01/01/2017		Permanent	31,68,000	Assetz Communities Development Private Limited	No
2	Sachin Vora Chief Financial Officer	B.com, FCA, LLB	52	01/01/2016	27 years	Permanent	68,76,996	Assetz Communities Development	No



								nt Private Limited	
3	Nagananda H G  Head – Land and Business Development	LLB	47	01/01/2016	21 years	Permanent	16,65,279	Assetz Communities Development Private Limited	No
4	Arun Rao  Head - Engineering	BE in construction branch , PG in construction Management	46	01/01/2016	24 years	Permanent	56,26,500	Assetz Communities Development Private Limited	No

**For and On Behalf of the Board**



**(Akshay Kishore Dewani)**  
**Executive Director**

Date: 28th September, 2017  
Place: Bangalore

**ANNEXURE- I I I**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

<b>1.</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis</b>		
(a)	Name(s) of the related party and nature of relationship	:	NIL
(b)	Nature of contracts/arrangements /transactions	:	NIL
(c)	Duration of the contracts / arrangements/transactions	:	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	:	NIL
(f)	Date(s) of approval by the Board	:	NIL
(g)	Amount paid as advances, if any	:	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	NIL



2. Details of material contracts or arrangement or transactions at arm's length basis						
(a)	Name(s) of the related party and nature of relationship	Assetz Communities Development Private Limited (ACD)  100% Holding Company	Assetz Property Management Service Private Limited  Companies in which director is interested	Assetz Infrastructure Private Limited  Companies in which director is interested	Paper Design India Private Limited  Companies in which director is interested	APG Community Development Private Limited Company  100% Subsidiary Company of ACD
(b)	Nature of contracts/arrangements /transactions	Development Management Agreement	Professional Services Agreement	Land advance received and repaid, Payment made on behalf of the Company, Services availed and Debenture Application money received	Purchase of Goods	Reimbursement of expenses incurred by the Company
(c)	Duration of the contracts /arrangements /transactions	Till December, 2018	Till Project Completion	Till redemption of Debentures	On going	One of transaction
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Deputation fees for the employees deputed to the Company.	Liasoning for Real Estate Development Projects of the Company.	Raising of funds for financing project expenditure and working capital.	Stationery item purchased	MCA Fees paid on behalf of APG Community Development Private Limited



(e)	Date(s) of approval by the Board	6th April, 2015	6th April, 2015	28th March, 2017 for the approval of the issue of OCDs.	31st May, 2017	31st May, 2017
(f)	Amount paid as advances, if any	--	10% of Contract Value	--	--	--

- **Mallanna Sasalu**  
Salaries & Allowances including contribution to Provident Fund 1,54,45,453
- **Akshay Kishore Dewani**  
Salaries & Allowances including contribution to Provident Fund 31,58,850

**For and On Behalf of the Board**



**(Akshay Kishore Dewani)**  
**Executive Director**

Date: 28th September, 2017  
Place: Bangalore





Form no. MR - 3

Secretarial Audit Report for the financial year ended March 31, 2017  
[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule no. 9 of the Companies (Appointment and Remuneration Personnel) rules, 2014]

To  
The Members  
APG Intelli Homes Private Limited  
Embassy Icon, Ground Floor  
No. 3, Infantry Road, Bangalore  
Karnataka, India - 560001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by APG Intelli Homes Private Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;



- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Company has identified the following laws as specifically applicable to the company -
- (a) Contract Labour (Regulation and Abolition) Act, 1970;
  - (b) Karnataka tax on Professions, Trades, Callings and Employment Act, 1976;
  - (c) Karnataka Shops and Commercial Establishments Act, 1961

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 [SEBI LODR]

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *The company had not appointed a Company Secretary during the period from April 1, 2016 to September 28, 2016 as required under Clause (ii) of Sub Section (1) of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of SEBI LODR.*

The Company had appointed a Company Secretary (CS), however on the date of joining he declined to join the organization. The Company had reinitiated the process of identifying a CS and has filled the vacancy with effect from September 29, 2016.

2. *With respect to the Board composition, the Company is yet to appoint Independent Directors, as per the requirements under SEBI LODR.*

The Company has represented that as per the Companies Act, 2013 only a public listed company is required to appoint Independent Director(s). However, they are also aware that as per the Section 177 and 178 of Companies Act, 2013 every listed company shall constitute their Audit Committee and Nomination and Remuneration Committee having Independent directors constituting majority on the Committee.

The management represents that in view of the ambiguity / conflict of compliance provisions under Companies Act, 2013 and SEBI LODR, the appointment of Independent director(s) was held back. Meanwhile, as an abundant caution and in order to comply with the spirit of the legal compliance provisions, the Company constituted the Audit Committee and Nomination and Remuneration Committee with the then available Board as the respective committee members. Further, the Company is in the process for identifying and appointing independent directors.



Due to resignations of directors the Audit Committee and Nomination and Remuneration Committee stands dissolved in the absence of any reconstitution to be effected by the Board.

3. *There have been instances of nominal delays in intimating certain disclosures to the stock exchange.*

The same has no material impacts on any stakeholder.

We have not examined compliance with applicable financial laws and tax laws, since the same has been subject to the review by the statutory auditor.

We further report that the Board of Directors of the Company is constituted with proper balance of Executive Directors and Non-Executive Directors, subject to the qualifications mentioned above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no such events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For KJKS & Associates LLP

Kinjal Jain

Partner

ACS no.: A42051 | CP no.: 17052

Date: September 28, 2017

Place: Bengaluru

# B S R & Associates LLP

Chartered Accountants

Maruthi Info-Tech Centre  
11-12/1 Inner Ring Road  
Koramangala  
Bangalore 560 071 India

Telephone +91 80 7134 7000  
Fax +91 80 7134 7999

## **Independent Auditors' Report To the Members of APG Intelli Homes Private Limited**

### **Report on the financial statements**

We have audited the accompanying financial statements of APG Intelli Homes Private Limited ("the Company") which comprise the balance sheet as at 31 March 2017, the statement of profit and loss, the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

**APG Intelli Homes Private Limited**  
**Independent Auditors' Report (continued)**

**Opinion**

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

**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 'Annexure A', a statement on the matters specified in paragraph 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 purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

10

**APG Intelli Homes Private Limited**  
**Independent Auditors' Report (continued)**

(g) with respect to the other matters to be included in the Auditors' 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 litigation which would impact its financial position;
- ii. the Company does not have any long-term contracts including derivative contracts for which there are 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; and
- iv. the Company has provided requisite disclosure in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 33 to the financial statements.

*for B S R & Associates LLP*

*Chartered Accountants*

ICAI Firm Registration Number: 116231W/W-100024



**Vipin Lodha**

*Partner*

Membership No: 076806

Place: Bangalore

Date: 31 May 2017

**Annexure A to the Independent Auditors' Report of even date on the financial statements of APG Intelli Homes Private Limited**

The Annexure referred to in the Independent Auditors' Report to the members of APG Intelli Homes Private Limited ("the Company") for the year ended 31 March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all its fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noted.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the immovable properties, held in the name of the Company, are held as inventory. Thus, paragraph 3(i)(c) of the Order is not applicable.
- ii. The Company is primarily engaged in the business of real estate development and holds inventories in the form of properties under development. Accordingly it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is 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 Act. Accordingly, paragraph 3(iii)(a), (b) and (c) 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 or made any investments or given any guarantees covered under the provisions of Section 185 or Section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- vi. The Central Government of India has not specified the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Service Tax, Value added tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company does not have dues on account of Employees State Insurance, Sales Tax, Duty of Customs, Duty of Excise and Cess.  

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Value added tax and other material statutory dues were in arrears as at 31 March 2017, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Service Tax and Value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank and its debenture holders. The Company did not have any outstanding dues to any financial institutions or Government during the year.
- ix. In our opinion and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purpose for which they were obtained. Further, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

16

**APG Intelli Homes Private Limited**  
**Annexure A to the Independent Auditors' Report (continued)**

- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company is a private limited company under the definitions of the Companies Act, 2013. Hence the provision of Section 197 read with Schedule V to the Act is not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, as required under section 177(1) of the Act, the Company has not constituted an Audit Committee. Accordingly, the Company has not observed compliance with respect to the approval of transactions with related parties during the year, as such transactions have not been approved by the Audit Committee as required under section 177 of the Act.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares during the year. During the year, the Company has received application money upon private placement of optionally convertible debentures. The debentures have been allotted subsequent to the year-end.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

*for* **B S R & Associates LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 116231W/W-100024



**Vipin Lodha**

*Partner*

Membership No: 076806

Place: Bangalore

Date: 31 May 2017



**Annexure B to the Independent Auditors' Report of even date on the financial statements of APG Intelli Homes Private Limited**

**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 APG Intelli Homes Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") 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 Act.

**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 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

VG

**APG Intelli Homes Private Limited**  
**Annexure B to the Independent Auditors' Report (continued)**

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

*for B S R & Associates LLP*

*Chartered Accountants*

ICAI Firm Registration Number: 116231W/W-100024



**Vipin Lodha**

*Partner*

Membership No: 076806

Place: Bangalore

Date: 31 May 2017

**APG Intelli Homes Private Limited**  
**Balance sheet**

(Amount in Rs)

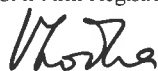
	Note	As at 31 March 2017	As at 31 March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	10,000,000	10,000,000
Reserves and surplus	4	(307,117,961)	(103,662,777)
		<u>(297,117,961)</u>	<u>(93,662,777)</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	2,466,833,493	1,604,064,240
Long-term provisions	6	3,692,760	3,838,057
		<u>2,470,526,253</u>	<u>1,607,902,297</u>
<b>Current liabilities</b>			
Trade payables	7	11,805,998	2,697,276
Other current liabilities	8	910,977,347	397,332,187
Short-term provisions	6	480,653	391,177
		<u>923,263,998</u>	<u>400,420,640</u>
		<b><u>3,096,672,290</u></b>	<b><u>1,914,660,160</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Tangible assets		64,675,670	83,202,674
Intangible assets		2,949,168	4,505,738
Long-term loans and advances	10	3,590,056	2,579,495
		<u>71,214,894</u>	<u>90,287,907</u>
<b>Current assets</b>			
Inventories	11	2,627,037,565	1,702,288,451
Trade receivables	12	27,666,292	24,440,281
Cash and bank balances	13	279,385,886	38,294,555
Short-term loans and advances	14	90,392,549	56,426,906
Other current assets	15	975,104	2,922,060
		<u>3,025,457,396</u>	<u>1,824,372,253</u>
		<b><u>3,096,672,290</u></b>	<b><u>1,914,660,160</u></b>

**Significant accounting policies** 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

for **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024



**Vipin Lodha**  
Partner  
Membership No.: 076806

Place: Bangalore  
Date: 31 May 2017


for **APG Intelli Homes Private Limited**




**Ben Salmon**  
Chairman  
DIN:00283128

  
**Sachin Vora**  
Chief Financial Officer

Place: Bangalore  
Date: 31 May 2017

  
**Akshay Dewani**  
Executive Director  
DIN:01638157



**Harsh Lata**  
Company Secretary  
ACS:45154



**APG Intelli Homes Private Limited**  
**Statement of profit and loss**

	Note	For the year ended 31 March 2017	(Amount in Rs) For the year ended 31 March 2016
<b>INCOME</b>			
Revenue from operations	16	304,348	-
Other income		17,975	5,700
		<b>322,323</b>	<b>5,700</b>
<b>EXPENSES</b>			
Employee benefits expense	17	71,467,554	24,461,964
Finance cost	18	57,036	-
Depreciation and amortisation	9	17,058,559	4,766,924
Other expenses	19	115,194,358	54,852,688
		<b>203,777,507</b>	<b>84,081,576</b>
<b>Loss before tax</b>		<b>(203,455,184)</b>	<b>(84,075,876)</b>
Tax expense			
- current tax		-	-
- deferred tax charge/ (credit)		-	-
<b>Loss for the year</b>		<b>(203,455,184)</b>	<b>(84,075,876)</b>
<b>Earnings per share (par value, Rs. 10 each)</b>			
-Basic and diluted	24	(203.46)	(84.08)
<b>Significant accounting policies</b>	2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

*V Lodha*

**Vipin Lodha**

Partner

Membership No.: 076806

Place: Bangalore

Date: 31 May 2017

for **APG Intelli Homes Private Limited**

*Ben Salmon*

**Ben Salmon**

Chairman

DIN:00283128

*Sachin Vora*

**Sachin Vora**

Chief Financial Officer

Place: Bangalore

Date: 31 May 2017

*Akshay Dewani*

**Akshay Dewani**

Executive Director

DIN:01638157

*Harsh Lata*

**Harsh Lata**

Company Secretary

ACS:45154



**APG Intelli Homes Private Limited**  
**Cash flow statement**

	(Amount in Rs)	(Amount in Rs)
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Cash flows from operating activities</b>		
Loss before tax	(203,455,184)	(84,075,876)
Adjustments:		
Finance cost	57,036	-
Loss on sale of assets	677,559	-
Depreciation	17,058,559	4,766,924
Operating cash flows before working capital changes	<b>(185,662,030)</b>	<b>(79,308,952)</b>
Increase in inventory	(924,749,114)	(516,199,191)
Increase in trade receivables	(3,226,011)	(24,440,281)
Increase in other current assets	1,946,956	(2,922,060)
Increase in loans and advances	(19,260,046)	(45,867,578)
Increase in liabilities and provisions	542,529,473	328,769,295
Cash used in operations	<b>(588,420,772)</b>	<b>(339,968,767)</b>
Taxes paid	(2,128,222)	(355,112)
<b>Net cash used in operating activities</b>	<b>(590,548,994)</b>	<b>(340,323,879)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(32,023,308)	(66,312,844)
Proceeds from sale of assets	660,053	-
<b>Net cash used in investing activities</b>	<b>(31,363,255)</b>	<b>(66,312,844)</b>
<b>Cash flows from financing activities</b>		
Finance cost	(57,036)	-
Proceeds from borrowings	863,181,680	285,894,000
Repayment of borrowings	(121,064)	-
<b>Net cash generated from financing activities</b>	<b>863,003,580</b>	<b>285,894,000</b>
<b>Net increase in cash and cash equivalents during the year</b>	<b>241,091,331</b>	<b>(120,742,723)</b>
Cash and cash equivalents at the beginning of the year	38,294,555	159,037,278
Cash and cash equivalents at the end of the year (refer to note 13)	<b>279,385,886</b>	<b>38,294,555</b>

As per our report of even date attached.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



**Vipin Lodha**

Partner

Membership No.: 076806

Place: Bangalore

Date: 31 May 2017

for **APG Intelli Homes Private Limited**



**Ben Salmon**

Chairman

DIN:00283128



**Sachin Vora**

Chief Financial Officer

Place: Bangalore

Date: 31 May 2017



**Akshay Dewani**

Executive Director

DIN:01638157



**Harsh Lata**

Company Secretary

ACS:45154



## APG Intelli Homes Private Limited

### Notes to the financial statements

#### 1. Company overview

APG Intelli Homes Private Limited ('the Company') was incorporated under the Companies Act, 2013 ('the Act') on 11 November 2014 as a private limited company. The registered office of the Company is located at Bangalore, India. The Company's Holding Company is Assetz Communities Development Private Limited ("the Holding Company").

The Company is engaged in the business of development of real estate projects in the form of community township with associated infrastructure. The current development envisages development of residential apartments located at Bangalore, India.

#### 2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

##### a) Basis of preparation of financial statements

These financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (to the extent notified and applicable). These financial statements are prepared and presented in Indian Rupees.

##### b) Going concern

Notwithstanding the net current liabilities and net liabilities position as at the balance sheet date, these financial statements have been prepared on a going concern basis considering undrawn limit available on 720 non-convertible redeemable debentures of Rs. 10,000,000 each issued to the debenture holder and letter of financial support from the Holding Company.

These financial statements, therefore, do not include any adjustments relating to recoverability and classification of asset amounts or to amounts and classification of liabilities that may be necessary if the Company was unable to continue as a going concern.

##### c) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles in India ('Indian GAAP') requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses for the period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

##### d) Operating cycle and basis of classification of assets and liabilities

i) The real estate development projects undertaken by the Company generally run over a period ranging upto 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of 5 years. Borrowings in connection with such projects are classified as short-term (i.e. current) since they are payable over the term of the respective projects.

ii) Assets and liabilities, other than those discussed in paragraph (i) above, are classified as current to the extent they are expected to be realized / are contractually repayable within 12 months from the balance sheet date and as non-current in other cases.



**2. Significant accounting policies (continued)**

**e) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**(i) Revenue from real estate development**

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

- all critical approvals necessary for the commencement of the project have been obtained;
- the stage of completion of the project has reached a reasonable level of development, i.e., 25% or more of the construction and development cost related to project has been incurred;
- at least 25% of the saleable project area is secured by sales contracts/ agreements with buyers; and
- at least 10% of the revenue as per each sales contract/ agreement with buyers are realized at the balance sheet date.

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

Contract costs include the estimated cost of construction, development and other directly attributable costs of the projects under construction. In cases where the total project cost is estimated to exceed the total estimated revenue from a project, the loss is recognised immediately.

The estimates for saleable area and contract costs are reviewed by the management periodically and the cumulative effect of changes in these estimates are recognised in the year in which these changes may be reliably measured. In situations where the total project cost is estimated to exceed the total estimated revenue from a project, the loss is recognised immediately.

**(ii) Interest**

Interest income is recognised using the time proportion basis taking into account the amount outstanding and the interest rate applicable.

**f) Inventories and project work-in-progress (or properties under development)**

Properties under development comprise completed property held for sale and property under development (work-in-progress). Completed property is valued at the lower of cost or net realisable value. Cost is determined by including cost of land, materials, services and other related overheads.

Properties under development represents cost incurred in respect of unsold area of properties under development and costs incurred on projects/ portion of projects when revenue is yet to be recognised. Such costs include direct materials, labour and other expenses incurred in connection with the development.

Properties under development are not written down below cost if the property is expected to be sold at or above costs. Net realisable 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.



**APG Intelli Homes Private Limited**  
**Notes to the financial statements (continued)**

**2. Significant accounting policies (continued)**

Advances paid by the Company to the seller/ intermediary towards outright purchase of land is recognised as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, where upon it is transferred to work-in-progress i.e. properties under development.

**g) Fixed assets**

Fixed assets are carried at the cost of acquisition (including directly attributable costs such as freight, installation, etc.) less accumulated depreciation and amortisation. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed under long-term loans and advances. The cost of fixed assets not ready for their intended use on the balance sheet date, are disclosed as capital work-in-progress.

Borrowing costs directly attributable to the acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised to the extent they relate to the period till such assets are ready to be put to use.

**h) Depreciation**

Depreciation on fixed assets is provided using the straight line method over the estimated useful lives of the fixed assets. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as useful lives. If Management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the Management's estimate of the useful life/ remaining useful life. Pursuant to this policy, the Management has estimated the useful life as under:

<u>Asset category</u>	<u>Useful life (Years)</u>
Marketing office building	5
Leasehold improvements	6
Plant and machinery	7
Office equipment	5
Furniture and fixtures	10
Computers	3
Vehicles	8
Software	3

Pro-rata depreciation is provided on all fixed assets purchased or sold during the year.

**i) Intangible assets**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortised over the period, the Company expects to derive economic benefit from their use. The management believes that the period of amortisation is representative of the period over which the Company expects to derive economic benefits from the use of the assets.





**APG Intelli Homes Private Limited**  
**Notes to the financial statements (continued)**

**2. Significant accounting policies (continued)**

**j) Employee benefits**

*Defined contribution plan*

Contributions to provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss on an accrual basis.

*Defined benefit plan*

Gratuity, a defined benefit scheme, is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional units of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain/ losses are immediately recognised in the statement of profit and loss and are not deferred.

Liability for compensated absences, which is a defined benefit, is accrued on the basis of an actuarial valuation at the balance sheet date, carried out by an independent actuary. Actuarial gain/ losses are immediately recognised in the statement of profit and loss and are not deferred.

**k) Provisions and contingencies**

The Company recognises a provision when there is a present obligation as a result of an obligating event that probably requires outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure as a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

**l) Taxation**

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

The Company offsets, the current (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.



**2. Significant accounting policies (continued)**

**m) Earnings/ (loss) per share**

The basic earnings/ (loss) per share is computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which would have been issued on conversion of all potentially dilutive equity shares. Potential dilutive equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The potentially dilutive equity shares have been adjusted for the proceeds receivable had the shares been actually issued at a fair value (i.e. the average market value of the outstanding shares). In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

**n) Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**o) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less from the balance sheet date, but excludes restricted cash balances.

**p) Cash flow statement**

Cash flows are reported using the indirect method, whereby the net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

**q) Foreign currency transactions**

Foreign exchange transactions during the year are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year, are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end and not covered by forward contracts, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognised in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.



**APG Intelli Homes Private Limited**

**Notes to the financial statements (continued)**

**2. Significant accounting policies (continued)**

**r) Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of those fixed assets and inventory, which necessarily take a substantial period of time to get ready for their intended use, are capitalized or inventorised. Other borrowing costs are accounted as an expense when incurred and debited to the statement of profit and loss.

**s) Leases**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Lease payments under operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.



APG Intelli Homes Private Limited

Notes to the financial statements (continued)

(Amount in Rs)

3 Share capital	As at	
	31 March 2017	31 March 2016
<b>Authorised</b>		
1,500,000 equity shares of Rs 10 each	15,000,000	15,000,000
	<u>15,000,000</u>	<u>15,000,000</u>
<b>Issued, subscribed and fully paid-up</b>		
1,000,000 equity shares of Rs 10 each	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>

(a) List of persons holding more than 5 percent shares in the Company

Name of the shareholder	As at		As at	
	31 March 2017		31 March 2016	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares</b>				
Assetz Communities Development Private Limited and its nominee	1,000,000	100%	1,000,000	100%
	<u>1,000,000</u>	<u>100%</u>	<u>1,000,000</u>	<u>100%</u>

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	As at		As at	
	31 March 2017		31 March 2016	
	Number of shares	Amount (Rs)	Number of shares	Amount (Rs)
<b>Equity shares of Rs. 10 each, fully paid-up</b>				
At the commencement of the year	1,000,000	10,000,000	1,000,000	10,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>1,000,000</u>	<u>10,000,000</u>	<u>1,000,000</u>	<u>10,000,000</u>

(c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10. Each holder of equity shares 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 any of the 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. Transfer of shares of the Company shall be subject to the approval of the Board of Directors of the Company.

(d) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Name of the share holder	As at	
	31 March 2017	31 March 2016
<b>No. of Equity shares of Rs. 10 each, fully paid-up</b>		
Assetz Communities Development Private Limited and its nominee (the holding company)	1,000,000	1,000,000

(e) During the period since 11 November 2014 (date of incorporation)

- There have been no issue of shares pursuant to contract without payment being received in cash.
- No bonus shares have been issued by the Company and the Company has not bought back any shares.

(Amount in Rs)

4 Reserves and surplus	As at	
	31 March 2017	31 March 2016
<b>Deficit in the statement of profit and loss</b>		
At the commencement of the year	(103,662,777)	(19,586,901)
Add: Loss for the year	(203,455,184)	(84,075,876)
	<u>(307,117,961)</u>	<u>(103,662,777)</u>



APG Intelli Homes Private Limited

Notes to the financial statements (continued)

	As at 31 March 2017	As at 31 March 2016
(Amount in Rs)		
<b>5 Long-term borrowings</b>		
<i>Secured</i>		
<b>Non-convertible redeemable debentures (refer notes a and b below):</b>	2,146,975,920	1,305,894,240
720 (Previous year: 720) debentures of face value Rs 10,000,000 each, Rs 2,981,911 paid up (Previous year: Rs 1,813,742 paid-up) and held by Vistra ITCL (India) Limited (formerly known as IL&FS Trust Company Limited) in trust for Township Infra One Pte. Ltd., Singapore		
<b>Term loans, secured (refer note c below)</b>		
-from banks	1,287,573	-
<i>Unsecured</i>		
<b>Compulsorily convertible debentures (refer note a below):</b>		
2,981,700 (Previous year: 2,981,700) debentures of Rs. 100 each held by Assetz Communities Development Private Limited	298,170,000	298,170,000
<b>Debenture application money received from Assetz Infrastructure Private Limited (refer note d below)</b>	20,400,000	-
	<u>2,466,833,493</u>	<u>1,604,064,240</u>

**(a) Redemption, conversion and interest terms (as applicable)**

**Non-convertible redeemable debentures:**

- (i) The term of each debenture shall be 240 months which may be extended by the mutual consent of the Debenture holder/s and the Company.
- (ii) The Debentures shall carry an interest of 1.25% per month compounded monthly, free and clear of Indian Tax, on the outstanding amount.
- (iii) The Debentures are redeemable upon occurrence of earliest of following:
  - (a) the last date of the term; or
  - (b) the date on which sufficiency permits the payment of such amounts that yield the maximum returns to the debenture holders

**Compulsorily convertible debentures:**

- (i) The Debentures are convertible at any time before the end of 10 years at the option of the Company.
- (ii) The Debentures are convertible at a ratio of 1:10 or at the prevailing fair market value on the date of conversion (if the same is higher than Rs 10), at the option of the Company.
- (iii) The Debentures bear interest at a rate of interest of 15% per annum.

**(b) Non-convertible redeemable debentures are secured by:**

- (i) mortgage by deposit of title deeds over the project sites;
- (ii) a charge over trust and retention account and trade receivables from sale of the units of the residential property that will be constructed;
- (iii) corporate guarantee from Assetz Community Asia Pte. Ltd., Assetz Communities Development Private Limited and Assetz Infrastructure Private Limited; and
- (iv) pledge of the following shares that are owned or shall be owned 100% by Assetz Communities Development Private Limited:
  - 100% of the issued and voting share capital of the Company;
  - 30% of the issued and voting share capital of Infraedge Management Services Private Limited; and
  - 50% of the issued and voting share capital of the APG Community Development Private Limited.

**(c) Terms of repayment and interest of Term Loan:**

- (i) Secured loan (including current maturities of long-term debt) amounting to Rs 1,578,936 (previous year: Nil) represents a car loan taken from ICICI Bank which carries interest at 9.39% per annum and is repayable in 60 monthly installments on reducing balance method commencing from 10 November 2016. It is secured by hypothecation of vehicle.
- (ii) Amount repayable within 12 months from the balance sheet date has been disclosed as current maturities of long-term debt.
- (iii) There have been no defaults in repayment of principal and interest as at 31 March 2017 (previous year: Nil).

**(d) Debenture application money towards optionally convertible debentures issued:**

- (i) The Company has received debenture application money of Rs. 20,400,000 on 31 March 2017 from Assetz Infrastructure Private Limited for issue of 1,360,000 Optionally Convertible Debentures of Rs. 100 each. The Company has allotted 204,000 Optionally Convertible Debentures of Rs. 100 each on 17 May 2017.



APG Intelli Homes Private Limited

Notes to the financial statements (continued)

(Amount in Rs)

6 Provisions	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits				
- Provision for gratuity (refer to note 21)	2,043,093	312,056	2,147,263	247,534
- Provision for compensated absences	1,649,667	168,597	1,690,794	143,643
	<u>3,692,760</u>	<u>480,653</u>	<u>3,838,057</u>	<u>391,177</u>

(Amount in Rs)

7 Trade payables	As at 31 March 2017	As at 31 March 2016
Due to micro and small enterprises (refer to note 22)	-	-
Due to others	11,805,998	2,697,276
	<u>11,805,998</u>	<u>2,697,276</u>

(Amount in Rs)

8 Other current liabilities	As at 31 March 2017	As at 31 March 2016
Current maturities of long-term debt	291,363	-
Interest accrued but not due		
- payable to related parties (refer to notes 11 and 20)	-	45,502,090
- payable to others	547,563,089	214,212,530
Payable to related parties (refer to note 20)	16,474,210	1,103,112
Other liabilities		
- statutory dues	16,114,932	43,191,318
- capital goods	12,217,539	32,340,314
- for expenses	37,320,659	28,439,248
- retention money payable	3,724,737	1,408,414
- rent equalisation reserve	-	324,000
Advance received from customers (refer to note 23)	277,270,818	30,811,161
	<u>910,977,347</u>	<u>397,332,187</u>



APG Intelli Homes Private Limited

Notes to the financial statements (continued)

9 Fixed assets

(Amount in Rs)

Description	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2016	Additions	Deletions/ Adjustment	As at 31 March 2017	As at 1 April 2016	Charge for the year	Deletions/ Adjustment	As at 31 March 2017	As at 31 March 2016
<i>Tangible, owned assets</i>									
Buildings	48,931,987	-	5,716,709	43,215,278	348,557	8,602,334	-	8,950,891	48,583,430
Leasehold improvements	11,330,807	-	-	11,330,807	1,422,818	1,888,468	-	3,311,286	9,907,989
Plant & Machinery	493,000	715,340	-	1,208,340	17,285	148,628	-	1,042,427	475,715
Office equipment	750,106	421,724	6,715	1,165,115	83,528	177,748	-	903,839	666,378
Furniture and fixtures	12,489,036	1,226,610	1,758,495	11,957,151	308,568	1,086,014	-	10,562,569	12,180,468
Computers	7,243,817	534,934	100,473	7,678,278	1,491,775	2,524,211	15,951	3,678,243	5,752,042
Vehicles	6,221,042	2,770,801	1,650,000	7,341,843	584,590	909,127	356,558	6,204,684	5,636,452
<i>Intangible, owned assets</i>									
Computer software	5,046,829	165,459	-	5,212,288	541,091	1,722,029	-	2,263,120	4,505,738
<b>Total</b>	<b>92,506,624</b>	<b>5,834,868</b>	<b>9,232,392</b>	<b>89,109,100</b>	<b>4,798,212</b>	<b>17,058,559</b>	<b>372,509</b>	<b>21,484,262</b>	<b>87,708,412</b>
<i>Previous year</i>	<i>1,031,074</i>	<i>91,453,550</i>	<i>-</i>	<i>92,306,624</i>	<i>31,288</i>	<i>4,766,924</i>	<i>-</i>	<i>4,798,212</i>	<i>87,708,412</i>



APG Intelli Homes Private Limited

Notes to the financial statements (continued)

	(Amount in Rs)	
	As at	As at
10 Long-term loans and advances	31 March 2017	31 March 2016
<i>Unsecured, considered good</i>		
Security deposits	675,000	2,080,000
Deposits with government authorities	387,339	100,000
Advance tax and tax deducted at source	2,527,717	399,495
	<u>3,590,056</u>	<u>2,579,495</u>

	(Amount in Rs)	
	As at	As at
11 Inventories*	31 March 2017	31 March 2016
Land	1,595,728,276	1,145,527,836
Properties under development (refer to note 23)**	1,031,309,289	556,760,615
	<u>2,627,037,565</u>	<u>1,702,288,451</u>

\*Refer note (f) of significant accounting policies for disclosure of method used for valuation of inventories.

\*\* Includes borrowing cost amounting to Rs 330,815,996 (previous year Rs 271,274,769) net of interest income Rs. 10,803,255 (previous year Rs 3,997,165) which has been inventorised. Further, the borrowing cost inventorised in the current year is net of reversal of interest accrual on CCD's amounting to Rs. 50,557,878 (includes TDS of Rs. 5,055,788) made for the year ended 31 March 2016. This reversal was based on an extension of moratorium period on interest granted on 22 August 2016 by Assetz Communities Development Private Limited upto 31 March 2017. Also, refer notes 8 and 23.

	(Amount in Rs)	
	As at	As at
12 Trade receivables	31 March 2017	31 March 2016
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months	-	-
Other debts	27,666,292	24,440,281
	<u>27,666,292</u>	<u>24,440,281</u>

	(Amount in Rs)	
	As at	As at
13 Cash and bank balances	31 March 2017	31 March 2016
<b>Cash and cash equivalents</b>		
Cash on hand	239	674
Balances with banks		
- in current accounts	233,056,566	34,893,881
- in bank deposits (with original maturity of less than 3 months)	46,329,081	3,400,000
	<u>279,385,886</u>	<u>38,294,555</u>

	(Amount in Rs)	
	As at	As at
14 Short-term loans and advances	31 March 2017	31 March 2016
<i>Unsecured, considered good</i>		
Service tax credit receivable	46,109,663	30,935,024
Security deposits	2,080,000	-
Capital advances	20,950,048	7,362,112
Advances for supply of goods and rendering of services	19,510,040	16,413,351
Other advances	1,742,798	1,716,419
	<u>90,392,549</u>	<u>56,426,906</u>

	(Amount in Rs)	
	As at	As at
15 Other current assets	31 March 2017	31 March 2016
Prepaid expenses	975,104	2,922,060
	<u>975,104</u>	<u>2,922,060</u>





APG Intelli Homes Private Limited

Notes to the financial statements (continued)

	(Amount in Rs)	
<b>16 Revenue from operations</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
Cancellation charges	304,348	-
	<u>304,348</u>	<u>-</u>

	(Amount in Rs)	
<b>17 Employee benefits expense</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
Salaries and wages *	65,590,966	18,426,256
Contributions to		
- provident and other funds	1,618,075	666,412
- gratuity (refer to note 21)	(39,648)	2,394,797
Compensated absences	977,803	1,930,399
Staff welfare expenses	3,320,358	1,044,100
	<u>71,467,554</u>	<u>24,461,964</u>

\* Includes secondment charge by the holding company amounting to Rs. Nil (previous year Rs.10,668,570)

	(Amount in Rs)	
<b>18 Finance cost*</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
Interest on secured term loan	57,036	-
	<u>57,036</u>	<u>-</u>

\* Net of inventorised borrowing costs.

	(Amount in Rs)	
<b>19 Other expenses</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
Business development (refer to note 34)	71,281,618	27,804,622
Legal and professional	15,087,492	15,487,514
Travelling and conveyance	8,946,070	2,966,382
Rent	7,108,385	2,951,435
Repairs and maintenance	5,070,615	1,990,031
Insurance	1,210,939	1,482,845
Rates and taxes	707,239	585,474
Communication cost	2,266,696	442,452
Power and fuel	462,743	262,429
Printing and stationery	947,461	260,756
Miscellaneous	2,105,100	618,748
	<u>115,194,358</u>	<u>54,852,688</u>



**APG Intelli Homes Private Limited**  
**Notes to the financial statements (continued)**

**20 Related party disclosures**

(i) Names of the related parties and description of relationship

(a) *Enterprises where control exists*

Assetz Investment and Holdings Pte. Ltd., Singapore  
 Assetz Group Holdings Pte. Ltd., Singapore  
 Assetz Community Asia Pte. Ltd., Singapore  
 Assetz Communities Development Private Limited ("the Holding Company")

(b) *Enterprises over which key managerial personnel have control or significant influence:*

Assetz Infrastructure Private Limited  
 Assetz Property Management Services Private Limited  
 Infraedge Management Services Private Limited  
 APG Community Development Private Limited  
 Paper Design India Private Limited

(c) *Key management personnel*

Ben Salmon, Director  
 S N Mallanna, Managing Director (up to 31 December 2016)  
 Akshay Dewani, Executive Director (with effect from 1 January 2017)

(ii) The following is the summary of significant transactions with related parties by the Company

Particulars	(Amount in Rs)	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Assetz Communities Development Private Limited</b>		
Services availed	2,500,000	-
Interest (reversed)/ charged on compulsorily convertible debentures issued by the Company (refer notes 8 and 11)	(50,557,878)	50,557,878
Expenses incurred on behalf of the Company	-	53,530,789
Payments made on behalf of the Company	3,347,866	450,377
<b>Assetz Property Management Services Private Limited</b>		
Services availed	17,800,567	60,075,070
Purchase of capital goods	-	1,650,000
Payments made on behalf of the Company	14,678	-
<b>Assetz Infrastructure Private Limited</b>		
Land advance received	20,400,000	-
Land advance repaid	(20,400,000)	-
Payments made on behalf of the Company	21,050,000	-
Debenture application money received	20,400,000	-
Services availed	3,679,241	-
<b>Paper Design India Private Limited</b>		
Purchase of goods	16,300	-
<b>APG Community Development Private Limited</b>		
Reimbursement of expenses incurred by the Company	1,841	-
<b>S N Mallanna</b>		
Salaries & allowances including contribution to Provident fund	15,445,453	19,999,253
<b>Akshay Dewani</b>		
Salaries & allowances including contribution to Provident fund	3,158,850	-



20 Related party disclosures (Continued)

(iii) Amount outstanding as at the balance sheet date:			(Amount in Rs)
Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	
<b>Other current liabilities</b>			
Assetz Communities Development Private Limited	2,520,658	45,779,690	
Assetz Property Management Services Private Limited	11,363,380	825,512	
Assetz Infrastructure Private Limited	2,579,094	-	
Paper Design India Private Limited	11,078	-	
<b>Short-term loans and advances</b>			
APG Community Development Private Limited	1,841	-	
<b>Compulsorily convertible debentures</b>			
Assetz Communities Development Private Limited (also refer note 5)	298,170,000	298,170,000	
<b>Debenture application money received</b>			
Assetz Infrastructure Private Limited (also refer note 5)	20,400,000	-	

(iv) Corporate guarantees have been given by Assetz Community Asia Pte. Ltd., Assetz Communities Development Private Limited and Assetz Infrastructure Private Limited for the non-convertible redeemable debentures issued by the Company to Township Infra One Pte. Ltd held in trust by Vistra ITCL (India) Limited (formerly known as IL&FS Trust Company Limited).

21 Retirement benefits

**Gratuity plan**

The Company has a gratuity plan, which is a defined benefit scheme. Every employee who has completed five years or more of service is eligible for gratuity on separation, which is worked out at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded. The principal actuarial assumptions used for valuation of obligation are as follows:

**Statement of profit and loss**

Net employee benefits expense (recognised in employee benefits expense)			(Amount in Rs)
Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	
Current service cost	1,304,265	2,394,797	
Interest cost on defined benefit obligation	175,060	-	
Net actuarial gain recognised for the year	(1,518,973)	-	
<b>Net benefits (income)/ expense (refer to note 17)</b>	<b>(39,648)</b>	<b>2,394,797</b>	

**Balance sheet**

**Details of provision for gratuity**

Details of provision for gratuity			(Amount in Rs)
Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	
Defined benefit obligations	2,355,149	2,394,797	
Less: Fair value of plan assets	-	-	
<b>Plan liabilities</b>	<b>2,355,149</b>	<b>2,394,797</b>	

**Changes in the present value of the defined benefit obligation**

Changes in the present value of the defined benefit obligation			(Amount in Rs)
Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	
Opening defined benefit obligation	2,394,797	-	
Current service cost	1,304,265	2,394,797	
Interest cost	175,060	-	
Benefits paid	-	-	
Actuarial gain on obligation	(1,518,973)	-	
<b>Closing defined benefit obligation</b>	<b>2,355,149</b>	<b>2,394,797</b>	

**Principal assumptions used in determining gratuity benefit obligations for the Company's plan**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest rate	7.31%	8.00%
Future salary increases	12.08%	12.08%
Attrition rate	16.92%	11.43%
Retirement age (in years)	60 years	60 years

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, and other several factors such as supply and demand factor in the employment market. Employee turnover varies based on various age groups.



**22 Dues to Micro, Small and Medium Enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2017 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	(Amount in Rs)	
	31 March 2017	31 March 2016
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**23 Properties under development**

The Company is engaged in development of a project in Bangalore, India. Particulars of the project as required to be disclosed as per the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered accountants of India is as follows:

Particulars	(Amount in Rs)	
	As at 31 March 2017	As at 31 March 2016
Amount of project revenue recognised as revenue in the current year	-	-
Aggregate amount of costs incurred till date (also refer note 11)	2,627,037,565	1,702,288,451
Aggregate amount of profit/(loss) recognised till date	-	-
Amount of advances received (also refer note 8)	277,270,818	30,811,161
Value of inventories (properties under development) as at the year-end (also refer note 11)	2,627,037,565	1,702,288,451
Excess of revenue recognised over actual bills raised (unbilled revenue)	-	-

**24 Earnings per share**

Particulars	(Amount in Rs. except for no. of shares)	
	For the year ended 31 March 2017	For the year ended 31 March 2016
Loss after tax attributable to equity shareholders	(203,455,184)	(84,075,876)
Number of equity shares of Rs 10 each used for calculation of earnings per share	1,000,000	1,000,000
Basic and diluted earnings per share	-203.46	-84.08

\* Basic and diluted earnings per share are same as the effect of potential dilutive shares, which would be anti-dilutive, has not been considered.

**25 Auditors' remuneration (included in legal and professional fees, excluding service tax)**

Particulars	(Amount in Rs)	
	For the year ended 31 March 2017	For the year ended 31 March 2016
As auditors		
- Statutory audit	700,000	700,000
- Group reporting	-	500,000
- Limited review	150,000	100,000
- Reimbursement of expenses	64,992	55,354
	<u>914,992</u>	<u>1,355,354</u>



**26 Operating leases**

The Company is obligated under non-cancellable operating leases which are renewable at the option of the lessor. Total lease rental expense under non-cancellable operating leases amounted to Rs. 3,065,000 (previous year: Rs.5,040,000) for the year ended 31 March 2017. Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	(Amount in Rs)	
	As at 31 March 2017	As at 31 March 2016
Not later than 1 year	2,700,000	1,040,000
Later than 1 year and not later than 5 years	3,510,000	-
Later than 5 years	-	-

Further, the Company is obligated under cancellable operating leases for office space lease rentals. Total rental expense under cancellable operating leases during the year was Rs. 5,244,000 (previous year: Rs Nil).

**27 Contingent liabilities and other commitments**

Particulars	(Amount in Rs)	
	As at 31 March 2017	As at 31 March 2016
(i) Contingent liabilities	-	-
(ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	63,208,402	398,907
b) Other commitments	923,500,393	670,200

**28 Expenditure in foreign currency**

Particulars	(Amount in Rs)	
	For the year ended 31 March 2017	For the year ended 31 March 2016
Legal and professional	-	3,499,186
Marketing and sales promotion	549,757	507,282
Travel and conveyance	504,162	-
	<b>1,053,919</b>	<b>4,006,468</b>

**29 Segment reporting**

The Company's sole business segment is development of real estate projects and the only geographical segment is 'India'. Consequently, the need for separate disclosure as required under AS 17 - 'Segment Reporting' is not relevant.

**30** The Company did not have any imports during the year (previous year: Nil).

**31 Deferred tax**

In accordance with AS 22 - "Accounting for taxes on income" prescribed by the Companies (Accounts) Rules, 2014, the Company has not recognised deferred tax asset on unabsorbed depreciation and carry forward business losses.

**32** The Company has not earned any income in foreign currency during the year (previous year: Nil).

**33 Disclosure On Specified Bank Notes (SBNs)**

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

Particulars	(Amount in Rs)		
	SBNs	Other Notes Denomination	Total
Closing cash in hand as on 8 November 2016	-	239	239
(+) Permitted receipts	-	-	-
(+) Withdrawal from bank	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30 December 2016	-	239	239



**APG Intelli Homes Private Limited**  
**Notes to the financial statements (continued)**

- 34 The Company has incurred expenses of Rs. 8,308,196 on two proposed residential projects at Shettigere and Nelamangala. In the current year, the Company has decided not to pursue these two projects and therefore the expenses incurred have been charged to the Statement of Profit and Loss.
- 35 The Company is in the process of appointment of an independent director and constitution of the Audit Committee as per provisions of section 177 of the Companies Act, 2013.
- 36 In accordance with section 71 of the Companies Act, 2013, read along with circular issued by Ministry of Corporate Affairs No. 4 / 2013, the Company is required to create a debenture redemption reserve amounting to 25% of the value of redeemable debentures out of profits of the Company before the redemption commences. However, during the year ended 31 March 2017, the Company has not earned profits and accordingly no sums have been transferred to the Debenture Redemption Reserve.
- 37 In the absence of adequate profits during the current year, the Company is not required to spend any amount on activities related to Corporate Social Responsibility.
- 38 Previous year's figures have been regrouped/ reclassified as per the current year's presentation for the purpose of comparability. The following significant regroupings/ reclassifications of the previous year figures have been made:

Particulars	Previous year grouping	Current year grouping	Amount in Rs
Retention money payable	Other liabilities - for expenses	Other liabilities - retention money payable	1,408,414

As per our report of even date attached.

for **BSR & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024



**Vipin Lodha**  
Partner  
Membership No.: 076806

Place: Bangalore  
Date: 31 May 2017

for **APG Intelli Homes Private Limited**



**Ben Salmon**  
Chairman  
DIN:00283128



**Sachin Vora**  
Chief Financial Officer

Place: Bangalore  
Date: 31 May 2017



**Akshay Dewani**  
Executive Director  
DIN:01638157



**Harsh Lata**  
Company Secretary  
ACS:45154

