



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present Second Board's Report of the Company together with the audited financial statements for the year ended 31st March, 2016.

FINANCIAL RESULTS

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

(Amount in Rs.)

Particulars	For the year ended 31st March, 2016	For the period ended 31st March, 2015
(Loss) for the year before Finance Cost, Depreciation and amortisation	(7,93,08,952)	(1,95,55,613)
Add: Depreciation	47,66,924	31,288
(Loss) before tax	(8,40,75,876)	(1,95,86,901)
Less: Provision for current tax	-	-
(Loss) after Tax carried to Balance Sheet	(8,40,75,876)	(1,95,86,901)

DIVIDEND

In view of the losses, your Directors express their inability to recommend any dividend for the year ended March 31, 2016.

OPERATIONS & IMPLEMENTATION

During the year ended 31st March, 2016, the company has successfully launched Sarjapur Project after obtaining necessary approvals and permissions. The sales activity has commenced on 19th March 2016 after completion of Sales Office at Sarjapur Site and building model apartment. The initial response is very encouraging with satisfactory sales achievement.

The Company has now embarked upon acquisition of adjacent land at existing Sarjapur site to extend the project. The Company has made acquisition of 8.613 acres of non-agricultural land to optimize cost and utilize other infrastructure which is being built on existing Sarjapur Project. The acquisition was completed on 5th August 2016. The Company already begin necessary planning on the residential apartment / row houses.

RAISING OF FUNDS FOR PROJECTS AND RELATED EXPENSES

The company has made further call on partly paid 720 senior, rated, listed, secured, redeemable, non-convertible debentures of face value of Rupees One crore only each issued to the Debenture Holder amounting to Rs. 2,14,69,75,920 to fund the expenses on the Sarjapur Project and for acquisition of land for

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Sarjapur Extension Project. The funds are being utilized for the purpose of project at Sarjapur which is under implementation and also for land acquisition as per the business plan.

CREDIT RATING

The company has successfully obtained BB+ (SO) credit rating from ICRA for issue of non-convertible secured debentures on 11th January, 2016.

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 statements 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 18 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. The matters to be decided/ approved by both these committees are done by the Board.

Independent Directors:

As per provision of Section 149 (4) of the Companies Act, 2013, only listed public companies are required to have Independent Directors. However, as per the provision of Section 177 and 178 of the Companies Act, 2013, the Audit and Nomination and Remuneration Committee requires independent directors forming majority on these committees for listed company. In view of this the Company has initiated the process of appointment of independent directors.

Directors and Key Managerial Personnel:

The company's board at its meeting held on March 22, 2016 has appointed Mr. Anil Jammatige Arunachala Bhatta as the Additional Director of the company nominated by the Debenture Trustee w.e.f 22nd March, 2016 and he shall hold office up to the date of ensuing Annual General Meeting. The Company has received consent in writing from Mr. Anil Jammatige Arunachala Bhatta for his re-appointment as Director in ensuing Annual General Meeting. The Board recommends his re-appointmnet.

The Company has appointed Ms. Harsh Lata having membership number 45154 as Company Secretary of the company as one of the Key Managerial Personnel with effect from 26th September, 2016.

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 adopted a Performance Evaluation Framework and 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 9 (Nine) Board meetings during the financial year under review.

Sl. No.	Date of Board Meeting
1.	06.04.2015
2.	05.05.2015
3.	28.05.2015
4.	31.07.2015
5.	14.08.2015
6.	25.08.2015
7.	14.11.2015
8.	14.12.2015
9.	22.03.2016

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 2016, 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 2016 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, holds 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 upto the conclusion of 3rd 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 they are reappointed, 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 V Sreedharan & Associates, 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 II**. The Secretarial Audit Report contains the following qualification, reservations or adverse remarks.

The following are the qualifications, reservations / adverse remarks made by the Secretarial Auditor in their Secretarial Audit Report for the year ended March 31, 2016 and the replies by the Board of Directors of your company to the same are as under:

Sl. No.	Secretarial Auditors' Qualifications / Reservations / Adverse Remarks	Replies by the Board of Directors of the Company
1.	The company has not appointed a Company Secretary during the year 2015-16 as required under Clause (ii) of Sub Section (1) of Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation No.6 of LODR	Company has appointed a Company Secretary and issued an appointment letter. However on the date of joining the candidate declined to join the Company. The Company had again started the process of identification of a Company Secretary and find a suitable candidate for it. Harsh Lata has joined the Company as Company Secretary of the Company on 26th September, 2016 and the Company has initiated the process of intimating ROC and Stock Exchange.

2.	The company had not appointed a Chief Financial Officer up to June 28, 2015 as required under Clause (iii) of Sub Section (1) of Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	The company has appointed Mr. Sachin Vora as Chief Financial Officer of the company with effect from June 29, 2015.
3.	<p>The constitution of the audit committee was not accordance with Sub Section (2) Section 177 of the Companies Act, 2013.</p> <p>The constitution of the nomination and remuneration committee was not accordance with Sub Section (1) Section 178 of the Companies Act, 2013.</p>	The Company has earlier identified two eminent individuals to act as Independent Directors. However due to certain circumstances, both of them opted out at the last moment. The Board were informed that whilst on March 16, 2016, the Company (Amendment) Bill, 2016 was passed by Lok Sabha and was subsequently introduced in the Rajya Sabha which dispensed with the requirement of Independent Director forming a part of Audit Committee and Nomination and Remuneration Committee pursuant to Section 177 and 178 of the Companies Act, 2013 for listed Private Limited Companies. Further as per Section 149 of the Act does not prescribe appointment of Independent Director for Listed Private Limited Companies. In view of this development the Company deferred the decision on appointment of Independent Director and will take appropriate call.
4.	The company had not appointed internal auditors up to March 21, 2016 as required under Sub Clause (a) of Clause (1) of Rule 13 of the Companies (Accounts) Rules, 2014	The company has appointed M/s Singhvi, Dev and Unni, Chartered Accountants as the Internal Auditors of the Company w.e.f March 22, 2016 and has already carried out internal audit of the accounts for the year ended 31st March, 2016
5.	The Company had not sent to BSE the half yearly communication for the half year ended March 31, 2015 as required under clause no. 27(b) of the Listing Agreement	The Company was listed on 11th February, 2015, after allotment of 720 Non-Convertible Debentures on 5th February, 2015. The major activity consist of acquisition of land after the allotment. There were no significant transactions till 31st March, 2015. However for the subsequent period Company has complied this requirement.

6.	There has been a delay in submitting audited financial results for year ended on March, 2015 and half year ended on September, 2015 to the stock exchange as required under clause no. 29B(a) of Listing Agreement / Regulation 52	As explained above in point number 5.
7.	The Company has not published its Annual financial results for the year ended March 31, 2015 and half yearly financial results for the half year ended September 30, 2015, in one English daily newspaper under clause no. 29A(c) of the Listing Agreement	As explained above in point number 5.

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 is in the process of formulating 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	2015-16 (in Rs.)
Inflow	Nil
Outflow	40,06,468

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

A handwritten signature in black ink is written over a blue circular stamp. The stamp contains the text "APG Intelli Homes Private Limited" around the perimeter and a small star in the center.

(Ben Cameron Melville Salmon)

Chairman

Date: 29th September, 2016

Place: Bangalore

ANNEXURE I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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	APG Intelli Home Private Limited
4.	Category Sub-category of the Company	Private Limited Company
5.	Address of the Registered office & contact details	Embassy Icon, Ground Floor, 3, Infantry Road, Bangalore – 560001 Phone: (080)4667 4000 Fax: 4667 4040
6.	Whether listed company	Yes (Listed the Debentures)
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) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
-i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	9,99,999	-	-	99.9999	9,99,999	-	-	99.9999	-
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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
-Grand Total (A+B+C)	10,00,000	-	-	100	10,00,000	-	-	100	-

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	
-	-	-	-	-	-	-	-	-

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	99.99	99.99	9,99,999	99.99	99.99	-
2	Mallana Sasalu(Beneficial Owner Assetz Communities Development private limited)	Nil	Nil	Nil	1	0.01	0.01	-

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	0.01	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g.	-	-	(1)	(0.01)

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

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,02,00,00,240	29,81,70,000	Nil	1,31,81,70,240
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	2,32,05,582	65,15,243	Nil	2,97,20,825
Total (i+ii+iii)	1,04,32,05,822	30,46,85,243	Nil	1,34,78,91,065
Change in Indebtedness during the financial year				
* Addition	47,69,00,948	3,89,86,847	Nil	51,58,87,795
* Reduction	Nil	Nil	Nil	Nil
Net Change	47,69,00,948	3,89,86,847	Nil	51,58,87,795
Indebtedness at the end of the financial year				
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
Total (i+ii+iii)	1,52,01,06,770	34,36,72,090		1,86,37,78,860

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	----	----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,99,99,253	Nil	Nil	Nil	1,99,99,253
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil

	(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
	Total (A)	1,99,99,253	Nil	Nil	Nil	1,99,99,253
	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
	Total (1)	Nil	Nil	Nil	Nil	Nil
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
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

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	Nil	Nil		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	48,46,244	48,46,244
	(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	Nil	48,46,244	48,46,244

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)
A. COMPANY					
Penalty	0	--	--	--	--
Punishment	0	--	--	--	--
Compounding		.			--
B. DIRECTORS					
Penalty	0	--	--	--	--
Punishment	0	--	--	--	--
Compounding					--
C. OTHER OFFICERS IN DEFAULT					
Penalty	0	--	--	--	--
Punishment	0	--	--	--	--
Compounding	0	--	--	--	--

For and On Behalf of the Board

 (Ben Cameron Melville Salmon)
 Chairman

Date: 29th September, 2016

Place: Bangalore

V. SREEDHARAN AND ASSOCIATES

Company Secretaries

No. 32/33, 1st and 2nd Floor, GNR Complex, 8th Cross,
Wilson Garden, Bengaluru 560 027
☎ +91 80 222 90 394 ✉ compliance@sreedharancs.com



FORM No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For The Financial Year Ended: 31st March, 2016

To,

The Members of,

APG INTELLI HOMES PRIVATE LIMITED

Embassy Icon, Ground Floor, No.3,
Infantry Road, Bangalore - 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 referred to as 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 financial year ended on March 31, 2016 (hereinafter referred to as the audit period) 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 during the audit period 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; **(Not applicable to the company during the period under review)**
- (v) The Company being a debt listed private company, listed its debt securities on Bombay Stock Exchange (BSE), 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; **(not applicable to the company during the audit period)**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the company during the audit period)**
 - 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 Shares transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the audit period)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable to the company during the audit period) and
- (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 Employments Act, 1976; and
 - c. Karnataka Shops and Commercial Establishments Act, 1961

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

1. Secretarial Standards issued by the Institute of Company Secretaries of India on meetings of board of directors and general meeting.
2. Listing Agreement (Till November 30, 2015) entered into by the Company with BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR from December 01, 2015 up to March 31, 2016)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above mentioned above except for the following:



1. *The company has not appointed a Company Secretary during the year 2015-16 as required under Clause (ii) of Sub Section (1) of Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation No.6 of LODR.*

The Company had appointed a Company Secretary, however on the date of joining he declined to join the organization.

2. *The company had not appointed a Chief Financial Officer up to June 28, 2015 as required under Clause (iii) of Sub Section (1) of Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*

The company has subsequently appointed Mr. Sachin Vora as Chief Financial Officer of the company with effect from June 29, 2015.

3. *The constitution of the audit committee was not accordance with Sub Section (2) Section 177 of the Companies Act, 2013.*
4. *The constitution of the nomination and remuneration committee was not accordance with Sub Section (1) Section 178 of the Companies Act, 2013.*
5. *The company had not appointed internal auditors up to March 21, 2016 as required under Sub Clause (a) of Clause (1) of Rule 13 of the Companies (Accounts) Rules, 2014.*

The company has subsequently appointed M/s Singhvi, Dev and Unni, Chartered Accountants as the Internal Auditors of the Company w.e.f March 22, 2016 to audit accounts of the Company for the year ended 31st March, 2016



6. *The Company had not sent to BSE the half yearly communication for the half year ended March 31, 2015 as required under clause no. 27(b) of the Listing Agreement.*

The Company got listed with effect from 11th February, 2015 and there were insignificant transactions in the Profit & Loss Account for the quarter ended 31st March, 2015.

7. *There has been a delay in submitting audited financial results for year ended on March, 2015 and half year ended on September, 2015 to the stock exchange as required under clause no. 29B(a) of Listing Agreement / Regulation 52.*

8. *The Company has not published its Annual financial results for the year ended March 31, 2015 and half yearly financial results for the half year ended September 30, 2015, in one English daily newspaper under clause no. 29A(c) of the Listing Agreement.*

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that:

The constitution of the Board of Directors of the Company and the balance of Executive Directors, Non-Executive Directors and Independent Directors *is subject to our remarks mentioned above in this report.* 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, 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the compliance report taken on record by the Board, 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 and regulations.

We further report that during the audit period, there were no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules.

For V. Sreedharan and Associates


(Pradeep B. Kulkarni)
Partner
FCS.7260; CP.No7835



July 21, 2016

Bangalore

ANNEXURE III

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 as Annexure.

Employees:

The company as on the year ended on March 31, 2016 had 64 (Sixty-Four) employees on its rolls including Mr. Mallana Sasalu (Managing Director) and Mr. Sachin Vora (CFO).

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 2015-16.	Executive Director
		Mr. Mallanna Sasalu - Managing Director – 52.24 times
		Non-Executive Director
	Not applicable	
II	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year.	Not applicable
III	The percentage increase in the median remuneration of employees in the financial year.	Not applicable
IV	The number of permanent employees on the rolls of the Company.	64



V	The explanation on the relationship between average increase in remuneration and Company's performance.	Not applicable
VI	Comparison of the 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
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)	50	01/01/2016	25 Years	Permanent	1,99,99,253	Assetz Communities Development Private Limited	No
2	Sachin Vora Chief Financial Officer	B.com, FCA, LLB	51	01/01/2016	26 years	Permanent	48,46,244	Assetz Communities Development Private Limited	No
3	Nagananda H G Head – Land and Business Development	LLB	46	01/01/2016	20 years	Permanent	52,25,059	Assetz Communities Development Private Limited	No
4	Arun Rao Head - Engineering	BE in construction branch, PG in construction Management	45	01/01/2016	23 years	Permanent	17,33,100	Assetz Communities Development Private Limited	No



ANNEXURE-IV

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

1.	Details of contracts or arrangements or transactions not at arm's length basis		
(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

APG INTELLI HOMES PVT. LTD.

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CIN U70100KA2014PTC077189



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 Property Management Service Private Limited. Companies in which director is interested	Assetz Communities Development Private Limited. 100% Holding Company
(b)	Nature of contracts/arrangements /transactions	:	Professional Services Agreement and Purchase of fixed asset	Development Management Agreement
(c)	Duration of the contracts /arrangements /transactions	:	Till Project Completion	Till Project Completion
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Liasoning for Real Estate Development Projects of the Company.	Reimbursement of Salaries of employees deputed to the Company.
(e)	Date(s) of approval by the Board	:	06.04.2015	06.04.2015
(f)	Amount paid as advances, if any	:	10% of Contract Value	--

For and On Behalf of the Board



(Ben Cameron Melville Salmon)
Chairman



Date: 29th September, 2016

Place: Bangalore

APG INTELLI HOMES PVT. LTD.

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Independent Auditor's 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 2016, 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.

Auditor's 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.

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 2016, 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.
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 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2016 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
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position;
 - ii. the Company has did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024


Vineet Dhawan

Partner

Membership No.: 092084

Bangalore

Date: 21 July 2016

Annexure A to the Independent Auditor's Report

The Annexure referred to in the Independent Auditor's Report to the Members of APG Intelli Homes Private Limited ("the Company") for the year ended 31 March 2016, 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 fixed assets are verified every year. 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. No material discrepancies were noticed on such verification.
- (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 or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").
- iv. 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.
- v. The Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to rules prescribed by the Central Government of India for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- 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 and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been delays in a few cases. As explained to us the Company does not have dues on account of Employees State Insurance, Sales Tax, Duty of Customs, Duty of Excise, Value added Tax and Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax and other material statutory dues were in arrears as at 31 March 2016, 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 and Service 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 its debenture holders. The Company did not have any outstanding dues to any banks or financial institutions during the year.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- 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.



B S R & Associates LLP

- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 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 following transactions with related parties during the year, which have not been approved by the Audit Committee as required under section 177 of the Act.

Nature of the related party relationship and the underlying transaction	Amount involved (Rs.)
Assetz Property Management Services Private Limited , an enterprise over which key managerial personnel have control or significant influence.	
- Purchase of fixed assets	1,650,000
- Services availed	60,075,070

- 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 or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and basis 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. 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: 116231 W/W-100024



Vineet Dhawan

Partner

Membership No.: 092084

Bangalore

Date: 21 July 2016

Annexure B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of APG Intelli Homes Private Limited ("the Company") as of 31 March 2016 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 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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.



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.

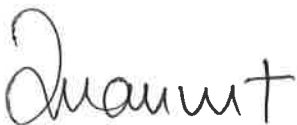
Opinion

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 2016, 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



Vineet Dhawan

Partner

Membership No.: 092084

Bangalore

Date: 21 July 2016

APG Intelli Homes Private Limited
Balance sheet

		As at 31 March 2016	(Amount in Rs) As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	10,000,000	10,000,000
Reserves and surplus	4	(103,662,777)	(19,586,901)
		(93,662,777)	(9,586,901)
Non-current liabilities			
Long-term borrowings	5	1,604,064,240	1,318,170,240
Long-term provisions	6	3,838,057	-
		1,607,902,297	1,318,170,240
Current liabilities			
Trade payables	7	2,697,276	6,294,755
Other current liabilities	8	397,332,187	37,814,535
Short-term provisions	6	391,177	-
		400,420,640	44,109,290
		1,914,660,160	1,352,692,629
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	83,202,674	1,019,786
Intangible assets		4,505,738	-
Capital work-in-progress		-	907,724
Long-term loans and advances	10	2,579,495	1,125,383
		90,287,907	3,052,893
Current assets			
Inventories	11	1,702,288,451	1,186,089,260
Trade receivables	12	24,440,281	-
Cash and bank balances	13	38,294,555	159,037,278
Short-term loans and advances	14	56,426,906	4,513,198
Other current assets	15	2,922,060	-
		1,824,372,253	1,349,639,736
		1,914,660,160	1,352,692,629

Significant accounting policies 2

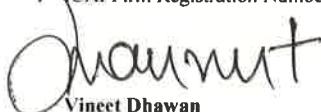
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



Vineet Dhawan

Partner

Membership No.: 092084

Bangalore

Date: 21 July 2016

for **APG Intelli Homes Private Limited**



Ben Salmon

Chairman

DIN: 00283128



Vimala Talla

Director

DIN: 03614478



Sachin Vora

Chief Financial Officer



APG Intelli Homes Private Limited
Statement of profit and loss

		(Amount in Rs)	
	Note	For the year ended 31 March 2016	For the period from 11 November 2014 to 31 March 2015
INCOME			
Other income		5,700	-
		<u>5,700</u>	<u>-</u>
EXPENSES			
Depreciation and amortisation	9	4,766,924	31,288
Employee benefits expense	16	24,461,964	-
Other expenses	17	54,852,688	19,555,613
		<u>84,081,576</u>	<u>19,586,901</u>
Loss before tax		(84,075,876)	(19,586,901)
Tax expense			
- current tax			
- deferred tax charge/ (credit)			
Loss for the period		(84,075,876)	(19,586,901)
Earnings per equity share (par value, Rs. 10 each)			
-Basic and diluted	22	(84.08)	(35.57)
Significant accounting policies	2		

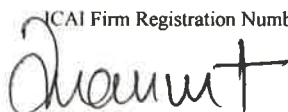
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

CAI Firm Registration Number: 116231W/W-100024



Vineet Dhawan

Partner

Membership No.: 092084

Bangalore

Date: 21 July 2016

for **APG Intelli Homes Private Limited**



Ben Salmon

Chairman

DIN: 00283128



Vimala Talla

Director

DIN: 03614478



Sachin Vora

Chief Financial Officer



APG Intelli Homes Private Limited
Cash flow statement

	(Amount in Rs)	
	For the year ended 31 March 2016	For the period from 11 November 2014 to 31 March 2015
Cash flows from operating activities		
Loss before tax	(84,075,876)	(19,586,901)
Adjustments:		
Depreciation	4,766,924	31,288
Operating cash flows before working capital changes	<u>(79,308,952)</u>	<u>(19,555,613)</u>
Increase in inventory	(516,199,191)	(1,186,089,260)
Increase in trade receivables	(24,440,281)	-
Increase in other current assets	(2,922,060)	-
Increase in loans and advances	(45,867,578)	(5,377,216)
Increase in liabilities and provisions	328,769,295	43,149,088
Cash used in operations	<u>(339,968,767)</u>	<u>(1,167,873,001)</u>
Taxes paid	(355,112)	(44,383)
Net cash used in operating activities	<u>(340,323,879)</u>	<u>(1,167,917,384)</u>
Cash flows from investing activities		
Purchase of fixed assets	(66,312,845)	(1,215,578)
Net cash used in investing activities	<u>(66,312,845)</u>	<u>(1,215,578)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	-	10,000,000
Proceeds from borrowings	285,894,000	1,318,170,240
Net cash provided by financing activities	<u>285,894,000</u>	<u>1,328,170,240</u>
Effect of exchange rate changes on cash and cash equivalents	-	-
Net (decrease)/ increase in cash and cash equivalents during the period	<u>(120,742,723)</u>	<u>159,037,278</u>
Cash and cash equivalents at the beginning of the period	159,037,278	-
Cash and cash equivalents at the end of the period (refer note 13)	<u>38,294,555</u>	<u>159,037,278</u>

As per our report of even date attached

for **BSR & Associates LLP**
Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



Vineet Dhawan

Partner

Membership No.: 092084

Bangalore

Date: 21 July 2016

for **APG Intelli Homes Private Limited**



Ben Salmon

Chairman

DIN: 00283128



Sachin Vora

Chief Financial Officer



Vimala Talla

Director

DIN: 03614478



APG Intelli Homes Private Limited

Notes to the financial statements

2. Significant accounting policies

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 is engaged in the business of development of real estate projects either directly or through special purpose vehicles or joint ventures. 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 liability 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 debenture holder.

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.



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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;
- atleast 25% of the saleable project area is secured by sales contracts/ agreements with buyers; and
- atleast 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 period 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 of completed property held for sale and property under development (work-in-progress). Completed property is valued at 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.



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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 rates of depreciation prescribed in Schedule II to the Companies Act, 2013 are considered as minimum rates. 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>
Office equipment	5
Computers	3
Marketing office building	5
Plant and Machinery	7
Software & License	3
Furniture & Fixtures	10
Vehicles	8
Leasehold improvements	6
Buildings (Temporary structure)	5

Pro-rata depreciation is provided on all fixed assets purchased or sold during the period. Assets individually costing Rs 5,000 or less are depreciated at the rate of 100%.

i) 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



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

2. Significant accounting policies (continued)

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

j) Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period 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 period). 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.

k) 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 period by the weighted average number of equity shares outstanding during the period. 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 period, 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.

l) 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.

m) 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.



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

2. Significant accounting policies (continued)

n) Foreign currency transactions

Foreign exchange transactions during the period 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 period are recognised in the statement of profit and loss of the period.

Monetary assets and liabilities in foreign currency, which are outstanding as at the period-end and not covered by forward contracts, are translated at the period-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.

o) 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 inventoried. Other borrowing costs are accounted as an expense when incurred and debited to the statement of profit and loss.

p) 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.



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APG Intelli Homes Private Limited

Notes to the financial statements (continued)

			(Amount in Rs)	
3 Share capital			As at	As at
			31 March 2016	31 March 2015
Authorised				
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>
Issued, subscribed and fully paid-up				
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 share holder	As at		As at	
	31 March 2016		31 March 2015	
	Number of shares	% holding	Number of shares	% holding
Equity shares				
Assetz Communities Development Private Limited and its nominee	1,000,000	100%	999,999	99.99%
	<u>1,000,000</u>	<u>100%</u>	<u>999,999</u>	<u>99.99%</u>

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

Particulars	As at		As at	
	31 March 2016		31 March 2015	
	Number of shares	Amount (Rs)	Number of shares	Amount (Rs)
Equity shares of Rs. 10 each, fully paid-up				
At the commencement of the period	1,000,000	10,000,000	-	-
Issued during the year	-	-	1,000,000	10,000,000
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	As at
	31 March 2016	31 March 2015
No. of Equity shares of Rs. 10 each, fully paid-up		
Assetz Communities Development Private Limited and its nominee (holding company)	1,000,000	999,999

(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	As at
			31 March 2016	31 March 2015
(Deficit) in the statement of profit and loss				
At the commencement of the period			(19,586,901)	-
Add: Loss for the period			(84,075,876)	(19,586,901)
			<u>(103,662,777)</u>	<u>(19,586,901)</u>



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APG Intelli Homes Private Limited

Notes to the financial statements (continued)

			(Amount in Rs)	
5 Long-term borrowings	As at 31 March 2016	As at 31 March 2015		
Secured				
Non-convertible redeemable debentures:	1,305,894,240	1,020,000,240		
720 (Previous period: 720) debentures of face value Rs 10,000,000 each				
Rs 1,813,742 (Previous period: Rs 1,416,667) paid up				
Unsecured				
Compulsorily convertible debentures:				
2,981,700 (Previous period: 2,981,700) debentures of Rs. 100 each	298,170,000	298,170,000		
	<u>1,604,064,240</u>	<u>1,318,170,240</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 the 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 Infracedge Management Services Private Limited; and
 - 50% of the issued and voting share capital of the APG Community Development Private Limited.

					(Amount in Rs)	
6 Provisions	As at 31 March 2016		As at 31 March 2015			
	Long-term	Short-term	Long-term	Short-term		
Provision for employee benefits						
- Provision for gratuity	2,147,263	247,534	-	-		
- Provision for compensated absences	1,690,794	143,643	-	-		
	<u>3,838,057</u>	<u>391,177</u>	-	-		

			(Amount in Rs)	
7 Trade payables	As at 31 March 2016	As at 31 March 2015		
Due to micro and small enterprises (refer to note 20)	-	-		
Due to others	2,697,276	6,294,755		
	<u>2,697,276</u>	<u>6,294,755</u>		



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APG Intelli Homes Private Limited

Notes to the financial statements (continued)

8 Other current liabilities	(Amount in Rs)	
	As at 31 March 2016	As at 31 March 2015
Interest accrued but not due		
-payable to related parties	45,502,090	6,515,243
-payable to others	214,212,530	23,205,582
Payable to related parties (refer to note 18)	1,103,112	-
Other liabilities		
-statutory dues	43,191,318	6,365,618
-capital goods	32,340,314	960,202
-for expenses	29,847,662	767,890
-rent equalisation reserve	324,000	-
Advance due from customers (refer to note 21)	30,811,161	-
	<u>397,332,187</u>	<u>37,814,535</u>



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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 2015	Additions	Deletions	As at 31 March 2016	As at 1 April 2015	Charge for the year	Deletions	As at 31 March 2016	As at 31 March 2015
Tangible, owned assets									
Buildings (Temporary structure)	-	48,931,987	-	48,931,987	-	348,557	-	48,583,430	-
Leasehold improvements	-	11,330,807	-	11,330,807	-	1,422,818	-	9,907,989	-
Plant & Machinery	-	493,000	-	493,000	-	17,285	-	475,715	-
Office equipment	9,550	740,556	-	750,106	288	83,240	-	666,578	9,262
Furniture and fixtures	-	12,489,036	-	12,489,036	-	308,568	-	12,180,468	-
Computers	1,041,524	6,202,293	-	7,243,817	31,000	1,460,775	-	5,752,042	1,010,524
Vehicles	-	6,221,042	-	6,221,042	-	584,590	-	5,636,452	-
Intangible, owned assets									
Computer software	-	5,046,829	-	5,046,829	-	541,091	-	4,505,738	-
Total	1,051,074	91,455,550	-	92,506,624	31,288	4,766,924	-	87,708,412	1,019,786
<i>Previous period</i>	-	<i>1,051,074</i>	-	<i>1,051,074</i>	-	<i>31,288</i>	-	<i>1,019,786</i>	-

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APG Intelli Homes Private Limited

Notes to the financial statements (continued)

(Amount in Rs)		
10 Long-term loans and advances	As at 31 March 2016	As at 31 March 2015
<i>Unsecured, considered good</i>		
Security deposits	2,080,000	1,081,000
Deposits with government authorities	100,000	-
Advance tax and tax deducted at source	399,495	44,383
	<u>2,579,495</u>	<u>1,125,383</u>

(Amount in Rs)		
11 Inventories*	As at 31 March 2016	As at 31 March 2015
Land	1,145,527,836	1,145,527,836
Properties under development (refer to note 21)**	556,760,615	40,561,424
	<u>1,702,288,451</u>	<u>1,186,089,260</u>

*Refer note (e) of significant accounting policies for disclosure of method used for valuation of inventories

** Includes borrowing cost amounting to Rs 275,271,934 (previous period Rs 27,300,685) net of interest income Rs. 3,997,165 (previous period Rs 443,834) which has been inventorised (of the above amount Rs. 5,709,842 relates to prior period interest on CCD's.)

(Amount in Rs)		
12 Trade receivables	As at 31 March 2016	As at 31 March 2015
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months	-	-
Other debts	24,440,281	-
	<u>24,440,281</u>	<u>-</u>

(Amount in Rs)		
13 Cash and bank balances	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Cash on hand	674	13,673
Balances with banks		
- in current accounts	34,893,881	159,023,605
- in deposit accounts	3,400,000	-
	<u>38,294,555</u>	<u>159,037,278</u>

(Amount in Rs)		
14 Short-term loans and advances	As at 31 March 2016	As at 31 March 2015
<i>Unsecured, considered good</i>		
Service tax credit receivable	30,935,024	4,296,216
Capital advances	7,362,112	216,982
Advances for supply of goods and rendering of services	16,413,351	-
Other advances	1,716,419	-
	<u>56,426,906</u>	<u>4,513,198</u>

(Amount in Rs)		
15 Other current assets	As at 31 March 2016	As at 31 March 2015
Prepaid expenses	2,922,060	-
	<u>2,922,060</u>	<u>-</u>



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APG Intelli Homes Private Limited

Notes to the financial statements (continued)

	(Amount in Rs)	
16 Employee benefits expense	For the year ended 31 March 2016	For the period from 11 November 2014 to 31 March 2015
Salaries and wages *	18,426,256	-
Contributions to		
- provident and other funds	666,412	-
- gratuity (refer to note 19)	2,394,797	-
Compensated absences	1,930,399	-
Staff welfare expenses	1,044,100	-
	<u>24,461,964</u>	<u>-</u>

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

	(Amount in Rs)	
17 Other expenses	For the year ended 31 March 2016	For the period from 11 November 2014 to 31 March 2015
Business development	27,804,622	709,957
Legal and professional	15,487,514	14,678,825
Travelling and conveyance	2,966,382	703,139
Rent	2,951,435	-
Repairs and maintenance	1,990,031	212,451
Insurance	1,482,845	-
Rates and taxes	585,474	3,185,191
Communication cost	442,452	-
Power and fuel	262,429	13,585
Printing and stationery	260,756	28,437
Miscellaneous	618,748	24,028
	<u>54,852,688</u>	<u>19,555,613</u>



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

18 Related party disclosures

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

(a) Enterprises where control exists

Assetz Group Holdings Pte. Ltd., Singapore
 Assetz Community Asia Pte. Ltd., Singapore
 Assetz Communities Development Private Limited

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

Assetz Infrastructure Private Limited
 Assetz Investment & Holdings LLP
 Assetz Property Management Services Private Limited
 (formerly known as Bearingpoint Property Services Private Limited)
 Infraedge Management Services Private Limited

(c) Key management personnel

Mallanna Sasalu, Managing Director
 Ben Salmon

(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 2016	For the period from 11 November 2014 to 31 March 2015
Assetz Communities Development Private Limited		
Equity shares issued by the Company	-	9,900,000
Compulsorily convertible debentures issued by the Company	-	298,170,000
Interest on compulsorily convertible debentures issued by the Company	50,557,878	-
Expenses incurred on behalf of the Company	53,530,789	7,024,643
Payments made on behalf of the Company	450,377	100,184,000
Amounts repaid by the Company	62,694,054	100,700,000
Assetz Investments and Holdings LLP		
Equity shares issued by the Company	-	99,990
Assetz Property Management Services Private Limited		
Professional Fees & Expenses incurred on behalf of the Company	60,075,070	534,874
Purchase of fixed assets	1,650,000	-
Amounts repaid by the Company	80,616,848	-
Mallanna Sasalu		
Salaries	19,999,253	-

(iii) Amount outstanding as at the balance sheet date:

Particulars	(Amount in Rs)	
	As at 31 March 2016	As at 31 March 2015
Other current liabilities		
Assetz Communities Development Private Limited	45,779,690	6,508,643
Assetz Property Management Services Private Limited	825,512	6,600
Long-term borrowings		
Assetz Communities Development Private Limited	298,170,000	298,170,000

(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 debenture holder.



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

19 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

Particulars	(Amount in Rs)	
	For the year ended 31 March 2016	For the period from 11 November 2014 to 31 March 2015
Current service cost	2,394,797	-
Interest cost on defined benefit obligation	-	-
Net actuarial loss/ (gain) recognised for the year	-	-
Net benefits expense	2,394,797	-

Balance sheet

Particulars	(Amount in Rs)	
	As at 31 March 2016	As at 31 March 2015
Defined benefit obligations	2,394,797	-
Less: Fair value of plan assets	-	-
Plan liabilities	2,394,797	-

Changes in the present value of the defined benefit obligation (Amount in Rs)

Particulars	(Amount in Rs)	
	For the year ended 31 March 2016	For the period from 11 November 2014 to 31 March 2015
Opening defined benefit obligation	-	-
Liability taken over upon assignment of employees from group companies	-	-
Current service cost	2,394,797	-
Interest cost	-	-
Benefits paid	-	-
Actuarial loss/ (gain) on obligation	-	-
Closing defined benefit obligation	2,394,797	-

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

Particulars	(Amount in Rs)	
	As at 31 March 2016	As at 31 March 2015
Interest rate	8.00%	-
Future salary increases	12.08%	-
Attrition rate	11.43%	-
Retirement age (in 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.

The Company did not have employees during the period ended 31 March 2015. Hence, comparative disclosures as required under AS 15 – 'Employee Benefits' is not applicable.



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

20 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 2015 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 2016	31 March 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

21 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)	
	31 March 2016	31 March 2015
Amount of project revenue recognised as revenue in the current period	-	-
Aggregate amount of costs incurred till date	1,702,288,451	1,186,089,260
Aggregate amount of profit/(loss) recognised till date	-	-
Amount of advances received (including trade receivables)	30,811,161	-
Value of inventories (properties under development) as at the period end.	1,702,288,451	1,186,089,260
Excess of revenue recognised over actual bills raised (unbilled revenue)	-	-

22 Earnings per share

Particulars	(Amount in Rs expect for no. of shares)	
	For the year ended 31 March 2016	For the period from 11 November 2014 to 31 March 2015
(Loss) after tax attributable to equity shareholders	(84,075,876)	(19,586,901)
Number of equity shares of Rs 10 each used for calculation of earning per share	1,000,000	550,638
Basic and diluted earnings per share	(84.08)	(35.57)

The Company has no potentially dilutive equity shares.

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

Particulars	(Amount in Rs)	
	For the year ended 31 March 2016	For the period from 11 November 2014 to 31 March 2015
As auditors		
- Statutory audit	700,000	500,000
- Group reporting	500,000	-
- Limited review	100,000	-
- Reimbursement of expenses	55,354	27,463
	1,355,354	527,463



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

24 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 5,040,000 (previous year: Rs. 0) for the year ended 31 March 2016. Future minimum lease payments under non-cancellable operating leases are as follows:

Period	(Amount in Rs)	
	As at 31 March 2016	As at 31 March 2015
Not later than 1 year	1,040,000	4,320,000
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-

25 Contingent liabilities and other commitments

Particulars	(Amount in Rs)	
	As at 31 March 2016	As at 31 March 2015
(i) Contingent liabilities	-	-
(ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	398,907	2,429,328
b) Other commitments	670,200	-

26 Expenditure in foreign currency

Particulars	(Amount in Rs)	
	For the year ended 31 March 2016	For the period from 11 November 2014 to 31 March 2015
Legal and professional	3,499,186	-
Marketing and sales promotion	507,282	-
	4,006,468	-

27 Segment reporting

The Company's sole business segment is development of residential 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.

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

29 Deferred tax

In accordance with AS 22 - "Accounting for taxes on income" prescribed by the Companies (Accounting Standards) Rules, 2006, the Company has not recognised deferred tax asset on unabsorbed depreciation and carry forward business losses.

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

31 In the absence of adequate profits during the current period, the Company is not required to spend any amount on activities related to Corporate Social Responsibility.

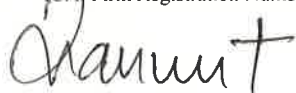
32 Previous period's figures have been regrouped/ reclassified as per the current year's presentation for the purpose of comparability.

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

ICA Firm Registration Number: 116231W/W-100024



Vineet Dhawan

Partner

Membership No.: 092084

Bangalore

Date: 21 July 2016

for **APG Intelli Homes Private Limited**



Ben Salmon

Chairman

DIN: 00283128



Sachin Vora

Chief Financial Officer



Vinayala Talla

Director

DIN: 03614478

