

B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of APG Intelli Homes Private Limited

Report on the financial statements

We have audited the accompanying financial statements of APG Intelli Homes Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2015 and the statement of profit and loss and the cash flow statement for the period from 11 November 2014 to 31 March 2015 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 2015 and its loss and its cash flows for the period from 11 November 2014 to 31 March 2015.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there 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

Firm registration number: 116231 W/W-100024



Koshy Eapen P

Partner

Membership No.: 210248

Bangalore
Date: 25 AUG 2015

Annexure to the Independent Auditors' Report

Annexure referred to in the Independent Auditors' Report to the Members of APG Intelli Homes Private Limited ("the Company") for the period from 11 November 2014 to 31 March 2015, 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.
- ii. The Company is primarily engaged in the business of real estate 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. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets. The activities of the Company did not involve purchase of inventory or sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- v. The Company has not accepted any deposits from 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 Income-tax, Service Tax and other material statutory dues have been regularly deposited during the period by the Company with the appropriate authorities. As explained to us the Company does not have dues on account of Provident Fund, Employees' State Insurance, Cess, Sales Tax, Value Added Tax, Wealth Tax, Duty of Customs and Duty of Excise.
According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Service Tax and other material statutory dues were in arrears as at 31 March 2015, 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.
(c) According to the information and explanations given to us no amounts are required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- viii. The Company has accumulated losses amounting to Rs 19,586,901 at the end of the financial period which is more than fifty per cent of its net worth. *It has incurred cash losses during the period from 11 November 2014 to 31 March 2015.*
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to debenture holders. The Company did not have any outstanding dues to any banks or financial institutions during the period.

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- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
 - xi. The Company did not have any term loans outstanding during the period.
 - xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
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for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024



Koshy Eapen P

Partner

Membership No.: 210248

Bangalore

Date: 25 AUG 2015

APG Intelli Homes Private Limited
Balance sheet

(Amount in Rs)
As at
31 March 2015

EQUITY AND LIABILITIES

Shareholders' funds

	Note	
Share capital	3	1,00,00,000
Reserves and surplus	4	<u>(1,95,86,901)</u>
		(95,86,901)

Non-current liabilities

Long-term borrowings	5	<u>1,31,81,70,240</u>
		1,31,81,70,240

Current liabilities

Trade payables	6	62,94,755
Other current liabilities	7	<u>3,78,14,535</u>
		4,41,09,290

1,35,26,92,629

ASSETS

Non-current assets

Fixed assets		
Tangible assets	8	10,19,786
Capital work-in-progress		9,07,724
Long-term loans and advances	9	<u>11,25,383</u>
		30,52,893

Current assets

Inventories	10	1,18,60,89,260
Cash and bank balances	11	15,90,37,278
Short-term loans and advances	12	<u>45,13,198</u>
		1,34,96,39,736

1,35,26,92,629

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 **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



Koshy Eapen P

Partner

Membership No.: 210248

Bangalore

Date: 25 AUG 2015

for **APG Intelli Homes Private Limited**



Ben Salmon
Director



S N Mananna
Director

Bangalore

Date: 25 AUG 2015



APG Intelli Homes Private Limited
Statement of profit and loss

(Amount in Rs)

	Note	For the period from 11 November 2014 to 31 March 2015
INCOME		-
EXPENSES		
Depreciation	8	31,288
Other expenses	13	1,95,55,613
		<u>1,95,86,901</u>
Loss before tax		(1,95,86,901)
Tax expense		-
- current tax		-
- deferred tax charge/ (credit)	25	-
Loss for the period		<u>(1,95,86,901)</u>
Earnings per equity share (par value, Rs. 10 each)		
-Basic and diluted	18	-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

ICAI Firm Registration Number: 116231W/W-100024



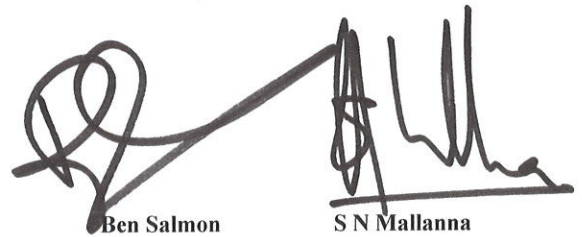
Koshy Eapen P
Partner

Membership No.: 210248

Bangalore

Date: 25 AUG 2015

for **APG Intelli Homes Private Limited**



Ben Salmon
Director

S N Mallanna
Director

Bangalore

Date: 25 AUG 2015



APG Intelli Homes Private Limited
Cash flow statement

(Amount in Rs)
For the period from
11 November 2014
to 31 March 2015

Cash flows from operating activities	
Loss before tax	-1,95,86,901
Adjustments:	
Depreciation	31,288
Operating cash flows before working capital changes	<u>-1,95,55,613</u>
Increase in inventory	-1,18,60,89,260
Increase in loans and advances	-53,77,216
Increase in liabilities and provisions	<u>4,31,49,088</u>
Cash used in operations	<u>-1,16,78,73,001</u>
Taxes paid	-44,383
Net cash used in operating activities	<u><u>-1,16,79,17,384</u></u>
Cash flows from investing activities	
Purchase of fixed assets	-12,15,578
Net cash used in investing activities	<u><u>-12,15,578</u></u>
Cash flows from financing activities	
Proceeds from issue of share capital	1,00,00,000
Proceeds from borrowings	<u>1,31,81,70,240</u>
Net cash provided by financing activities	<u><u>1,32,81,70,240</u></u>
Effect of exchange rate changes on cash and cash equivalents	-
Net increase in cash and cash equivalents during the period	<u><u>15,90,37,278</u></u>
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period (refer note below)	<u><u>15,90,37,278</u></u>
Note:	
Components of cash and cash equivalents	
Cash and cash equivalents (refer to note 11)	<u><u>15,90,37,278</u></u>
	<u><u>15,90,37,278</u></u>

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

Koshy Eapen P

Partner

Membership No.: 210248

Bangalore

Date: 25 AUG 2015

for **APG Intelli Homes Private Limited**

Ben Salmon

Director

Bangalore

Date: 25 AUG 2015

SN Mallanna

Director



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) 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.

c) 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)

d) Revenue recognition

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

(i) Revenue from real estate development

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

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

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

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

The estimates for saleable area and contract costs are reviewed by the management periodically and the cumulative effect of changes in these estimates are recognised in the 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.

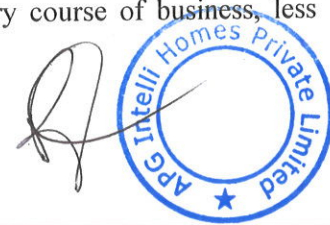
e) Inventories and project work-in-progress (or properties under development)

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.

f) 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.

g) 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 equipments	5
Computers	3

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%.

h) Provisions and contingencies

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

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





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

2. Significant accounting policies (continued)

i) 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.

j) 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.

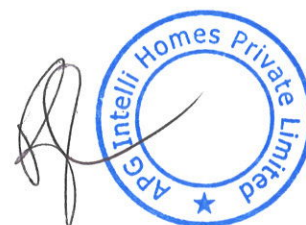
k) Impairment of assets

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.

l) 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)

m) 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.

n) Borrowing costs

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

o) Leases

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



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

(Amount in Rs)

3 Share capital As at
31 March 2015

Authorised	
1,500,000 equity shares of Rs 10 each	1,50,00,000
	<u>1,50,00,000</u>
Issued, subscribed and fully paid-up	
1,000,000 equity shares of Rs 10 each	1,00,00,000
	<u>1,00,00,000</u>

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

	As at 31 March 2015	
	Number of shares	% holding
Assetz Communities Development Private Limited	9,99,999	99.99%
	<u>9,99,999</u>	<u>99.99%</u>

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

	As at 31 March 2015	
	Number of shares	Amount (Rs)
At the commencement of the period	-	-
Add: shares issued during the period	10,00,000	1,00,00,000
At the end of the period	<u>10,00,000</u>	<u>1,00,00,000</u>

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

The Company has only one class of equity shares having a par value of Rs 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Transfer of shares of the Company shall be subject to the approval of the Board of Directors of the Company.

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

Name of the share holder	As at 31 March 2015
No. of Equity shares of Rs. 10 each, fully paid up	
Assetz Communities Development Private Limited, holding company	9,99,999

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

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

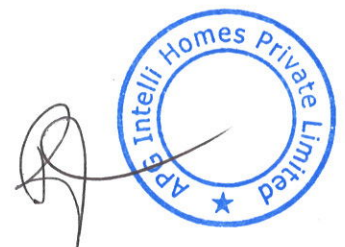
(Amount in Rs)

4 Reserves and surplus As at
31 March 2015

(Deficit) in the statement of profit and loss

At the commencement of the period	-
Add: Loss for the period	(1,95,86,901)
	<u>(1,95,86,901)</u>

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(Amount in Rs)

5 Long-term borrowings	As at 31 March 2015
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Secured

Non-convertible redeemable debentures:

720 debentures of face value Rs 10,000,000 each. 1,02,00,00,240
Rs. 1,416,667 paid up and held by IL & FS Trust Company Limited in trust for Township Infra One Pte. Ltd.

Unsecured

Compulsorily convertible debentures:

2,981,700 debentures of Rs. 100 each held by Assetz Communities Development Private Limited 29,81,70,000
1,31,81,70,240

(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 Infraedge Management Services Private Limited; and
 - 50% of the issued and voting share capital of the APG Community Development Private Limited.

(Amount in Rs)

6 Trade payables	As at 31 March 2015
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Due to micro and small enterprises (refer to note 16) -
Due to others 62,94,755
62,94,755

(Amount in Rs)

7 Other current liabilities	As at 31 March 2015
-----------------------------	------------------------

Payable to related parties (refer to note 14) 65,15,243
Interest (on non-convertible debentures) accrued but not due 2,32,05,582
Others liabilities 63,65,618
- statutory dues 9,60,202
- for capital goods 7,67,890
- for expenses 3,78,14,535
3,78,14,535

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

8 Tangible assets

Description	Gross block				Accumulated depreciation			Net block	
	Opening balance	Additions	Deletions	As at 31 March 2015	Opening balance	Charge for the period	Deletions	As at 31 March 2015	As at 31 March 2015
<i>Tangible, owned assets</i>									
Computers	-	10,41,524	-	10,41,524	-	31,000	-	31,000	10,10,524
Office equipments	-	9,550	-	9,550	-	288	-	288	9,262
Total	-	10,51,074	-	10,51,074	-	31,288	-	31,288	10,19,786

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

	(Amount in Rs)
	As at
9 Long-term loans and advances	31 March 2015
<i>Unsecured, considered good</i>	
Security deposits	10,81,000
Advance tax and tax deducted at source	44,383
	<u>11,25,383</u>

	(Amount in Rs)
	As at
10 Inventories*	31 March 2015
Land	1,14,55,27,836
Properties under development (refer to note 17)**	4,05,61,424
	<u>1,18,60,89,260</u>

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

** Includes borrowing cost amounting to Rs. 26,856,851 (net of interest income Rs. 443,834) which has been inventorised.

	(Amount in Rs)
	As at
11 Cash and bank balances	31 March 2015
Cash and cash equivalents	
Cash on hand	13,673
Balances with banks	15,90,23,605
- in current accounts	<u>15,90,37,278</u>

	(Amount in Rs)
	As at
12 Short-term loans and advances	31 March 2015
<i>Unsecured, considered good</i>	
Capital advances	2,16,982
Balances with government authorities	42,96,216
-Service tax credit receivable	<u>45,13,198</u>

	(Amount in Rs)
	For the period from
13 Other expenses	11 November 2014
	to 31 March 2015
Legal and professional	1,46,78,825
Rates and taxes	31,85,191
Business development	7,09,957
Travelling and conveyance	7,03,139
Repairs and maintenance - others	2,12,451
Power and fuel	13,585
Miscellaneous	52,465
	<u>1,95,55,613</u>

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14 Related party disclosures

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

(a) *Enterprises where control exists*

- Assetz Group Holdings Pte. Ltd., Singapore (*ultimate holding company with effect from 14 January 2015*)
Assetz Infrastructure Private Limited (*ultimate holding company up to 13 January 2015*)
Assetz Community Asia Pte. Ltd., Singapore (*intermediate holding company with effect from 14 January 2015*)
Assetz Investment & Holdings LLP (*holding company up to 13 January 2015*)
Assetz Communities Development Private Limited (*holding company with effect from 14 January 2015*)

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

- Assetz Infrastructure Private Limited
Assetz Property Management Services Private Limited
(*formerly known as Bearingpoint Property Services Private Limited*)

(c) *Key management personnel*

- Ben Salmon, Director
S N Mallanna, Director

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

Particulars	(Amount in Rs)
	For the period from 11 November 2014 to 31 March 2015
Assetz Communities Development Private Limited	
Equity shares issued by the Company	99,00,000
Compulsorily convertible debentures issued by the Company	29,81,70,000
Expenses incurred on behalf of the Company	70,24,643
Payments made on behalf of the Company	10,01,84,000
Amounts repaid by the Company	10,07,00,000
Assetz Investments and Holdings LLP	
Equity shares issued by the Company	99,990
Assetz Property Management Services Private Limited	
Expenses incurred on behalf of the Company	5,34,874

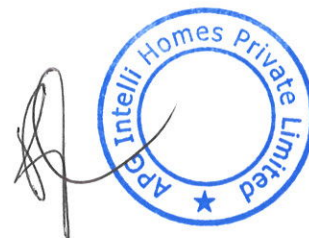
* During the period Assetz Investments and Holdings LLP transferred the Shares issued by the Company to Assetz Communities Development Private Limited

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

Particulars	(Amount in Rs)
	As at 31 March 2015
Other current liabilities	
Assetz Communities Development Private Limited	65,08,643
Assetz Property Management Services Private Limited	6,600
Long-term borrowings	
Assetz Communities Development Private Limited	29,81,70,000

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

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15 Retirement benefits

There are no employees in the Company. Hence, disclosures as required under AS 15 – ‘Employee Benefits’ is not applicable to the Company.

16 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 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	-

17 Properties under development

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

Particulars	(Amount in Rs)
	As at 31 March 2015
Amount of project revenue recognised as revenue in the current period	-
Aggregate amount of costs incurred till date	1,18,60,89,260
Aggregate amount of profit/(loss) recognised till date	-
Amount of advances received	-
Value of inventories (properties under development) as at the period end.	1,18,60,89,260
Excess of revenue recognised over actual bills raised (unbilled revenue)	-

18 Earnings per share

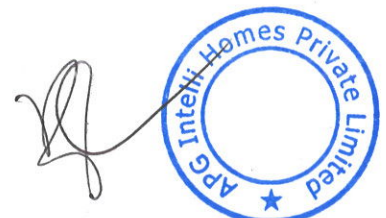
Particulars	(Amount in Rs except for no. of shares)
	For the period from 11 November 2014 to 31 March 2015
(Loss) after tax attributable to equity shareholders	(1,95,86,901)
Weighted average number of equity shares of Rs 10 each used for calculation of earning per share	5,50,638
Basic and diluted earnings per share	-35.57

The Company has no potentially dilutive equity shares.

19 Auditors’ remuneration (included in legal and professional fees, excluding service tax)

Particulars	(Amount in Rs)
	For the period from 11 November 2014 to 31 March 2015
As auditors	
- Statutory audit	5,00,000
- Reimbursement of expenses	27,463
	<u>5,27,463</u>

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

20 Operating leases

The Company is obligated under non-cancellable operating leases for a office premises. Total rental expense under non-cancellable operating leases amounted to Nil during the period ended 31 March 2015 as the lease commencement date is 1 April 2015. Future minimum lease payments under non-cancellable operating leases are as under:

Period	(Amount in Rs)
	As at 31 March 2015
Not later than 1 year	43,20,000
Later than 1 year and not later than 5 years	-
Later than 5 years	-

21 Contingent liabilities and other commitments

Particulars	(Amount in Rs)
	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	24,29,328
b) Other commitments	-

22 The Company has not incurred any expenditure in foreign currency during the period from 11 November 2014 to 31 March 2015.

23 Segment reporting

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

24 The Company did not have any imports during the period from 11 November 2014 to 31 March 2015.

25 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.

26 The Company has not earned any income in foreign currency during the period from 11 November 2014 to 31 March 2015.

27 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.

28 Comparatives have not been provided as the Company was incorporated during the current period.

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



Koshiy Eapen P

Partner

Membership No.: 210248

Bangalore

Date: 25 AUG 2015

for **APG Intelli Homes Private Limited**



Ben Salmon

Director



S N Mallanna

Director

Bangalore

Date: 25 AUG 2015

