B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report on audited annual financial results of APG Intelli Homes Private Limited pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DF1/69/2016 dated 10 August 2016, to the extent applicable

To the Board of Directors of APG Intelli Homes Private Limited

We have audited the accompanying annual financial results of APG Intelli Homes Private Limited ("the Company") for the year ended 31 March 2018 ("the financial results"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DF1/69/2016 dated 10 August 2016, to the extent applicable ('the Listing Regulations'). Attention is drawn to the fact that the figures for the half year ended 31 March 2018 and the corresponding half year ended 31 March 2017 as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the first half year of the relevant financial year. Also the figures upto the end of the half year ended 30 September 2017 and 30 September 2016 had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed half yearly financial results upto 30 September 2017 which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Independent Auditors' Report on audited annual financial results of APG Intelli Homes Private Limited pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DF1/69/2016 dated 10 August 2016, to the extent applicable (continued)

In our opinion and to the best of the information and according to the explanations given to us, these financial results:

(i) are presented in accordance with the requirements of the Listing Regulations; and
(ii) give a true and fair view of the net loss and other comprehensive income and other financial information for the year ended 31 March 2018.

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Vipin Lodha
Partner
Membership No: 076806

Place: Bangalore
Date: 31 May 2018

APG Intelli Homes Private Limited
Registered Office: Embassy Icon, Ground Floor, No.3, Infantry Road, Bangalore, Karnataka -560001
CIN - U70100KA2014PTC077189

Balance sheet as at 31 March 2018

(Amount in INR lakhs)

	Particulars	As at 31 March 2018 Audited	As at 31 March 2017 Audited
A	**ASSETS**		
1	**Non-current assets**		
	Property, plant and equipment	1,163.76	646.77
	Intangible assets	13.74	29.49
	Other non-current assets	231.70	388.45
	Total non-current assets	**1,409.20**	**1,064.71**
2	**Current assets**		
	Inventories	28,323.94	26,277.20
	Financial assets		
	(a) Trade receivables	337.39	276.66
	(b) Cash and cash equivalents	3,011.36	2,793.86
	(c) Other financial assets	27.55	27.55
	Other current assets	563.32	692.27
	Total current assets	**32,263.56**	**30,067.54**
	Total Assets (1+2)	**33,672.76**	**31,132.25**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	Equity share capital	100.00	100.00
	Other equity	(2,989.77)	(2,726.76)
	Total equity	**(2,889.77)**	**(2,626.76)**
2	**Non-current liabilities**		
	Financial liabilities		
	(a) Borrowings	24,497.90	24,491.21
	Provisions	40.34	36.93
	Total non-current liabilities	**24,538.24**	**24,528.14**
3	**Current liabilities**		
	Financial liabilities		
	(a) Borrowings	109.04	-
	(b) Trade payables	135.06	118.06
	(c) Other financial liabilities	8,443.75	6,174.14
	Other current liabilities	3,330.10	2,933.86
	Provisions	6.34	4.81
	Total current liabilities	**12,024.29**	**9,230.87**
	Total Equity and Liabilities (1+2+3)	**33,672.76**	**31,132.25**

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Statement of audited financial results for the year ended 31 March 2018

(Amount in INR lakhs)

Sl. No.	Particulars	Six months ended		Year Ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		Unaudited	Unaudited	Audited	Audited
1	**Revenue**				
	(a) Revenue from operations	7,760.37	3.04	7,765.67	3.04
	(b) Other income	2.94	(1.22)	4.29	0.18
	Total revenue	**7,763.31**	**1.82**	**7,769.96**	**3.22**
2	**Expenses**				
	(a) Increase/decrease in stock in trade and work in progress and finished goods	-	-	-	-
	(b) Consumption of raw materials	-	-	-	-
	(c) Purchase of traded goods	-	-	-	-
	(d) Cost of construction	6,616.02	-	6,616.02	-
	(e) Employees cost	252.48	499.88	566.37	729.86
	(f) Depreciation and amortisation expenses	150.62	81.48	240.86	170.58
	(g) Finance costs	7.64	5.03	12.80	8.31
	(h) Other expenses	386.47	586.00	606.05	1,151.95
	Total expenses	**7,413.23**	**1,172.39**	**8,042.10**	**2,060.70**
3	**Profit/(loss) before exceptional items and tax (1-2)**	**350.08**	**(1,170.57)**	**(272.14)**	**(2,057.48)**
4	Exceptional items	-	-	-	-
5	**Profit/(loss) / profit before tax (3+4)**	**350.08**	**(1,170.57)**	**(272.14)**	**(2,057.48)**
6	Tax expense, net	-	-	-	-
7	**Net profit/(loss) after tax (5 - 6)**	**350.08**	**(1,170.57)**	**(272.14)**	**(2,057.48)**
8	**Other comprehensive income (net of tax)**			-	-
	(i) Items that will not be reclassified subsequently to profit or loss				
	Re-measurement of defined benefit plans	11.54	13.78	9.13	15.19
	Net other comprehensive income	**11.54**	**13.78**	**9.13**	**15.19**
9	**Total comprehensive income for the period** [Comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax)]	**361.62**	**(1,156.79)**	**(263.01)**	**(2,042.29)**
10	Paid-up equity share capital (Face value of INR 10 per share)	100.00	100.00	100.00	100.00
11	Paid-up debt capital (refer note 2)	24,610.14	24,494.12	24,610.14	24,494.12
12	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	(2,989.77)	(2,726.76)	(2,989.77)	(2,726.76)
13	Debenture redemption reserve (refer note 3)	-	-	-	-
14	Earnings/ (loss) per share (EPS) (not annualised)				
	(a) Basic (INR)	35.01	(117.06)	(27.21)	(205.75)
	(b) Diluted (INR)	35.01	(117.06)	(27.21)	(205.75)
15	Debt equity ratio *	(8.52)	(9.32)	(8.52)	(9.32)
16	Debt service coverage ratio**	0.14	(0.70)	(0.05)	(0.62)
17	Interest service coverage ratio**	0.14	(0.70)	(0.05)	(0.62)

* Since the Company's equity is negative, the Debt equity ratio computed is also negative.

** Since the Company has loss before interest and tax in the six months ended 31 March 2017 and the financial years ended 31 March 2018 and 31 March 2017, these ratios are negative for the respective periods.

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Statement of audited financial results for the year ended 31 March 2018

Notes to audited financial results for the year ended 31 March 2018:

1 The above financial results of APG Intelli Homes Private Limited ("the Company") have been reviewed and approved by the Board of Directors at their meeting held on 31 May 2018. The statutory auditors have conducted audit of the financial results for the year ended 31 March 2018, as required under Regulation 52 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/IMD/DF1/69/2016 dated 10 August 2016, to the extent applicable and have issued an unqualified audit report.

2 Paid-up debt capital includes non-convertible redeemable debentures amounting to INR 21,302.52 lakhs (31 March 2017: INR 21,292.63 lakhs), compulsorily convertible debentures amounting to INR 2,981.70 lakhs (31 March 2017: INR 2,981.70 lakhs), optionally fully convertible debentures amounting to INR 204.00 lakhs (31 March 2017: Nil), debenture application money amounting to Nil (31 March 2017: INR 204 lakhs), term loan amounting to INR 12.88 lakhs (31 March 2017: INR 15.79 lakhs) and loan from related party amounting to INR 109.04 lakhs (31 March 2017: Nil).

3 In accordance with Section 71(4) of Companies Act, 2013 read with Clause 18(7)(a) of the Companies (Share Capital and Debentures) Rules, 2014, the Company is required to create a debenture redemption reserve to which adequate amounts shall be credited out of profits every year until such debentures are redeemed. However, as the Company has incurred a loss for the year ended 31 March 2018, no amount has been transferred to debenture redemption reserve.

4 Formula used for computation of ratios are as under:

a) Debt Equity Ratio (DER) = Total debt (includes non-convertible redeemable debentures, compulsorily convertible debentures, optionally fully convertible debentures, term loans and loan from related party) /share holders equity

b) Debt Service Coverage Ratio (DSCR) = Profit/(loss) before interest and tax / interest + principal repayment

c) Interest Service Coverage Ratio (ISCR) = Profit/(loss) before interest and tax / interest

*Interest includes interest from redeemable non- convertible debentures before inventorisation and interest on term loans only. Interest on compulsorily convertible debentures and optionally fully convertible debentures has been waived for all the periods and accordingly not considered for the above mentioned ratios.

5 These financial result have been prepared in accordance with Indian Accounting Standard ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016. Upto the year ended 31 March 2017, the Company has prepared its financial results in accordance with the requirements of the Indian GAAP. The date of transition is 1 April 2016. The Company has prepared a reconciliation of the net loss of the corresponding period under the previously applicable Indian Generally Accepted Accounting Principles ('previous GAAP') with the total comprehensive income as reported in these financial results under Ind AS after taking necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.

6 **Reconciliation between previous GAAP and Ind AS**

The net loss reconciliation for the year ended and six months ended 31 March 2017 is presented below:

(INR in lakhs)

Particulars	**Year ended 31 March 2017**	**Six months ended 31 March 2017**
Loss after tax as per previous GAAP	(2,034.55)	(1,152.46)
Transaction cost on issue of NCD amortised	8.60	4.92
Transfer of the transaction cost to project under development	(8.60)	(4.92)
Remeasurement of defined benefit plan	(15.19)	(13.78)
Fair valuation of financial guarantee	(7.74)	(4.33)
Loss as per Ind AS [A]	**(2,057.48)**	**(1,170.57)**
Other comprehensive income (OCI) [B]		
Actuarial losses of defined benefit obligation - Gratuity (net of tax)	15.19	13.78
Total comprehensive income [A+B]	**(2,042.29)**	**(1,156.79)**

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Statement of audited financial results for the year ended 31 March 2018

Notes to audited financial results for the year ended 31 March 2018 (continued)

6 **Reconciliation between previous GAAP and Ind AS (continued)**

The company has prepared equity reconciliation between the equity as at 31 March 2017 under previous GAAP and the equity as reported in the balance sheet under Ind AS.

The equity reconciliation as at 31 March 2017 for financial results is as below :

Particulars	As at 31 March 2017
Equity under previous GAAP	**(2,971.18)**
Reversal of transaction cost on issue of Non-convertible debentures	185.72
Adjustments for financial guarantee	158.70
Equity as per Ind AS	**(2,626.76)**

7 An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. The operating segments' operating results are reviewed by the Chief Operating Decision Maker to make decisions about resources to be allocated to the segments and assess their performance. The Company's business activities fall within one component (namely, "Development of real estate projects"). Accordingly, separate disclosures per the requirements of Ind AS 108, Operating Segments, are not considered necessary.

8 The figures for the half year ended 31 March 2018 and 31 March 2017 are the derived balancing figures as the difference between audited figures in respect of full financial years ended 31 March 2018 and 31 March 2017 respectively and the unaudited figures for the half years ended 30 September 2017 and 30 September 2016 respectively.

9 The Company has not constituted an Audit Committee or Nomination and Remuneration Committee as required by the provisions of Section 177 and Section 178 respectively of the Companies Act, 2013. Pursuant to the amendment made by the Companies Act, 2017, the Company is not required to form an Audit Committee or a Nomination and Remuneration Committee w.e.f. 7 May 2018.

10 Subsequent to the balance sheet date, the Company has received a sanction letter from Housing Development Finance Corporation Limited ('the Lender') amounting to INR 37,500 lakhs for standalone direct secured loan with multiple drawdowns ('the facility arrangement'). The funds are expected to the utilized for construction of the Company's 63 Degree East project ('the project') and proposed redemption of listed non-convertible debentures. The tenure of the loan is 72 months from the first disbursement or on substantial completion of the project subject to the Lender's discretion. The applicable interest rate for the facility arrangement is 12.25% per annum. The loan is primarily secured by mortgage of the project assets including land, receivables from the project and corporate guarantee from Assetz Communities Development Private Limited, the Company's Holding Company.

11 Previous period figures have been regrouped, wherever necessary to confirm to current period presentation.

for and on behalf of the Board of Directors of
APG Intelli Homes Private Limited

Ben Salmon
Chairman
DIN: 00283128

Akshay Dewani
Director
DIN: 01638157

APG Intelli Homes Private Limited

Place: Bangalore
Date: 31 May 2018

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