B S R & Co. LLP
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INDEPENDENT AUDITOR'S REPORT

To the Members of Candor Gurgaon Two Developers & Projects Private Limited

Report on the Audit of the Ind AS Financial Statements

1. Opinion

We have audited the Ind AS financial statements of **Candor Gurgaon Two Developers & Projects Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (together referred to as "the Ind AS financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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 2019, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of matter

We draw attention to Note 31 of the Ind AS financial statements, which describes in detail that company had given certain inter corporate deposits for which the balance as at 31 March 2015 was Rs. 2,391.59 millions. The agreements with the said parties were expired and the amount is due for the repayment by them on demand. Due to uncertainty on collection of these balances, the management has created provision against the same in the earlier years and also commenced the litigation proceedings for recovery of these balances in the earlier year. During the previous year, as a result of litigation proceedings, the arbitrator has awarded the company Rs. 1,712.40 millions. Out of the amount awarded, during the previous year, the company has received Rs. 43.40 million and accordingly provision was written back. Further, for remaining balance of Rs. 679.19 millions the litigation proceedings were dismissed against the Company. The matter is now pending with the Calcutta High Court.

Our opinion is not modified in respect of this matter.

4. Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's board report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Ind AS Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

7. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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 (including other comprehensive income), the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 27 to the Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Ind AS financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company is a private limited company and accordingly the requirements as stipulated by the provisions of section 197(16) of the Act are not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Gurugram, Haryana
Date: 30 May 2019

Annexure A referred to in paragraph 7 (1) of the Independent Auditor's Report to the Members of Candor Gurgaon Two Developers & Projects Private Limited on the accounts for the year ended 31 March 2019. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment and investment property).

(b) The Company has a regular programme for physical verification of its fixed assets (property, plant and equipment and investment property) by which all fixed assets (property, plant and equipment and investment property) are physically verified by the management once in a period of three years. Accordingly, in line with plan during the current year, the Company has carried out physical verification of fixed assets (property, plant and equipment and investment property). In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, 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 title deeds of the immovable property included in fixed assets (property, plant and equipment and investment property) are held in the name of the Company.

(ii) As the Company does not hold any physical inventories, paragraph 3(ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to company covered in the register maintained under section 189 of the Act. Further, there are no firms, limited liability partnership or other parties covered in the register required under section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and section 186 of the Act are applicable. Hence, paragraph 3(iv) of the order is not applicable to the Company.

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, paragraph 3(v) of the order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rule prescribed by the Central Government for maintenance of cost records under section 148(1) of the Act in respect of its construction activities 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 with a view to ensure whether they are adequate or complete.

(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, goods and services tax ('GST'), duty of customs, cess and other material statutory dues generally have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, GST, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

The Company does not have liability in respect of service tax, duty of excise, sales tax and value added tax since effective 1 July 2017, these statutory dues has been subsumed into GST. Further, as explained to us, the Company did not have any dues on account of provident fund and employees' state insurance.

(b) According the information and explanations given to us, there are no dues of income tax, duty of customs and GST which have not been deposited with the appropriate authorities on account of any dispute except as disclosed below:-

Name of the Statute	Nature of the Dues	Amount (INR in million.) #	Amount paid under protest (INR in million.) @	Period to which the amount relates	Form where dispute is pending
Income Tax Act,1961	Income tax	48.46	0.20	Assessment Year 2009-2010	Assessing Officer
Income Tax Act,1961	Income tax	3.38*	3.38	Assessment Year 2010-2011	Income Tax Appellate Tribunal
Income Tax Act,1961	Income tax (Penalty proceeding)	5.30	-	Assessment Year 2010-2011	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income tax	68.41	68.41	Assessment Year 2011-2012	Income Tax Appellate Tribunal
Income Tax Act,1961	Income tax	-*	-	Assessment Year 2012-2013	Income Tax Appellate Tribunal
Income Tax Act,1961	Income tax	1.29*	-	Assessment Year 2013-2014	Income Tax Appellate Tribunal
Income Tax Act,1961	Income tax	31.95*	31.95	Assessment Year 2014-2015	Income Tax Appellate Tribunal
Income Tax Act,1961	Income tax	-*	-	Assessment Year 2015-2016	Income Tax Appellate Tribunal
Income Tax Act,1961	Income tax	-*	-	Assessment Year 2016-2017	Commissioner of Income Tax (Appeals)
Customs Act, 1962	Custom Duty	31.73	-	01.04.2015 to 15.02.16	Assistant Development Commissioner -Noida Special Economic Zone

the amounts presented above are including interest and are as per demand order.

@ the amounts represent refunds adjusted by department, as appearing in Form 26AS, whereas against the same the Company has not received any income tax refund order.

* the Company has also filed the rectification letter with the respective forum.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank, financial institution or dues to debenture holder. As explained to us, the Company did not have any loans or borrowings from government.

(ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of section 177 of the Act are not applicable to the Company. According to the information and explanations given to us, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration no.: 101248W/ W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Gurugram, Haryana
Date: 30 May 2019

Annexure B to the Independent Auditors' report on the Ind AS financial statements of Candor Gurgaon Two Developers & Projects Private Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 7 (1) (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of **Candor Gurgaon Two Developers & Projects Private Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgement, 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 unauthorised 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration no.: 101248W/ W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Gurugram, Haryana
Date: 30 May 2019

Candor Gurgaon Two Developers & Projects Private Limited
(All amounts are in INR million unless otherwise stated)

Balance Sheet as at 31 March 2019

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	23.99	19.98
Investment property	4	9,735.11	9,675.16
Financial assets			
Loans	5.1	65.09	60.92
Other financial assets	5.2	74.40	45.31
Income tax assets (net)	6	442.03	455.72
Other non-current assets	7	15.27	12.16
Total non-current assets		**10,355.89**	**10,269.25**
Current assets			
Financial assets			
Trade receivables	8.1	137.15	101.24
Cash and cash equivalents	8.2	524.19	323.73
Loans	8.3	-	4,174.29
Other financial assets	8.4	124.09	231.86
Other current assets	9	26.60	62.01
Total current assets		**812.03**	**4,893.13**
TOTAL ASSETS		**11,167.92**	**15,162.38**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	0.58	0.58
Other equity		2,005.50	1,166.82
Total equity		**2,006.08**	**1,167.40**
Non current liabilities			
Financial liabilities			
Borrowings	11.1	-	11,300.20
Other financial liabilities	11.2	203.88	192.38
Deferred tax liabilities (net)	12	210.14	39.53
Other non-current liabilities	13	54.60	59.55
Total non-current liabilities		**468.62**	**11,591.66**
Current liabilities			
Financial liabilities			
Borrowings	14	7,018.26	-
Trade payables	15		
Total outstanding dues to micro enterprises and small enterprises		2.16	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		269.19	259.62
Other financial liabilities	16	1,304.51	2,048.21
Other current liabilities	17	99.10	95.49
Total current liabilities		**8,693.22**	**2,403.32**
Total liabilities		**9,161.84**	**13,994.98**
TOTAL EQUITY AND LIABILITIES		**11,167.92**	**15,162.38**
Significant accounting policies	2		

The accompanying notes from 1 to 34 form an integral part of these financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No: 108044

Place: Gurugram
Date: 30 May 2019

For and on behalf of the **Board of Directors** of
Candor Gurgaon Two Developers & Projects Private Limited

Shantanu Chakraborty
Director
DIN No. 06567406

Place: Gurugram
Date: 30 May 2019

Sanjay Yadav
Director
DIN No. 03447798

Place: Gurugram
Date: 30 May 2019

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Candor Gurgaon Two Developers & Projects Private Limited
(All amounts are in INR million unless otherwise stated)

Statement of profit and loss for the year ended 31 March 2019

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	18	4,022.69	3,757.94
Other income	19	354.61	536.62
Total Income		**4,377.30**	**4,294.56**
Expenses			
Finance costs	20	1,112.97	1,113.53
Depreciation expense	21	347.46	326.16
Other expenses	22	1,615.54	1,407.80
Total expenses		**3,075.97**	**2,847.49**
Profit before tax		**1,301.33**	**1,447.07**
Tax expense:			
Current tax	12		
- for current year		327.29	317.79
- for earlier years		(1.64)	35.41
Deferred tax	12	137.00	15.82
Profit for the year		**838.68**	**1,078.05**
Other comprehensive income		-	-
Total comprehensive income for the year		**838.68**	**1,078.05**
Earnings per equity share (nominal value of equity share Rs 10 (previous year Rs 10) each)	26		
Basic (in INR)		14,347.37	18,442.47
Diluted (in INR)		14,347.37	18,442.47
Significant accounting policies	2		

The accompanying notes from 1 to 34 form an integral part of these financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No: 108044

Place: Gurugram
Date: 30 May 2019

For and on behalf of the **Board of Directors** of
Candor Gurgaon Two Developers & Projects Private Limited

Shantanu Chakraborty
Director
DIN No. 06567406

Place: Gurugram
Date: 30 May 2019

Sanjay Yadav
Director
DIN No. 03447798

Place: Gurugram
Date: 30 May 2019

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Candor Gurgaon Two Developers & Projects Private Limited
(All amounts are in INR million unless otherwise stated)

Statement of cash flow for the year ended 31 March 2019

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities :		
Profit before tax	1,301.33	1,447.07
Adjustments for :		
Depreciation expense	347.46	326.16
Interest income on fixed deposits with banks	(10.42)	(24.13)
Interest income on inter corporate deposits	(313.14)	(417.78)
Interest on income tax refund	(15.26)	(13.18)
Deferred income amortization	(64.02)	(60.02)
Liabilities no longer required written back	(13.79)	(72.47)
Credit impaired	1.36	3.93
Provision for doubtful debts	18.35	-
Finance cost	1,112.97	1,113.53
Operating cash flow before working capital changes	**2,364.84**	**2,303.11**
Adjustments :		
Decrease in other current and non current assets	35.85	6.79
(Increase)/Decrease in current and non current financial assets -loans	(4.17)	44.91
Decrease/(Increase) in current and non current financial assets- others	92.27	(59.03)
(Increase) in current financial assets - trade receivables	(54.96)	(68.32)
Increase in current financial liability - trade payables	22.17	9.56
Increase in current and non current financial liabilities -others	56.71	86.48
Increase/(Decrease) in other current and non current liabilities	63.24	(691.44)
Cash flows generated from operating activities	**2,575.95**	**1,632.06**
Income tax paid, net of refund and interest thereon	(263.09)	(289.36)
Net cash flows generated from operating activities (A)	**2,312.86**	**1,342.70**
Cash flow from investing activities :		
Acquisition of investment property	(387.02)	(366.01)
Acquisition of property, plant and equipment	(8.43)	(1.92)
Inter corporate deposits given, received back	3,567.55	710.27
Inter corporate deposits given	(80.00)	(880.00)
Interest received on inter corporate deposits	999.88	389.14
Fixed deposits matured*	5.02	2.64
Fixed deposits made*	(18.39)	(0.51)
Interest received on fixed deposits with banks	10.22	25.06
Net cash flow generated from / (used in) investing activities (B)	**4,088.82**	**(121.33)**
Cash flow from financing activities :		
Finance cost paid	(1,049.19)	(1,128.16)
Proceeds from long-term borrowings	-	894.10
Repayment of inter corporate deposit	(90.04)	-
Proceeds from inter corporate deposit	7,100.00	-
Repayment of long-term borrowings	(12,161.99)	(460.00)
Proceeds from short-term borrowings	-	350.00
Repayment of short-term borrowings	-	(350.00)
Dividend paid during the year	-	(1,174.13)
Payment for dividend distribution tax	-	(124.66)
Net cash flow used in financing activities (C)	**(6,201.22)**	**(1,992.85)**

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Candor Gurgaon Two Developers & Projects Private Limited
(All amounts are in INR million unless otherwise stated)

Statement of cash flow for the year ended 31 March 2019

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**200.46**	**(771.48)**
Cash and cash equivalents at the beginning of the year (refer note 8.2)	**323.73**	**1,095.21**
Balances with banks		
-in current account	53.73	125.21
- in deposit account (with original maturity of 3 months or less)	270.00	970.00
	323.73	**1,095.21**
Cash and cash equivalents at the end of the year (refer note 8.2)	**524.19**	**323.73**
Components of cash and cash equivalents at the end of the year		
Balances with banks		
- in current account	60.22	53.73
- in deposit account (with original maturity of 3 months or less)	463.97	270.00
	524.19	**323.73**

* Represents fixed deposits with original matuarity of more than 3 months.

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".
2. Refer note 22(b) for Corporate Social Responsibility expense.
3. Refer note 11.1(b) for changes in liabilities arising from financing activities.

Significant accounting policies (refer note 2)
The accompanying notes from 1 to 34 form an integral part of these financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No: 108044

Place: Gurugram
Date: 30 May 2019

For and on behalf of the **Board of Directors** of
Candor Gurgaon Two Developers & Projects Private Limited

Shantanu Chakraborty
Director
DIN No. 06567406

Place: Gurugram
Date: 30 May 2019

Sanjay Yadav
Director
DIN No. 03447798

Place: Gurugram
Date: 30 May 2019

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Candor Gurgaon Two Developers & Projects Private Limited
(All amounts are in INR million unless otherwise stated)

Statement of changes in equity for the year ended 31 March 2019

(a) Equity share capital

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning and end of the reporting year	58,455	584,550	58,455	584,550

(b) Other equity

Particulars	Reserves and surplus			Total
	Securities premium**	Retained earnings	Capital redemption reserve***	
Balance at 31 March 2017	**188.78**	**1,198.72**	**0.06**	**1,387.56**
Profit for the year	-	1,078.05	-	**1,078.05**
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	**1,078.05**	-	**1,078.05**
Dividend declared during the year (refer note 34)	-	(1,174.13)	-	**(1,174.13)**
Dividend distribution tax (net of dividend distribution tax credit)	-	(124.66)	-	**(124.66)**
Balance at 31 March 2018	**188.78**	**977.98**	**0.06**	**1,166.82**
Profit for the year	-	838.68	-	**838.68**
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	**838.68**	-	**838.68**
Balance at 31 March 2019	**188.78**	**1,816.66**	**0.06**	**2,005.50**

** Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.
***It represents the face value of the equity capital bought back from the shareholders under buy back scheme during the year ended 31 March 2017.

Significant accounting policies (refer note 2)
The accompanying notes from 1 to 34 form an integral part of these financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No: 108044

Place: Gurugram
Date: 30 May 2019

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Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Candor Gurgaon Two Developers & Projects Private Limited
(All amounts are in INR million unless otherwise stated)
Notes to the financial statements for the year ended 31 March 2019

1 **Corporate Information**

Candor Gurgaon Two Developers & Projects Private Limited (formerly known as Unitech Developers and Projects Private Limited) ('the Company') is in the business of developing commercial real estate property in India. It is primarily involved in developing and leasing of investment property in IT/ITeS Special Economic Zone (SEZ). The Company is co - developing a project in sector 21, Dundahera Gurugram. The project has been notified as a Special Economic Zone (SEZ) by the Government of India.

The Company has been converted into private company on 1 October 2015 and got its name changed from Unitech Developers and Projects Private Limited to Candor Gurgaon Two Developers & Projects Private Limited on 19 January 2016.

The Company is domiciled in India and is limited by shares. The registered office of the Company w.e.f. 09 April 2019 is F-83, Profit Centre, Gate No. 1, Mahavir Nagar, Near Pizaa Hut, Kandivali (W), Mumbai-400067 (erstwhile 1102, 11th floor, Tower B, Peninsula Business Park, Senapati Bapat Road, Lower Parel, Mumbai-400013).

2 **Basis of preparation of financial statements**

a) **Basis of preparation**

(i) Statement of Compliance

These Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

The financial statements are authorised for issue by the Company's Board of Directors on 30 May 2019.

(ii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

(iii) Changes in Significant Accounting Policies

The company has initially applied Ind AS 115 from 1 April 2018. A number of other new standards and amendments are also effective from 1 April 2018 but they do not have a material effect on the Company's financial statements.

Ind AS 115, Revenue from contracts with customers

Effective 1 April 2018 the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018).

The company has revenues primarily from the operating lease rentals and maintainence services. Lease rental revenue is scoped out under para 5(a) of the Ind AS 115. For other stream of revenue which majorly includes Maintenance services and utility recovery are non-lease components within a lease arrangement and are covered under Ind AS 115. These services recognised over the period using percentage-of-completion method ('POC method') of accounting with contract costs incurred and determining the degree of completion of the performance obligation.

The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2(g)(7) – Significant accounting policies – Revenue recognition in the financial statement of the Company for the year ended 31 March 2018 for the revenue recognition policy as per Ind AS 18 and Ind AS 11.

The impact of the adoption of the standard on the financial statements of the Company is insignificant.

A number of other new standards and amendments are also effective from 1 April 2018 but they do not have a material impact on company's Ind AS financial statements.

b) **Basis of measurement**

These financial statements have been prepared on a going concern basis using historical cost convention, except for certain financial assets and financial liabilities which have been measured at amortised cost. Refer note 2(g)(3) for accounting policy regarding financial instruments.

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Candor Gurgaon Two Developers & Projects Pvt. Ltd.

c) **Functional and presentation currency**

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to million).Accordingly financial information presented in Indian Rupees in million unless otherwise stated. Also refer note 2(g)(9) for accounting policy in respect of accounting for foreign currency transactions.

d) **Significant accounting judgments, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions considered in the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including those of contingent liabilities if any. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainities

(i) measurement of useful life, residual values and impairment of property, plant and equipment and investment property (refer note 2(g)(1))
(ii) recoverable amount/value in use of property, plant and equipment and investment property (refer note 2(g)(1))
(iii) impairment of financial assets (refer note 2(g)(3)(iii))
(iv) recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitiude of an outflow of resources (refer note 27)
(v) classification of lease term (refer note 18)
(vi) fair value recognition and measurement (refer note 24)
(vii) valuation of compound financial instrument and other financial instrument (refer note 2(g)(3))
(viii) recognition and estimation of tax expense including deferred tax (refer note 12)

e) **Measurement of fair values**

The company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

f) **Current and non-current classification**

The company presents assets and liabilities in the balance sheet based on current / non-current classification.
An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

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g) **Significant accounting policies**

1) **Investment property and property, plant and equipment**

Recognition and measurement

Investment properties consists of commercial properties which are primarily held to earn rental income and commercial developments that are being constructed or developed for future use as commercial properties.

Investment property and property, plant and equipment are initially measured at cost. Subsequent to the initial measurement, Investment property and property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of commercial development properties includes direct development cost, realty taxes and borrowing cost directly attributable to the development. The Company has outsourced project management to the third party, any expense relation to project management is capitalised as per the terms of the agreement with the third party on accural basis.

Cost of an item of property, plant and equipment comprises the purchase price, including import duties and other non-refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition expenditure to be incurred towards major inspections and overhauls are required to be identified as a separate component and depreciated over the expected period till the next overhaul expenditure. Also refer note 2(g)(3)(vi) for accounting policy with respect to borrowing cost capitalisation.

Effective 1 April 2015 the Company had transitioned to Ind AS and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards" and for permitted exemption opted to continue with the carrying value for all of its investment proeprty and property, plant and equipment and intangible assets as recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the financial statement as at the transition date.

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Equipment and furnishings physically attached and integral to a building are considered to be part of the investment property.

Subsequent expenditure and disposal

Subsequent expenditure is capitalised to the investment property and property, plant and equipment's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of a investment property and property, plant and equipment is replaced, the carrying amount of the replaced part is derecognised.

Any gain or loss from disposal of a investment property and property, plant and equipment is recognised in Statement of profit and loss.

Depreciation

Investment property and property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management's expert.

Management's assessment of independent technical evaluation/advice takes into account, inter alia, the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The useful lives of the investment property and property, plant and equipment is tabulated as below:

Particulars	Useful Life (Years)
Buildings	60
Plant and Machinery	5 – 15
Furniture and Fixtures	10
Electricity fittings	10
Diesel Genset	15
Air conditioner	5 – 15
Office Equipment	5
Computer	3 – 5

Depreciation on additions (disposals) is provided on pro-rata basis i.e from (upto) the date on which asset is ready for use (disposed off).
Leasehold improvements are depreciated over primary period of lease or the useful life of the asset, whichever is lower.

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2) **Impairment of property, plant and equipment and investment property**

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3) **Financial instruments**

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

(i) Financial Assets - Recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

• *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

• *Debt instruments at fair value through other comprehensive income (FVOCI)*

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in statement of profit and loss. On derecognition of the asset, cumulative gains or losses previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

• Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit or loss.

• Equity instruments measured at fair value through other comprehensive income (FVOCI)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

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(ii) Financial Assets - Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:
• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

(iii) Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

(iv) Financial liabilities – Recognition & Subsequent measurement

The Company's financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortised cost using the effective interest rate ('EIR') method .

The Company's financial liabilities include trade and other payables, Loans and borrowings including bank overdrafts.
The measurement of financial liabilities depends on their classification, as described below:

• *Financial liabilities at fair value through profit or loss*
Financial liabilities at fair value through Statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through Statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains or losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gains or losses within equity. All other changes in fair value of such liability are recognised in Statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

• *Financial liabilities at amortised cost (Loans and Borrowings)*
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in Statement of profit and loss.

(v) Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of profit and loss as other gains/(losses). The difference in the respective carrying amounts is recognised in Statement of profit and loss.

(vi) **Income/loss recognition**

• *Interest income*
Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

• *Borrowing costs*
Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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Borrowing costs associated with direct expenditures on properties under development or redevelopment or property, plant and equipment are capitalized. The amount of borrowing costs capitalized is determined first by borrowings specific to a property where relevant, and then by a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross borrowing costs incurred less any incidental investment income. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. Capitalisation of borrowing costs is suspended and charged to the Statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

4) **Lease payments**

In respect of assets taken by the Company on operating leases, the total lease rentals are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are recognised as an expense in the Statement of profit and loss in the period in which they are incurred.

5) **Provisions**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

6) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

7) **Revenue recognition**

Effective 1 April 2018 the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as Goods and services tax, service tax and applicable discounts service level credits, price concessions and allowances. The computation of these estimates using expected value method involves significant judgment based on various factors including contractual terms, historical experience, expense incurred etc.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash and only passage of time is required as per contractual terms. Contract liabilities are recognised when there are billings in excess of revenues. Contract liabilities relate to the advance received from customers and deferred revenue against which revenue is recognised when or as the performance obligation is satisfied.

(i) *Income from Operating Lease Rentals*

Assets given by the Company under operating lease are included in investment property. Lease income from operating leases is recognised in the Statement of profit and loss on a straight line basis over the non cancellable period of the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as expenses. Initial direct costs incurred specifically for an operating lease are recognised in the statement of profit and loss in the period in which they are incurred.

Rental income from investment property is recognised as part of revenue from operations in the Statement of profit and loss on a straight line basis over the non-cancellable period of lease term except where the rentals are structured to increase in line with the expected general inflation.

(ii) *Operations and maintenance income*

Operations and maintenance income consists of revenue earned from the provision of daily maintenance, security and administration services, and is charged to tenants based on the occupied lettable area of the properties. Income is recognised as per terms of contract entered into with tenants which is recognised on a time proportion basis.

For impact of Ind AS 115 effective 1 April 2018- Refer note 2(a)(iii).

8) **Property management fees**

The Company does not have any employees and has outsourced the property management activities to third parties. Any expense in relation to property management is charged to Statement of profit and loss as per the terms of the agreement with the third party on accrual basis.

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9) **Accounting for Foreign currency transactions**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of profit and loss.

10) **Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of earlier years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only when they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and tax bases/amounts used for taxation purposes.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, deductible temporary differences and MAT credit available, to the extent that it is probable that future taxable profits will be available against which they can be utilised (and in ease of MAT, during the specified period, i.e., the period for which MAT credit is allowed to be carried forward). Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Further, no deferred tax asset/liabilities are recognised in respect of timing differences that reverse within tax holiday period.

11) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. In accordance with Ind AS 108– Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the board of directors which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

12) **Earnings per share**

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period.
For the purpose of calculating diluted earnings per share, the Statement of profit and loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

13) **Cash flow statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of 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 based on the available information.

14) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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h) **Standards issued but not yet effective**

(1) *Ind AS 116 - Leases*

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases (Ind AS 17) and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value of the lease payment (discounted using incremental borrowing rate or interest rate implicit in the lease) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning 1 April 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting new standard will be recognized as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company has completed an initial assessment of the potential impact on its Standalone Ind AS financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the Standalone Ind AS financial statements in the period of initial application is not reasonably estimable as at present.

(2) *Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)*

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements

(3) *Amendment to Ind AS 23, Borrowing Costs*

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. Since this just being a clarification, the Company does not expect any impact from this amendment.

(4) *Ind AS 109 – Prepayment Features with Negative Compensation*

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Companuy does not expect this amendment to have any impact on its financial statements.

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Notes to the financial statements for the year ended 31 March 2019

3 Property, plant and equipment

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2018	Additions	Disposals/ Adjustments	Balance as at 31 March 2019	Balance as at 1 April 2018	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Assets (site)										
Air conditioner	0.23	-	-	0.23	0.15	0.04	-	0.19	0.04	0.08
Office equipments	0.96	-	-	0.96	0.53	0.10	-	0.63	0.33	0.43
Furniture and fixtures	0.74	-	-	0.74	0.54	0.14	-	0.68	0.06	0.20
Computers	0.03	-	-	0.03	0.01	0.01	-	0.02	0.01	0.02
Sub total	**1.96**	**-**	**-**	**1.96**	**1.23**	**0.29**	**-**	**1.52**	**0.44**	**0.73**
Assets (maintenance)										
Plant and machinery	21.59	6.97	-	28.56	5.39	2.33	-	7.72	20.84	16.20
Air conditioner	0.55	-	-	0.55	0.08	0.11	-	0.19	0.36	0.47
Furniture and fixtures	1.15	1.33	-	2.48	0.54	0.35	-	0.89	1.59	0.61
Computers	0.49	0.07	-	0.56	0.29	0.12	-	0.41	0.15	0.20
Office equipments	8.09	0.06	-	8.15	6.32	1.22	-	7.54	0.61	1.77
Sub total	**31.87**	**8.43**	**-**	**40.30**	**12.62**	**4.13**	**-**	**16.75**	**23.55**	**19.25**
TOTAL	**33.83**	**8.43**	**-**	**42.26**	**13.85**	**4.42**	**-**	**18.27**	**23.99**	**19.98**

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2017	Additions	Disposals/ Adjustments	Balance as at 31 March 2018	Balance as at 1 April 2017	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Assets (site)										
Air conditioner	0.23	-	-	0.23	0.11	0.04	-	0.15	0.08	0.12
Plant and machinery	16.49	-	16.49	-	1.84	-	1.84	-	-	14.65
Office equipments	0.96	-	-	0.96	0.32	0.21	-	0.53	0.43	0.64
Furniture and fixtures	0.74	-	-	0.74	0.38	0.16	-	0.54	0.20	0.36
Computers	0.03	-	-	0.03	-	0.01	-	0.01	0.02	0.03
Sub total	**18.45**	**-**	**16.49**	**1.96**	**2.65**	**0.42**	**1.84**	**1.23**	**0.73**	**15.80**
Assets (maintenance)										
Plant and machinery	20.49	1.10	-	21.59	3.51	1.88	-	5.39	16.20	16.98
Air conditioner	-	0.55	-	0.55	-	0.08	-	0.08	0.47	-
Furniture and fixtures	1.15	-	-	1.15	0.36	0.18	-	0.54	0.61	0.79
Computers	0.33	0.16	-	0.49	0.19	0.10	-	0.29	0.20	0.14
Office equipments	7.99	0.10	-	8.09	4.91	1.41	-	6.32	1.77	3.08
Sub total	**29.96**	**1.91**	**-**	**31.87**	**8.97**	**3.65**	**-**	**12.62**	**19.25**	**20.99**
TOTAL	**48.41**	**1.91**	**16.49**	**33.83**	**11.62**	**4.07**	**1.84**	**13.85**	**19.98**	**36.79**

Refer note 11.1 in respect of property, plant and equipment given as security in respect of secured borrowing taken from banks/others.

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Notes to the financial statements for the year ended 31 March 2019

4 Investment property

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 01 April 2018	Additions	Disposals/ Adjustments	Balance as at 31 March 2019	Balance as at 01 April 2018	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Investment property - (constructed), given on operating lease										
Air conditioner	607.34	0.18	-	607.52	126.77	48.94	-	175.71	431.81	480.57
Building	8,239.63	67.06	-	8,306.69	356.91	141.96	-	498.87	7,807.82	7,882.72
Diesel genset	344.07	-	-	344.07	71.28	27.34	-	98.62	245.45	272.79
Electrical fittings	452.18	260.27	-	712.45	163.25	61.64	-	224.89	487.56	288.93
Plant and machinery	540.88	3.02	-	543.90	98.47	41.75	-	140.22	403.68	442.41
Furniture and fixtures	50.15	-	-	50.15	25.15	8.39	-	33.54	16.61	25.00
Diesel genset-RBS (refer note (vi))	14.40	-	-	14.40	3.20	1.07	-	4.27	10.13	11.20
Plant and machinery-RBS (refer note (vi))	38.12	-	-	38.12	8.47	2.82	-	11.29	26.83	29.65
Computers	-	0.02	-	0.02	-	-	-	-	0.02	-
Sub total	**10,286.77**	**330.55**	-	**10,617.32**	**853.50**	**333.91**	-	**1,187.41**	**9,429.91**	**9,433.27**
Assets (food-court)										
Air conditioner	10.28	-	-	10.28	2.22	0.74	-	2.96	7.32	8.06
Furniture and fixtures	70.63	-	-	70.63	23.75	7.92	-	31.67	38.96	46.88
Computers	4.48	-	-	4.48	4.48	-	-	4.48	-	-
Plant and machinery	7.88	-	-	7.88	1.71	0.57	-	2.28	5.60	6.17
Office equipments	0.85	-	-	0.85	0.66	0.19		0.85	-	0.19
Sub total	**94.12**	-	-	**94.12**	**32.82**	**9.42**	-	**42.24**	**51.88**	**61.30**
Investment property - under development										
Work in progress	180.59	402.06	329.32	253.33	-	-	-	-	253.33	180.59
Total	**10,561.48**	**732.61**	**329.32**	**10,964.77**	**886.32**	**343.33**	-	**1,229.65**	**9,735.11**	**9,675.16**

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2017	Additions	Disposals/ Adjustments	Balance as at 31 March 2018	Balance as at 1 April 2017	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Investment property - (constructed), given on operating lease										
Air conditioner	582.20	25.14	-	607.34	78.99	47.78	-	126.77	480.57	503.21
Building	7,032.39	1,207.24	-	8,239.63	229.51	127.40	-	356.91	7,882.72	6,802.88
Diesel genset	344.07	-	-	344.07	43.94	27.34	-	71.28	272.79	300.13
Electrical fittings	391.37	60.81	-	452.18	103.42	59.83	-	163.25	288.93	287.95
Plant and machinery	450.71	73.68	16.49	540.88	58.21	38.42	1.84	98.47	442.41	392.50
Furniture and fixtures	50.15	-	-	50.15	16.76	8.39	-	25.15	25.00	33.39
Diesel genset-RBS (refer note (vi))	14.40	-	-	14.40	2.13	1.07	-	3.20	11.20	12.27
Plant and machinery-RBS (refer note (vi))	38.12	-	-	38.12	5.65	2.82	-	8.47	29.65	32.47
Sub total	**8,903.41**	**1,366.87**	**16.49**	**10,286.77**	**538.61**	**313.05**	**1.84**	**853.50**	**9,433.27**	**8,364.80**

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Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April 2017	Additions	Disposals/ Adjustments	Balance as at 31 March 2018	Balance as at 1 April 2017	Charge for the year	Disposals/ Adjustments	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
Assets (food-court)										
Air conditioner	10.28	-	-	10.28	1.48	0.74	-	2.22	8.06	8.80
Furniture and fixtures	70.63	-	-	70.63	15.83	7.92	-	23.75	46.88	54.80
Computers	4.48	-	-	4.48	4.48	-	-	4.48	-	-
Plant and machinery	7.88	-	-	7.88	1.14	0.57	-	1.71	6.17	6.74
Office equipments	0.85	-	-	0.85	0.44	0.22	-	0.66	0.19	0.41
Sub total	**94.12**	-	-	**94.12**	**23.37**	**9.45**	-	**32.82**	**61.30**	**70.75**
Investment property - under development										
Work in progress	1,106.31	441.15	(1,366.87)	180.59	-	-	-	-	180.59	1,106.31
Total	**10,103.84**	**1,808.02**	**(1,350.38)**	**10,561.48**	**561.98**	**322.51**	**1.84**	**886.32**	**9,675.16**	**9,541.86**

Note:-

(i) Borrowing costs capitalised during the year amounts to Rs.36.73 million (Previous year - Rs. 93.30 million) (refer note 20). Capitalisation rate for the year- 10.35% (previous year 9.12%).

(ii) Refer note 18 for future minimum lease payments under non cancellable operating leases in respect of investment property given on lease.

(iii) The fair value of investment property (including under development) as at 31 March 2019 amounts to Rs. 39,614.00 million (previous year Rs.31,441.00 million), as per valuations performed by external property valuers. Valuations performed by the valuer were based on active market prices, adjusted for any difference in the nature, location or condition of the specific property.

(iv) The Company being a SEZ developer, has restrictions to sell the land in Special Economic Zone. Further there are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

(v) Refer note 11.1 in respect of investment property given as security in respect of secured borrowing taken from banks/others.

(vi) The Company has received reimbursement from its customers for certain assets constructed / acquired on the specific requirement of the customer. The cost of the assets are included in fixed assets and the reimbursement has been disclosed as deferred income (also refer note 13 and 17).

(vii) Information regarding income and expenditure of Investment property

	For the year ended 31 March 2019	For the year ended 31 March 2018
Rental and maintenance income derived from investment property	4,022.69	3,757.94
Direct operating expenses generating rental income	(1,539.21)	(1,369.34)
Direct operating expenses that did not generate rental income	(76.34)	(38.46)
Profit arising from investment property before depreciation and indirect expenses	**2,407.14**	**2,350.14**

(viii) Reconciliation for total depreciation expense:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Total depreciation on property,plant and equipment for the year (refer note 3)	4.42	4.07
Total depreciation on investment property for the year	343.33	322.51
Less:- depreciation during the construction period on site assets - capitalised	(0.29)	(0.42)
Depreciation expense for the year	**347.46**	**326.16**

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Notes to the financial statements for the year ended 31 March 2019

Particulars	As at 31 March 2019	As at 31 March 2018
5.1 Non-Current financial assets - Loans		
(Unsecured and considered good)		
Security deposits	65.09	60.92
	65.09	**60.92**
Loans receivables considered good - Secured	-	-
Loans receivables considered good - Unsecured	65.09	60.92
Loans receivables which have significant increase in Credit Risk	-	-
Loans receivables - credit impaired	-	-
5.2 Non current financial assets - Other		
(Unsecured and considered good)		
Fixed deposits with banks*	18.49	5.12
Interest accrued but not due on fixed deposits with banks	0.47	0.54
Lease rent equalisation	55.44	39.65
	74.40	**45.31**

* Fixed deposits of Rs. 18.49 million (previous year -Rs. 5.12 million) has been considered as non current asset since the same are lien for long term purpose. Details are as follows :
-Includes Rs. 5.12 million (previous year Rs. 4.81 million) given as bank guarantee to President of India for Noida, Special Economic Zone.
-Includes Rs. 0.10 million (previous year Rs. 0.10 million) given as guarantee for Sales tax registration.
-Includes Rs. 0.21 million (previous year Rs.0.21 million) given in favor of Haryana State Industrial & Infrastructure Development Corporation Ltd.
-Includes Rs. 13.06 million (previous year Rs.Nil million) given against LC No. 5721C031901900013 (issued in favor of OTIS)

6 Income tax assets (net)		
Advance income tax*	442.03	455.72
	442.03	**455.72**
* net of provision for income tax	995.99	1,328.50
7 Other non-current assets		
(Unsecured and considered good)		
Capital advances	14.79	11.25
Prepaid expenses	0.48	0.91
	15.27	**12.16**
8.1 Current financial assets - trade receivables		
Trade receivables considered good - unsecured	137.15	101.24
Trade receivables which have significant increase in Credit Risk	19.09	0.74
Less: loss allowance	(19.09)	(0.74)
	137.15	**101.24**

Refer note 11.1 in respect of trade receivables given as security in respect of secured borrowing taken from banks/others.

8.2 Current financial assets - Cash and cash equivalents		
Balance with banks		
In current account	60.22	53.73
in deposit account (with original maturity of 3 months or less)	463.97	270.00
	524.19	**323.73**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior years.
Refer note 11.1 in respect of cash and cash equivalents given as security in respect of secured borrowing taken from banks/others.

Information persuant to G.S.R. 308(E) dated 30 March 2017 issued by Ministry of Corporate Affairs
The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019

8.3 Current financial assets - Loans		
(Unsecured and considered good)		
To related parties*		
Inter corporate deposits (repayable on demand)	-	3,487.55
Interest on inter corporate deposit	-	686.74
(Unsecured and considered doubtful)		
To parties other than related parties		
Advances to vendors	0.36	0.36
Inter corporate deposits (refer note 31)	2,100.00	2,100.00
Interest on inter corporate deposit receivable	248.19	248.19
Less: Provision against other advances	(2,348.55)	(2,348.55)
	-	**4,174.29**
Loans receivables considered good - Secured	-	4,174.29
Loans receivables considered good - Unsecured	-	-
Loans receivables which have significant increase in Credit Risk	2,348.55	2,348.55
Loans receivables - credit impaired	-	-
Less: Loss allowance	(2,348.55)	(2,348.55)

*for transaction with related parties (refer note 28)

8.4 Current financial assets - Other		
(Unsecured and considered good)		
Unbilled revenue	101.29	173.34
Interest accrued but not due on fixed deposits with banks	0.32	0.05
Lease rent equalisation	22.46	58.47
	124.09	**231.86**

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Particulars	As at 31 March 2019	As at 31 March 2018
9 Other current assets		
(Unsecured and considered good)		
Advances to vendors	17.07	29.95
Prepaid expenses	4.13	5.39
Balance with government authorities	5.40	26.67
	26.60	**62.01**
10 Share capital		
Authorised		
2,000,000 (previous year 2,000,000) Equity shares of Rs.10 each	20.00	20.00
Issued, subscribed and paid up		
58,455 (Previous year 58,455) Equity Shares of Rs.10 each, fully paid up	0.58	0.58
	0.58	**0.58**

a. Reconciliation of number of equity shares and amounts at the beginning and at the end of the reporting period.

Equity shares	Number of shares	Amount in INR million
As at 31 March 2017	**58,455**	**0.58**
Changes during year ended 2017-18	-	-
As at 31 March 2018	**58,455**	**0.58**
Changes during year ended 2018-19	-	-
As at 31 March 2019	**58,455**	**0.58**

b. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the Company.

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at 31 March 2019	
Equity shares of Rs 10 each fully paid up held by	**Number**	**Amount in INR**
Candor Kolkata One Hi-Tech Structures Private Limited (The Holding Company w.e.f. 08 January 2019)	58,449	584,490
BSREP Moon C 1 L.P., Cayman Islands	1	10
BSREP Moon C 2 L.P., Cayman Islands	1	10
BSREP Moon C 3 L.P., Cayman Islands	1	10
BSREP Moon C 4 L.P., Cayman Islands	1	10
BSREP Moon C 5 L.P., Cayman Islands	1	10
BSREP Moon C 6 L.P., Cayman Islands	1	10
	58,455	**584,550**

	As at 31 March 2018	
Equity shares of Rs 10 each fully paid up held by	**Number**	**Amount in INR**
BSREP India Office Holding III Pte. Ltd., Singapore (The Holding Company till 07 January 2019)	58,449	584,490
BSREP Moon C 1 L.P., Cayman Islands	1	10
BSREP Moon C 2 L.P., Cayman Islands	1	10
BSREP Moon C 3 L.P., Cayman Islands	1	10
BSREP Moon C 4 L.P., Cayman Islands	1	10
BSREP Moon C 5 L.P., Cayman Islands	1	10
BSREP Moon C 6 L.P., Cayman Islands	1	10
	58,455	**584,550**

d. Particulars of the shareholders holding more than 5% of a class of shares

Equity shares of INR 10 each fully paid up held by	**Number**	**% of shares**
As at 31 March 2018		
BSREP India Office Holding III Pte. Ltd.,Singapore	58,449	99.99
As at 31 March 2019		
Candor Kolkata One Hi-Tech Structures Private Limited	58,449	99.99

e. As per records of the Company, including its register of shareholders/ members, the above shareholding represents legal ownerships of shares.

f. No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

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Candor Gurgaon Two Developers & Projects Pvt. Ltd. *

Candor Gurgaon Two Developers & Projects Private Limited
(All amounts are in INR million unless otherwise stated)

Notes to the financial statements for the year ended 31 March 2019

Particulars	As at 31 March 2019	As at 31 March 2018
11.1 Non-current financial liabilities - Borrowings		
Secured		
Term loans from banks	-	1,987.83
Term loan from others	-	10,121.01
Less.- Current maturities of long term borrowings (refer note 16)	-	(808.64)
	-	**11,300.20**

As at 31 March 2019

Nature of Loan	Lender	Security	Carrying Amount in INR million	Terms of repayment (including EIR adjustment)	
				Year	Amount
Lease rent discounting Interest @ CPLR/MCLR[(-)9.05% /(+)0.35%] (Term : 12 Year)	HDFC LTD and HDFC Bank	The term loan is secured by hypothecation of movable assets, mortgage on immovable properties of the Company and its fellow subsidiary (Candor Kolkata One Hi-Tech Structures Private Limited, also refer note 28), pledge of shares of the Company held by the holding company, charge on bank accounts and insurance policies, escrow on receivables of the Company, demand promisory note in favour of the lender.	Nil	2018-19	-
				2019-20	-
				2020-21	-
				2021-22	-
				2022-23	-
				2023-24	-
				2024-25	-
				2025-26	-

Corporate prime lending rate (CPLR) and Marginal cost of funds based lending rates (MCLR)

Note - The carrying value of the loan is nil since the same have been fully prepaid during the year.The carrying value of financial assets and other assets pledged against secured loans is . (a) Trade receivables - INR Nil, (b) Cash and cash equivalents - INR Nil ,(c) Property, plant and equipment -INR Nil and (d) Investment property - INR Nil. Further, the term loan was also secured by hypothecation of land of Holding Company (fellow subsidiary till January 7th 2019) - Candor Kolkata One Hi-Tech Structures Private Limited.

At 31 March 2018

Nature of Loan	Lender	Security	Carrying Amount in INR million	Terms of repayment (including EIR adjustment)	
				Year	Amount
Lease rent discounting Interest @ CPLR/MCLR[(-)9.05% /(+)0.35%] (Term : 12 Year)	HDFC LTD and HDFC Bank	The term loan is secured by hypothecation of movable assets, mortgage on immovable properties of the Company and its fellow subsidiary (Candor Kolkata One Hi-Tech Structures Private Limited, also refer note 28), pledge of shares of the Company held by the holding company, charge on bank accounts and insurance policies, escrow on receivables of the Company, demand promisory note in favour of the lender	12,108.84	2018-19	808.64
				2019-20	1,002.53
				2020-21	1,159.82
				2021-22	1,348.91
				2022-23	1,590.71
				2023-24	1,815.83
				2024-25	2,075.00
				2025-26	2,307.40

Corporate prime lending rate (CPLR) and Marginal cost of funds based lending rates (MCLR)

Note - The carrying value of financial assets and other assets pledged against secured loans is (a) Trade receivables - INR 101.24 million, (b) Cash and cash equivalents - INR 323.73 million ,(c) Property, plant and equipment - INR 19.98 million and (d) Investment property - INR 9,675.16 million. Further, the term loan is also secured by hypothecation of land of fellow subsidiary - Candor Kolkata One Hi-Tech Structures Private Limited

b) Changes in liabilities arising from financing activities

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance as on 1st April 2018	12,139.09	11,692.17
Loans received during the year	7,100.00	1,244.10
Loans paid during the year	(12,252.04)	(810.00)
Finance cost (gross) (refer note 20)	1,149.70	1,206.83
Other non cash changes in finance cost	(69.62)	(65.85)
Finance cost paid	(1,049.19)	(1,128.16)
Closing balance as at 31st March 2019	**7,017.94**	**12,139.09**

11.2 Non-current financial liabilities - others	**31 March 2019**	**31 March 2018**
Security deposit from occupants	199.51	180.85
Retention money	4.37	11.53
	203.88	**192.38**

BSR & Co. LLP * Chartered Accountants *

Candor Gurgaon Two Developers & Projects Pvt. Ltd. *

Notes to the financial statements for the year ended 31 March 2019

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
12 **Tax expense**		
(a) Amounts recognised in Statement of Profit and Loss		
Current income tax		
-for current years*	327.29	317.79
-for earlier years	(1.64)	35.41
Total current tax expense	**325.65**	**353.20**
Deferred income tax liability / (asset), net		
(i) Origination and reversal of temporary differences	137.00	175.66
(ii) Minimum alternate tax credit		
-for the year	-	(159.84)
Deferred tax expense	137.00	15.82
Tax expense for the year	**462.65**	**369.02**

* Including MAT credit utilization of INR 33.61 million forming part of current tax for the year ended 31 March 2019.

(b) Reconciliation of effective tax rate (tax expense and the accounting profit multiplied by India's domestic tax rate)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	**1,301.33**	**1,447.07**
Tax using the Company's domestic tax rate (current year 34.944% and previous year 34.608%)	454.74	500.80
Tax effect of:		
Effect of non-deductible expense / (Income exempt from income taxes)	9.56	(174.08)
Tax for earlier years	(1.64)	35.41
Impact due to change in tax rate	-	6.89
	462.66	**369.02**

(c) Deferred tax liabilities (net)

Particulars	Net balance as at 1 April 2018	Recognised in profit or loss	Net balance as at 31 March 2019	Deferred tax asset as at 31 March 2019	Deferred tax liability as at 31 March 2019
Deferred tax assets (liabilities)					
Property, plant and equipment	(896.51)	(141.21)	(1,037.72)	-	(1,037.72)
Trade receivables	-	6.41	6.41	6.41	-
Borrowings	2.19	(2.19)	-	-	-
MAT credit entitlement	854.78	(33.61)	821.17	821.17	-
Tax assets (liabilities)	**(39.54)**	**(170.60)**	**(210.14)**	**827.58**	**(1,037.72)**

Particulars	Net balance as at 1 April 2017	Recognised in profit or loss	Net balance as at 31 March 2018	Deferred tax asset as at 31 March 2018	Deferred tax liability as at 31 March 2018
Deferred tax assets (liabilities)					
Property, plant and equipment	(718.50)	(178.01)	(896.51)	-	(896.51)
Trade receivables	-	-	-	-	-
Borrowings	(0.16)	2.35	2.19	2.19	-
MAT credit entitlement	694.94	159.84	854.78	854.78	-
Tax assets (liabilities)	**(23.72)**	**(15.82)**	**(39.54)**	**856.97**	**(896.51)**

Significant management judgement is required in determining provisison for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred tax assets is based on estimates of taxable Income and the period over which deferred income tax assets will be recovered.

The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (previous year 34.608%) payable by corporate entities in India on taxable profits under the Indian tax law.

B S R & Co.

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Particulars	As at 31 March 2019	As at 31 March 2018
13 Other non-current liabilities		
Deferred income*	54.60	59.55
	54.60	**59.55**

* The Company has received reimbursement from its customer for certain assets constructed / acquired on the specific requirement of the customer. The cost of the assets are included in fixed assets and the reimbursement has been disclosed as deferred income. The deferred income would be considered as revenue on straight line basis over the lease term with the customer once the assets are fully capitalized.

14 Current financial liabilities- Borrowings
(Unsecured)

From related Parties		
Inter corporate deposits (repayable on demand)	7,009.96	-
Interest accrued on Inter corporate deposit	8.30	-
	7,018.26	**-**

Refer note 11.1(b) for changes in liabilities arising from financing activities

	Balance as at 31 March		Maximum balance during the year ended 31 March	
	2019	2018	2019	2018
Information referred to in Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015				
Borrowings in the nature of loans from holding company is as under:				
Interst bearing with no specified payment schedule				
a) Candor Kolkata One Hi-Tech Structures Private Limited.	7,009.96	-	7,202.71	-

15 Trade payables

-Total outstanding dues to micro enterprises and small enterprises *	2.16	-
-Total outstanding dues to creditors other than micro enterprises and small enterprises **	269.19	259.62
	271.35	**259.62**

* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at year end has been made in the IND AS financial statements based on information available with the company as under :

**Includes payable to related parties (refer note 28)

Particulars	As at 31 March 2019	As at 31 March 2018
(a) the principal amount remaining unpaid to any supplier at the end of financial year	2.16	-
(b) the interest due on principal amount remaining unpaid to any supplier at the end of financial year	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during financial year	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e) the amount of interest accrued and remaining unpaid at the end of financial year	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

16 Current - Other financial liabilities

Current maturities of secured long term borrowings (refer note 11.1)	-	808.64
Interest accrued and not due on borrowings	-	30.25
Security deposit from occupants	1,231.00	1,125.33
Retention money	27.28	43.58
Capital creditors	46.23	40.41
	1,304.51	**2,048.21**

17 Other current liabilities

Advance from customers	1.83	10.65
Statutory dues payable	64.03	50.96
Deferred income*	33.24	33.88
	99.10	**95.49**

* Refer footnote to note 13

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Candor Gurgaon Two Developers & Projects Private Limited
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Notes to the financial statements for the year ended 31 March 2019

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
18 Revenue from operations		
Sale of services		
Income from operating lease rentals*	2,278.89	2,108.76
Income from maintenance services	1,743.80	1,649.18
	4,022.69	**3,757.94**

***Asset given on operating lease**

Total rental income for lock in period under non cancellable term of operating leases recognised during the year ended 31 March 2019 amounted to Rs.945.08 million (previous year Rs. 1,312.36 million).

The future minimum lease payments under non-cancellable operating leases are as follows:

Lease rentals recoverable		
Not later than one year	641.21	1,280.51
Later than one year, not later than five years	801.96	1,278.77
Later than five years	-	-
Total minimum lease recoverable	**1,443.17**	**2,559.28**

The revenue recognized during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.

19 Other income		
(a) **Interest income from financial assets at amortised cost**		
Interest income on fixed deposits	10.42	24.13
Interest income on inter corporate deposits	313.14	417.78
(b) **Others**		
Interest on income tax refund	15.26	13.18
Income from scrap sale	1.34	3.00
Liabilities no longer required written back	13.79	72.47
Miscellaneous income	0.66	6.06
Total other income	**354.61**	**536.62**

20 Finance costs		
(a) **Interest and finance charges on financial liabilities at amortised cost**		
Interest paid on term loan	764.39	1,101.92
Interest expenses on inter corporate deposits	242.50	-
Other borrowing costs	142.81	104.90
(b) **Others**		
Interest on advance tax and others	-	0.01
	1,149.70	1,206.83
Less: Transferred to Investment property under development (refer note 4)	(36.73)	(93.30)
	1,112.97	**1,113.53**

21 Depreciation expense		
- on property plant and equipment	4.13	3.65
- on investment property	343.33	322.51
	347.46	**326.16**

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Candor Gurgaon Two Developers & Projects Private Limited
(All amounts are in INR million unless otherwise stated)

Notes to the financial statements for the year ended 31 March 2019

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
22 **Other expenses**		
Property management fees	250.83	220.66
Power and fuel	755.28	697.94
Repair and maintenance #	338.83	326.94
Insurance	8.02	9.17
Brokerage expenses	26.62	21.13
Facility usage fees	35.84	34.83
Legal and professional expense	62.67	41.66
Payment to auditors (refer note(a) below)	1.74	1.69
Rent	2.38	1.17
Rates and taxes	58.73	15.84
Credit impaired	1.36	3.93
Corporate social responsiblity expenses (refer note (b) below)	29.29	8.73
Provision for doubtful debts ##	18.35	-
Miscellaneous expenses	25.60	24.11
	1,615.54	**1,407.80**

pertains to income-generating properties.

pertains to provision for doubtful debts created on non-recoverability of interest and penalty on service tax chargeable on lease rental receivable from tenants. Further, the demand from tenants is on account of non-availability of Form A1 and A2 from tenants as assessed in service tax assessment for year ended 2018-19.

a) **Details of remuneration to auditors**

As auditor (on accrual basis, excluding applicable taxes)		
- for statutory audit	1.43	1.50
- for other services	0.20	0.05
- for reimbursement of expenses	0.11	0.14
Total	**1.74**	**1.69**

b) **Details of corporate social responsiblity expenditure**

Amount required to be spent by the Company during the year	29.29	8.73
Amount spent by the Company during the year (in cash)		
- Construction/acquisition of any Asset	-	-
- On purposes other than above	29.29	8.73

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

23. Financial risk management

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management framework. The committee reports regularly to the board of directors on its activities.

The Company's risk management framework are established to identify and analyse the key risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management framework and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The risk management committee oversees compliance with the Company's risk management framework and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The risk management committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Company's board of directors.

The Company's financial risk management is carried out by a treasury department (Company treasury). The Company's treasury identifies, evaluates and hedges financial risks.

ii. Credit risk

Credit risk is the risk of the financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's maximum exposure to credit risk associated with financial assets is equivalent to the carrying value of each class of financial asset as separately presented in various financial statement captions.

Credit risk arises on financial assets and other financial in the event of debtors, default on the repayment to the Company. The Company mitigates this risk by attempting to ensure that adequate security/credit quality is in place.

Credit risk related to accounts receivable arises from the possibility that tenants may be unable to fulfill their lease commitments. The Company mitigates this risk by ensuring that tenants meet minimum credit quality requirements. The majority of the Company's trade receivables are collected within reasonable period.

To cater to the credit risk for banks and financial institutions, recognised banks/institutions are accepted.

The Company ensures through appropriate background checks that the office premises are leased to parties of repute and of good credit standing only. It has also taken refundable interest free security deposits equivalent to 3-6 months of lease rentals from its customers. Further Management also monitors its receivables on a monthly basis and does not expect any default of its trade receivables.

Movement in loss allowance for Trade receivables during the year, which is primarily on account of disputed service tax recovery is summarised below:

	Year ended March 31 2019	Year ended March 31 2018
Balance at the beginning of the year	0.74	-
Loss allowance created/ (reversed) during the year	18.35	0.74
Balance at the end of the year	**19.09**	**0.74**

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Candor Gurgaon Two Developers & Projects Private Limited
(All amounts are in INR million unless otherwise stated)

Notes to the financial statements for the year ended 31 March 2019

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's primary sources of liquidity include cash, undrawn borrowings, construction facilities and cash flow from operating activities.The Company seeks to increase income from its existing properties by maintaining quality standards for its properties that promote high occupancy rates and support increases in rental rates while reducing tenant turnover and related costs, and by controlling operating expenses.

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet liquidity requirement.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2019	Carrying amount	Contractual cash flows			
INR		Total	0 -1 years	1 -5 years	Above 5 years
Non-derivative financial liabilities					
Borrowings					
- Term loans (including current maturities)	-	-	-	-	-
- Inter corporate deposits (repayable on demand)	7,018.26	7,018.26	7,018.26	-	-
Trade payables	271.35	271.35	271.35	-	-
Other financial liabilities (excluding current maturities of term loan)	1,508.40	1,571.75	1,317.09	254.66	-

31 March 2018	Carrying amount	Contractual cash flows			
INR		Total	0 -1 years	1 -5 years	Above 5 years
Non-derivative financial liabilities					
Borrowings					
- Term loans (including current maturities)	12,108.84	17,237.14	1,849.00	8,305.00	7,083.14
- Inter corporate deposits (repayable on demand)	-	-	-	-	-
Trade payables	259.62	259.62	259.62	-	-
Other financial liabilities (excluding current maturities of term loan)	1,431.95	1,500.52	1,254.48	246.04	-

The Company has undrawn borrowing facilities amounting to INR Nil (previous year - INR Nil).

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

iv. Market risk

Th Company is exposed to market risk preliminary relating to the risk of changes in market prices (including lease rentals), such as interest rates that will affect the Company's expense or the value of its holdings of financial instruments.

v. Currency risk

The Company's exposure to foreign currency risk is mainly on account of imports of capital goods, which is not material in proportion to the total expenses incurred by the Company.
There are no foreign currency receivables/payables as at 31 March 2019 (31 March 2018 - INR Nil).

vi. Interest rate risk

The Company is exposed to both fair value interest rate risk as well as cash flow interest rate risk arsing both on short-term and long-term floating rate instruments as well as on the refinancing of fixed rate instrument. The Company's borrowings are principally denominated in Indian Rupees.

The fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates and possible requirement to refinance such instruments. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	Nominal amount in INR	
	31 March 2019	**31 March 2018**
Fixed-rate instruments		
Financial assets	482.46	4,449.41
Financial liabilities	(7,018.26)	-
	(6,535.80)	**4,449.41**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	(12,108.84)
	-	(12,108.84)
Total	**(6,535.80)**	**(7,659.43)**

Fair value sensitivity analysis for fixed-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by INR 2.58 million (previous year - INR 44.49 million). The amount includes net off borrowing cost capitalisation of INR 2.24 million (previous year INR Nil) using capitalisation rate of respective year.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables remain constant. The amounts shown below are net off borrowing cost capitalisation of INR Nil (previous year INR 9.36 million) using capitalisation rate of respective year.

	Profit or loss	
INR	**100 bp increase**	**100 bp decrease**
31 March 2019		
Variable-rate instruments	-	-
Cash flow sensitivity (net)	-	-
31 March 2018		
Variable-rate instruments	111.73	(111.73)
Cash flow sensitivity (net)	**111.73**	**(111.73)**

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

24 Financial instruments – Fair values and risk management

i) Financial instruments by category and fair value

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

	As at 31 March 2019					
	Carrying Amount			Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets						
Trade receivables	-	-	137.15	-	-	137.15
Cash and cash equivalents	-	-	524.19	-	-	524.19
Loans	-	-	65.09	-	-	65.09
Other financial assets	-	-	198.49	-	-	198.49
Total financial assets	-	-	**924.93**	-	-	**924.93**
Financial liabilities						
Borrowings	-	-	7,018.25	-	-	7,018.25
Trade payables	-	-	271.35	-	-	271.35
Other financial liabilities	-	-	1,508.40	-	-	1,508.40
Total financial liabilities	-	-	**8,798.00**	-	-	**8,798.00**

	As at 31 March 2018					
	Carrying Amount			Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets						
Trade receivables	-	-	101.24	-	-	101.24
Cash and cash equivalents	-	-	323.73	-	-	323.73
Loans	-	-	4,235.21	-	-	4,235.21
Other financial assets	-	-	277.17	-	-	277.17
Total financial assets	-	-	**4,937.35**	-	-	**4,937.35**
Financial liabilities						
Borrowings	-	-	11,300.20	-	-	11,300.20
Trade payables	-	-	259.62	-	-	259.62
Other financial liabilities	-	-	2,240.59	-	-	2,240.59
Total financial liabilities	-	-	**13,800.41**	-	-	**13,800.41**

The carrying amounts of financial assets and liabilities with short term nature are considered to be the same as their fair values.

The fair values for security deposits and retention money were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The carrying amounts of security deposit given and other financial assets and liabilities with long term nature are considered to be the same as their fair values.

ii) Measurement of fair values

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices for instance listed equity instruments, traded bonds and mutual funds that have quoted price. Currently, there are no items falling under Level 1 fair valuation hierarchy.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Currently, there are no items falling under Level 2 fair valuation hierarchy.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no valuation under Level 1 and Level 2. Further, there have been no transfers in either direction for the years ended 31 March 2019 & 31 March 2018.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

25. Capital management

The Company funding is primarily through debt and secured against property of the company. In addition the company evaluates debt service capabilities including value of assets.

The Company seeks to increase income from its existing properties by maintaining quality standards for its properties that promote high occupancy rates and support increases in rental rates while reducing tenant turnover and related costs, and by controlling operating expenses. Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs.

	Amount as at	
	31 March 2019	**31 March 2018**
Total debt (a)	7,018.25	12,139.09
Equity (b)	2,006.08	1,167.40
Total equity and net debt (a+b) =c	**9,024.33**	**13,306.49**
Capital gearing ratio (a/c)	78%	91%

As a part of its capital management policy, the Company ensures compliance with all covenants and other capital requirements related to contractual obligations to the Company.

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
26 Earnings per share		
(a) Basic		
Profit after tax as reported (INR million)	838.68	1,078.05
Adjustable net profit after tax (INR million)	**838.68**	**1,078.05**
Weighted average number of equity shares for basic EPS	58,455	58,455
Basic earnings per share (face value of Rs. 10)	14,347.37	18,442.47
(b) Diluted		
Adjustable net profit after tax (INR million)	838.68	1,078.05
Weighted average number of equity shares for diluted EPS	58,455	58,455
Diluted earnings per share (face value of Rs. 10)	14,347.37	18,442.47

27 Contingent liability and commitments	**As at 31 March 2019**	**As at 31 March 2018**
(i) Contingent liability		
a) Bond-cum-legal undertaking in favor of President of India for Special Economic Zone	964.40	964.40
b) Bond-cum-Bank guarantee in favor of President of India for Special Economic Zone	121.99	4.20
c) Income tax claims, disputed by the Company, not acknowledged as debt*#@	449.69	417.58

Further, the Company has made provisions for certain legal cases filed against / by the Company based on best available estimates.

* inclusive of impact due to reduction in refund claimed in ITR amounting to Rs. 255.54 million (previous year Rs. 255.54 million)

#inclusive of penalty order amounting to Rs. 4.52 million (previous year -Nil)

@ inclusive of impact due to reduction in MAT credit claimed in ITR amounting to Rs. 80.10 million (previous year Rs. 52.51 million) due to additions made in assessment order.

Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019 it was held that basic wages, for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. The Company is in process of estimating the impact of the same on the Company.

Owing to the aforesaid uncertainty and pending clarification from the authorities in this regard, the Company has not recognised any provision in this regard. Further, management also believes that the impact of the same on the Company will not be material.

(ii) **Capital commitments, net of advances**	350.10	125.43

Other commitments

The Company has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Company. The Company has developmental rights with respect to the property pursuant to a Joint Development Agreement (JDA) with GIL entered on 16 November 2006. Under the said agreement the Company is entitled to 72% of the gross sale receipts and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%.

In supplement to earlier JDA, a new co-development agreement was entered into between GIL (the developer) and UDPL (now known as Candor Gurgaon Two Developers & Projects Private Limited) (the co-developer) on 17 September 2007 under which the developer and co-developer will jointly carry out the process of installation of fit-outs & fixtures and the cost of such installation shall be shared by the developer and co-developer in the same ratio as to sharing of gross proceeds i.e. 28% and 72% respectively.

B S R & Co. LLP * Chartered Accountants *

Candor Gurgaon Two Developers & Projects Pvt. Ltd. *

Candor Gurgaon Two Developers & Projects Private Limited
(All amounts are in INR million unless otherwise stated)

Notes to the financial statements for the year ended 31 March 2019

28 Related party disclosures

a. Related parties and nature of the related party relationship where control exists.

Description of relationship	Name of the realed party
Ultimate Holding Company	BSREP Holdings Pte Ltd., Singapore
Holding Company	Candor Kolkata One Hi-Tech Structures Private Limited (w.e.f 8th January 2019) BSREP India Office Holdings III Pte. Ltd. (till 7th January 2019)
Fellow subsidiaries	Shantiniketan Properties Private Limited
	Candor Gurgaon One Realty Project Private Limited
	Candor India Office Parks Private Limited *(formerly known as Brookfield India Office Parks Private Limited)*
	Seaview Developers Private Limited

b. Transactions with related Parties

Nature of transactionEntity's Name	For the year ended 31 March 2019	For the year ended 31 March 2018
Property management fee		
Candor India Office Parks Private Limited	190.98	159.66
Reimbursement of expenses incurred by		
Candor India Office Parks Private Limited	10.17	5.53
Other borrowing cost		
Mortage fees paid to (also refer note 11.1)		
Candor Kolkata One Hi-Tech Structures Private Limited	13.57	19.83
Current financial liability - Borrowings		
Inter corporate deposit received		
Candor Kolkata One Hi-Tech Structures Private Limited	7,100.00	-
Current financial liability - Borrowings		
Inter corporate deposit taken, repaid back		
Candor Kolkata One Hi-Tech Structures Private Limited	90.04	-
Current financial assets - Loans		
Inter corporate deposit given		
Seaview Developers Private Limited	-	270.00
Candor Kolkata One Hi-Tech Structures Private Limited	-	610.00
Candor Gurgaon One Realty Projects Private Limited	80.00	-
Inter corporate deposit received back		
Candor Gurgaon One Realty Projects Private Limited	1,369.99	100.27
Candor Kolkata One Hi-Tech Structures Private Limited	-	610.00
Seaview Developers Private Limited	1,420.56	-
Shantiniketan Properties Private Limited	777.00	-
Other income		
Interest income on inter corporate deposit		
Shantiniketan Properties Private Limited	82.78	107.42
Seaview Developers Private Limited	128.68	150.78
Candor Gurgaon One Realty Projects Private Limited	101.68	151.09
Candor Kolkata One Hi-Tech Structures Private Limited	-	8.50
Finance cost		
Interest expenses on interest corporate deposit		
Candor Kolkata One Hi-Tech Structures Private Limited	242.50	-
Dividend paid		
BSREP India Office Holdings III Pte. Ltd. (refer note 34)	-	1,174.01

B S R & Co. LLP

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Candor Gurgaon Two Developers & Projects Private Limited
(All amounts are in INR million unless otherwise stated)

Notes to the financial statements for the year ended 31 March 2019

c.	Outstanding balances as at year end	For the year ended 31 March 2019	For the year ended 31 March 2018
	Inter Corporate Deposit receivable		
	Shantiniketan Properties Private Limited	-	777.00
	Seaview Developers Private Limited	-	1,420.56
	Candor Gurgaon One Realty Projects Private Limited	-	1,289.99
	Inter Corporate Deposit payable		
	Candor Kolkata One Hi-Tech Structures Private Limited	7,009.96	-
	Interest receivable on Inter Corporate Deposit		
	Shantiniketan Properties Private Limited	-	342.68
	Seaview Developers Private Limited	-	320.00
	Candor Gurgaon One Realty Projects Private Limited	-	24.05
	Interest payable on Inter Corporate Deposit		
	Candor Kolkata One Hi-Tech Structures Private Limited	8.30	-
	Trade payables		
	Candor India Office Parks Private Limited	47.65	28.45
	Security deposit recievables - Project Management fee		
	Candor India Office Parks Private Limited	10.93	10.93

1) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and all settlement occurs in cash.
For the year ended 31 March 2019 and 31 March 2018 the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.

2) For lease rental discounting facility of Candor Kolkata One Hi-Tech Structures Private Limited, there is charge on receivables, movable assets, insurance policies, lease agreements of Candor Gurgaon Two Developers & Projects Private Limited and pledge over 99.99% of shares of Candor Gurgaon Two Developers & Projects Private Limited held by the Candor Kolkata One Hi-Tech Structures Private Limited.

3) For non-convertible bonds of Candor Kolkata One Hi-Tech Structures Private Limited, there is charge on receivables, movable assets, insurance policies, lease agreements, corporate guarantee of Candor Gurgaon Two Developers & Projects Private Limited and pledge over 99.99% of shares of Candor Gurgaon Two Developers & Projects Private Limited held by the Candor Kolkata One Hi-Tech Structures Private Limited.

Candor Gurgaon Two Developers & Projects Pvt. Ltd.

Notes to the financial statements for the year ended 31 March 2019

29 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Section 92–92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by such date as required under law. The management is of the opinion that its specified transactions are at the arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

30 **Segment reporting**

Basis of Segmentation and information about products and services

The Company's board of directors has been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, alliance, merger, acquisition and expansion of any new facility. As the Company is primarily engaged in the business of developing and maintaining commercial real estate property (IT/ITeS SEZ) in India CODM reviews the entire business as a single operating segment and accordingly disclosure requirements of Ind AS 108 "Operating Segments" are not applicable.

31 Provision against doubtful advances includes an amount of Rs. 2,100.00 million (previous year Rs. 2,100.00 million) and Interest accrued but not received of Rs. 248.19 million (previous year Rs. 248.19 million) against certain inter corporate deposits given by the Company during earlier years. The said agreements were expired and the amount was due for the repayment by them on demand. Due to long outstanding and expiry of contractual arrangement, during the earlier years, the management has recalled these balances and continuously following up to recover the same. Since uncertainty on collection of these balances exist, therefore management has made the provision against these inter corporate deposits and interest receivable thereon in earlier years. During the previous year, as a result of litigation proceedings, the arbitrator has awarded the Company Rs. 1,712.40 million. Out of the amount awarded, during the previous year, the Company has received Rs. 43.4 million and hence provision has been written back. Further, for the remaining balance of Rs. 679.19 million the litigation proceedings were dismissed against the Company. The matter is now pending with the Calcutta High Court.

32 Effective 08 January 2019 Candor Kolkata One Hi-Tech Structures Private Limited had acquired 99.99% of issued and paid up equity share capital of Company from BSREP India Office Holdings III Pte Ltd. at a purchase consideration of INR 30,500 million by way of the below:

(i) Cash consideration of INR 20,400 for acquiring 39,094 equity shares constituting approximately 66.89% of issued and paid up capital of Company; and

(ii) Swap of capital instruments by way of issuance of up to 45,535 unsecured unlisted Compulsorily Convertible Debentures ("CCDs") having face value of INR 221,807.40 each aggregating up to INR 10,100 million to the Subscriber for acquiring 19,355 equity shares constituting approximately 33.11% of issued and paid up capital of Company.

Pursuant to the acquisition, Company has become a wholly owned subsidiary of the Candor Kolkata One Hi-Tech Structures Private Limited w.e.f 08 January 2019.

33 During the year ended 31 March 2019, the Board of Directors of the Company have pursuant to Sections 230 - 232 read with Section 66 and Section 52 of the Companies Act 2013 proposed the merger of the Company with Candor Kolkata One Hi-Tech Structures Private Limited with an appointed date of 08 January 2019. Accordingly, an application (scheme of arrangement) to that effect has been filed with the National Company Law Tribunal (NCLT approval authority under Indian Companies Law matters) New Delhi on 06 February 2019 for which final approval is still pending to be received and hence no effect has been taken in the financial statements.

34 **Net dividend remitted in foreign currency**

Particulars	No. of shares	For the year ending 31 March 2019		For the year ending 31 March 2018	
		INR million	USD million	INR million	USD million
BSREP India Office Holdings V Pte. Ltd.	58,449	-	-	-	-
BSREP India Office Holding III Pte. Ltd., Singapore		-	-	1,174.01	18.28
BSREP Moon C 1 L.P., Cayman Islands	1	-	-	0.02	0.00
BSREP Moon C 2 L.P., Cayman Islands	1	-	-	0.02	0.00
BSREP Moon C 3 L.P., Cayman Islands	1	-	-	0.02	0.00
BSREP Moon C 4 L.P., Cayman Islands	1	-	-	0.02	0.00
BSREP Moon C 5 L.P., Cayman Islands	1	-	-	0.02	0.00
BSREP Moon C 6 L.P., Cayman Islands	1	-	-	0.02	0.00
Total	**58,455**	-	-	**1,174.13**	**18.29**

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No: 108044
Place: Gurugram
Date: 30 May 2019

For and on behalf of the **Board of Directors** of
Candor Gurgaon Two Developers & Projects Private Limited

Shantanu Chakraborty
Director
DIN No. 06567406
Place: Gurugram
Date: 30 May 2019

Sanjay Yadav
Director
DIN No. 03447798
Place: Gurugram
Date: 30 May 2019

Candor Gurgaon Two Developers & Projects Pvt. Ltd.