



319-320, REX CHAMBERS, W. H. MARG, BALLARD ESTATE, MUMBAI - 400 001.
OFF. : 2269 5182 □ TEL. / FAX : 2261 8117 □ RESI. : 2872 2479 - 2872 7639

INDEPENDENT AUDITOR'S REPORT

To the Members of INOX MERCANTILE COMPANY PRIVATE LIMITED

Report on the Standalone Financial Statements:

We have audited the accompanying standalone financial statements of INOX MERCANTILE COMPANY PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility

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

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

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

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

Opinion

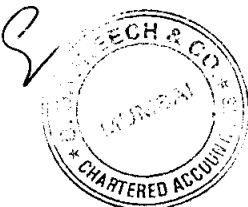
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted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

Report on Other Legal and Regulatory Requirements:

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

(2) As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2";

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company does not have any material foreseeable losses on long-term contracts including derivative contracts;

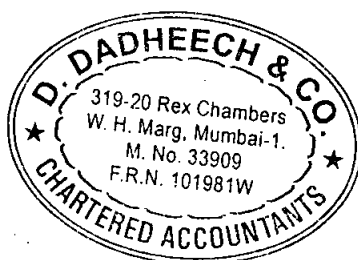
(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

For D. DADHEECH & CO
Chartered Accountants
ICAI FRN. 101981W

D. Dadheech

(DEVESH DADHEECH)
Proprietor
Membership No. 033909



Date:

Place: Mumbai

ANNEXURE 1

TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of INOX MERCANTILE COMPANY PRIVATE LIMITED on the standalone financial statements for the year ended 31st March, 2017]

(i) In respect of Fixed Assets :

The company does not have any Fixed Assets. Accordingly, paragraph 3(i)(a),(b),(c) of the order is not applicable.

(ii) In respect of Inventories :

(a) As explained to us, the inventories were physically verified during the year by the Management of the Company at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the Company were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) Compliance under section 189 of The Companies Act, 2013 :-

The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013 during the financial year under consideration.

(iv) Compliance under section 185 and 186 of The Companies Act , 2013:-

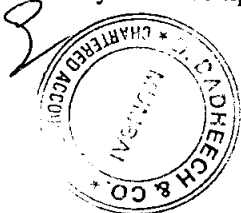
According to information and explanation given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to the loans and investment made.

(v) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed there under while accepting Deposits :-

The company has not accepted any deposits from the public.

(vi) Maintenance of cost records :-

The Central Government has not prescribed the maintenance of cost records under section 148(1) for any of the activity of the company.



D. Dadheech & Co.

(vii) Deposit of Statutory Dues:-

- (a) The company is regular in depositing undisputed statutory dues including income tax, sales tax and any other statutory dues to the appropriate authorities.
- (b) There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited.

(viii) Repayment of Loans and Borrowings:-

Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, banks and debenture holders.

(ix) Utilization of Money Raised by Public Offers and Term Loan for which they Raised :-

The company did not raise any money by way of initial public offer or further public offer (included debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) Reporting of Fraud During the Year :-

According to information and explanation given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) Managerial Remuneration :-

According to the information and explanations given to us and based on our examination of the records of the company, the company has not given any managerial remuneration in current financial year.

(xii) Compliance by Nidhi Company Regarding Net Owned Fund to Deposit Ratio :-

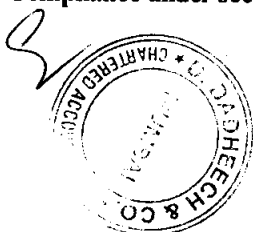
In our opinion and according to information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

(xiii) Related party compliance with Section 177 and 188 of companies Act – 2013 :-

According to information and explanation given to us and based on our examination of the records of the company, transactions with related parties are in compliance with section 177 and 188 of the Act where applicable.

(xiv) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures

D.Dadheech & Co.



According to information and explanation given to us and based on our examination of the records of the company, the Company has not any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

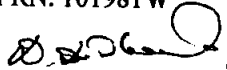
(xv) Compliance under section 192 of Companies Act – 2013:-

According to information and explanation given to us and based on our examination of the records of the company, the company has not entered into any non-cash transaction with directors or persons connected with him.

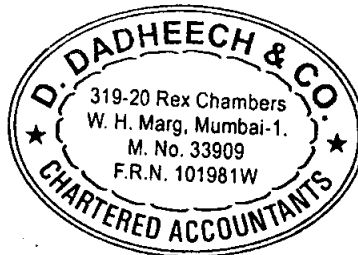
(xvi) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

For D. DADHEECH & CO
Chartered Accountants
ICAI FRN. 101981W



(DEVESH DADHEECH)
Proprietor
Membership No. 033909



Date:
Place: Mumbai

D.Dadheech & Co.

ANNEXURE 2

TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **INOX MERCANTILE COMPANY PRIVATE LIMITED** on the financial statements for the year ended 31st March, 2017]

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

We have audited the internal financial controls over financial reporting **INOX MERCANTILE COMPANY PRIVATE LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures



D.Dadheech & Co.

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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

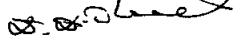
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

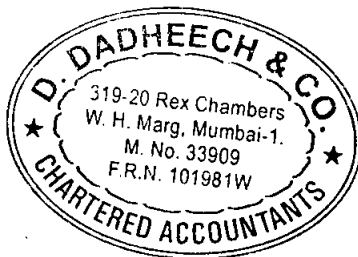
Opinion

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

For D. DADHEECH & CO
Chartered Accountants
ICAI FRN. 101981W



(DEVESH DADHEECH)
Proprietor
Membership No. 033909
Date:
Place: Mumbai



D.Dadheech & Co.

Balance Sheet as on 31st March 2017

(Rs. In Lakhs)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
Non-Current Assets				
Investments	1	-	-	-
Deferred Tax Assets				
Total Non-current assets		-	-	-
Current Assets				
Inventories	2	7,666.59	7,656.37	7,652.30
Financial Assets				
Cash and Cash Equivalents	3	3.63	5.21	3.74
Other Current Assets	4	29.66	29.66	29.66
Total Current Assets		7,699.88	7,691.24	7,685.70
Total Assets		7,699.88	7,691.24	7,685.70

Particulars	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	5	1.00	1.00	1.00
Other Equity	6	(276.58)	441.39	1,061.54
Equity attributable to owners of Value		(275.58)	442.39	1,062.54
Non-controlling Interest				
Total Equity		(275.58)	442.39	1,062.54
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Long Term Borrowings	7	-	6,551.74	5,649.15
Deferred Tax Liability		371.78	692.65	969.59
Total Non-Current Liabilities		371.78	7,244.39	6,618.74
Current Liabilities				
Financial Liabilities				
Short Term Borrowings	8	7,602.13	-	-
Trade Payables	9	1.46	4.37	4.33
Other Current Liabilities	10	0.09	0.09	0.09
Total Current Liabilities		7,603.68	4.46	4.42
Total Liabilities		7,975.46	7,248.85	6,623.16
Total Equity and Liabilities		7,699.88	7,691.24	7,685.70
Significant Accounting Policies	11			
Other Notes forming part of Financial statements	12			

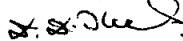
As per our report of even date

For and on behalf of

D. Dadheech & Co.

Chartered Accountants

FR No. 101981 W



Devesh Dadheech

Proprietor

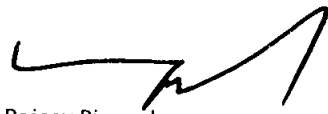
Membership No. 033909

Mumbai

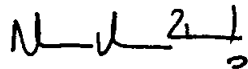
Date : 08th May 2017



For and on behalf of Board of Directors


 Rajeev Piramal
 Director

DIN No.00044983


 Nandan Piramal
 Director

DIN No.00045003

INOX MERCANTILE COMPANY PRIVATE LIMITED

Statement of Profit and Loss for the Year Ended 31st March 2017

(Rs. In Lakhs)

Particulars	Note No.	2016-17	2015-16
Continuing Operations			
Revenue from Operations		-	-
Other Income		0.47	-
Total Revenue (A)		0.47	-
EXPENSES:			
Professional Fees		6.06	0.30
Security Expenses		4.17	3.76
Audit Fees		0.88	0.85
Interest Expenses		1,038.43	896.24
Total Expenses		1,049.54	901.15
Less : Transfer to work in progress		10.23	4.06
Expenses Charges to Profit and Loss Account (B)		1,039.31	897.09
Profit/(Loss) before Tax (C = A-B)		(1,038.84)	(897.09)
Tax Expense:			
Current Tax		-	-
Deferred Tax Liability		(320.87)	(276.94)
Total Tax (D)		(320.87)	(276.94)
Profit/(Loss) from Continuing Operation (E = C-D)		(717.97)	(620.15)
Other Comprehensive Income			
Items may be reclassified to Profit and Loss			
Items that will not be reclassified to Profit and Loss			
Other Comprehensive income for the year, Net of Tax		-	-
Total Comprehensive income for the year		-717.97	-620.15
Operation attributable to Owners.			
Basic earning per share (Rs.)		(7,179.70)	(6,201.50)
Diluted earning per share (Rs.)		(7,179.70)	(6,201.50)
Significant accounting policies	11		
Notes forming part of accounts	12		

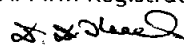
As per our report of even date attached

For and on behalf of

D. Dadheech & Co.

Chartered Accountants

ICAI Firm Registration No.101981W



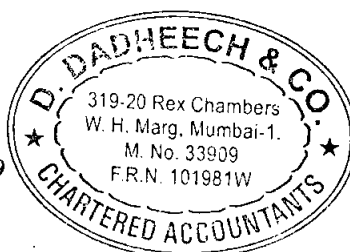
Devesh Dadheech

Proprietor


Membership No. 033909

Date : 08th May 2017

Place :- Mumbai



For and on behalf of the Board of Directors


 Rajeev Piramal
 Director

DIN No.00044983


Nandan Piramal
Director

DIN No.00045003

Note 1 : Investments

Particulars	Face Value	No. of Shares	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Equity Investments					
Unquoted					
Keti Construction Limited	10	13,00,000.00	1,100.00	1,100.00	1,100.00
Less : Provision for Diminishing in Value			(1,100.00)	(1,100.00)	(1,100.00)
Total			-	-	-

Total Non-Current Investments

Aggregate amount of quoted investments and market value thereof

Aggregate amount of unquoted investments and market value thereof

Aggregate amount of impairment in the value of investments

Note : 2 Inventories

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Work in Progress (Realty Stock at Cost)	7,666.59	7,656.37	7,652.30
Total	7,666.59	7,656.37	7,652.30

Note : 3 Cash and Cash Equivalents

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Balance with Banks in Current Accounts	3.63	5.21	3.74
Total	3.63	5.21	3.74

Note : 4 Other Current Assets

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advances recoverable in cash or in kind for value to be received	29.66	29.66	29.66
Total	29.66	29.66	29.66

NOTE : 5 STSHARE CAPITAL

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Share Capital			
Authorised			
10000 (P.Y. 10000) Equity Shares of Rs.10/- each	1.00	1.00	1.00
Issued, Subscribed and Paid up			
10000 (P.Y. 10000) Equity Shares of Rs.10/- each	1.00	1.00	1.00
(Wholly owned subsidiary of Peninsula Holdings & Investments Private Limited)			
Terms / rights attached to Equity Shares			
The Company has only one class of equity shares having a par value of Rs.100 each			
Each holder of equity shares is entitled to one vote per share.			
All shares rank pari passu with regards to dividend			
Note :			
1. 100% Equity Share Capital is held by Peninsula Holding and Investments Pvt. Ltd.			
Total	1.00	1.00	1.00



Note : 6 Reserves & Surplus

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Surplus in the statement of Profit and Loss			
Balance as per last Financial Statements	441.39	1,061.54	(5.87)
Add : Profit /(Loss) for the year	(717.97)	(620.15)	(0.84)
Add / Less : Ind AS Adjustment (Net)			1,068.25
Total	(276.58)	441.39	1,061.54

Note : 7 Long Term Borrowings

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured Loan			
Loan from Holding Company		6,551.74	5,649.15
A. Terms of Loan repayment			
Loan is repayable from Project Inflow			
Total	-	6,551.74	5,649.15

Note : 8 Short Term Borrowings

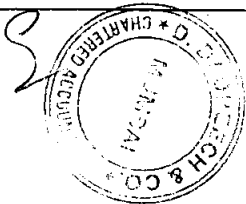
Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured Loan			
Loan from Holding Company	7,602.13	-	-
A. Terms of Loan repayment			
Loan is repayable from Project Inflow			
Total	7,602.13	-	-

Note : 9 Trade Payables

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Trade Payables			
MSMED			
Others	1.46	4.37	4.34
Total	1.46	4.37	4.34

Note : 10 Other Current Liabilities

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Tax Deducted at Source	0.09	0.09	0.09
Total	0.09	0.09	0.09



INOX MERCANTILE COMPANY PRIVATE LIMITED

Statement of Changes in Equity (SOCIE)

(a) Equity share capital

(Rs. In Lakhs)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Balance at the beginning of the reporting period	1.00	1.00	1.00
Changes in equity share capital during the year			
Balance at the end of the reporting period	1.00	1.00	1.00

(b) Other Equity

Attributable to the equity holders of the parent

(Rs. In Lakhs)

Particulars	Retained earnings	Other comprehensive income
Balance at April 1, 2015	(6.71)	
Ind AS Adjustments- April 15	1,068.25	
Changes in accounting policy / prior period errors	-	
Restated balance at the beginning of the reporting period	1061.54	
Profit/ (Loss) for the year	(620.15)	
Other comprehensive income for the year	-	
Total comprehensive income for the year	(620.15)	
Balance at March 31, 2016	441.39	
Profit/ (Loss) for the year	(717.97)	
Other comprehensive income for the year	-	
Balance at March 31, 2017	(276.58)	

Notes forming part of accounts

As per our report of even date

For and on behalf of

D. Dadheech & Co.

Chartered Accountants

FR No. 101981 W

D. Dadheech

Devesh Dadheech

Proprietor

Mumbai

Date : 08th May 2017

For and on behalf of Board of Directors

Rajeev Piramal

Rajeev Piramal

Director

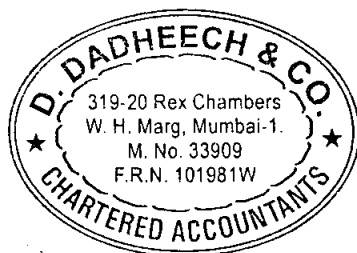
DIN No.00044983

Nandan Piramal

Nandan Piramal

Director

DIN No.00045003



INOX MERCANTILE COMPANY PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2017

	For the year Ended 31-Mar-17	For the year Ended 31-Mar-16
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) Before Tax and Extra Ordinary Items	(1,038.84)	(897.09)
Adjustments for:		
Add : Interest	1038.43	896.24
Less : Misc Credit Balance Written Back	0.47	896.24
	(0.88)	-0.85
Operating Profit Before Working Capital Changes		
Adjustments for:		
Less:		
(Increase) / Decrease in Inventories	(10.22)	(4.06)
(Increase) / Decrease in Loans and Advances	-	-
Increase/(Decrease) in Trade Payables	(2.44)	0.04
Cash Generated from Operations	(12.66)	(4.02)
Net Cash From Operating Activities (A)	(13.54)	(4.87)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash From Investing Activities		
Purchase of shares	-	-
Net Cash From Investing Activities (B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Expenses	(1,038.43)	(896.24)
Proceeds from Long Term Borrowings	1,050.39	902.59
Net Cash from Financing Activities (C)	11.96	6.35
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	(1.58)	1.48
Cash and Cash Equivalents at the beginning of the year	5.21	3.74
Cash and Cash Equivalents at the end of the year	3.63	5.21

This is the Cash Flow Statement referred to in our report of even date.

As per our report of even date

For and on behalf of

D. Dadheech & Co.

Chartered Accountants

FR No. 101981 W

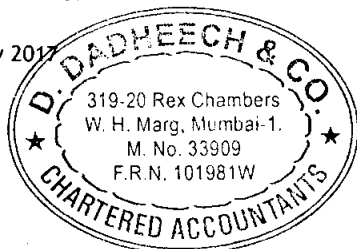
Devesh Dadheech

Proprietor

Membership No. 033909

Mumbai

Date : 08th May 2017



For and on behalf of Board of Directors

Rajeev Piramal
Director

DIN No.00044983

Nandan Piramal
Director

DIN No.00045003

INOX MERCANTILE COMPANY PRIVATE LIMITED

Note .11

1 Company Overview

Inox Mercantile Company Private Ltd. ("the Company") is a public company which was formed for Real Estate Development and is domiciled in India. Currently, there are no Real Estate activities in the Company.

The financial statements of the Company for the year ended 31st March, 2017 were authorised for issue in accordance with the resolution of the Board of Directors on 8th May, 2017.

2 Significant Accounting Policies

I Basis of Preparation of Financial Statements

(a) Compliance with Ind AS

The financial statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act / Companies Act, 1956 ("the 1956 Act"), as applicable.

The financial statements up to the year ended 31st March, 2016 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, "First Time Adoption of Indian Accounting Standards" (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which are considered as the "Previous GAAP" for purposes of Ind AS 101.

Refer Note 17 for an explanation of how the transition from the Previous GAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company.

(b) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value (refer accounting policy regarding Financial Instruments).

(c) Operating Cycle

All assets and liabilities have been classified into current and non-current based on Company's Normal Operating Cycle (twelve months).

(d) Functional and Presentation Currency

These financial statements are presented in Indian Rupees, which is also the functional currency of the Company. All financial information presented in Indian Rupees has been rounded off to two decimals in lakhs.



INOX MERCANTILE COMPANY PRIVATE LIMITED

II Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

(a) Impairment of Non Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

(b) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

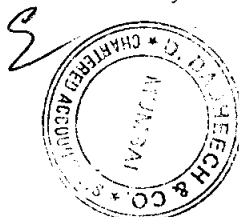
(c) Fair Value Measurement of Financial Instruments

When the fair values of the financial assets and liabilities recorded in the Balance Sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgment is required in establishing fair values. Any changes in assumptions could affect the fair value relating of financial instruments.

III Measurement of Fair Values

The Company has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Management 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 a financial asset or a financial 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:



INOX MERCANTILE COMPANY PRIVATE LIMITED

Level 1: Quoted prices 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.

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.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

IV Financial Instruments

(a) Financial Assets

i. Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

ii. Initial Recognition and Measurement

All Financial Assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

iii. Subsequent Measurement

For purposes of subsequent measurement financial assets are classified into two broad categories:

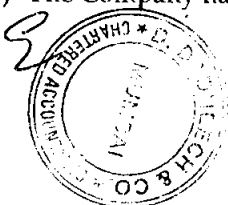
- (a) Financial asset at fair value
- (b) Financial asset at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

iv. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Company has transferred its rights to receive cash flows from the asset



INOX MERCANTILE COMPANY PRIVATE LIMITED

(b) Financial Liabilities

i. Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost or at fair value through profit or loss.

ii. Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

iii. Subsequent Measurement

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

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 the Statement of Profit and Loss.

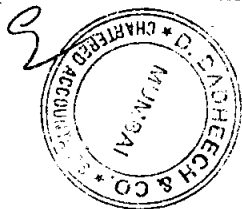
This category generally applies to interest amortised bearing loans and borrowings.

iv. 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 in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(c) Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.



INOX MERCANTILE COMPANY PRIVATE LIMITED

V Revenue Recognition

Interest income is accounted on an accrual basis at effective interest rate.

VI Income Tax

Income Tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

(a) Current Tax

Current Tax comprises 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 previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities can be offset only if the Company

- (i) has a legally enforceable right to set off the recognised amounts; and
- (ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred Tax

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. 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 realised. Such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

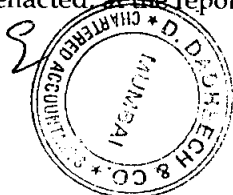
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- (i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.



INOX MERCANTILE COMPANY PRIVATE LIMITED

VII Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the time all the activities necessary to prepare the qualifying asset for its intended use or sale are complete are allocated to qualifying assets.

All other borrowing costs are recognised as an expense in the period which they are incurred.

VIII Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

IX Earnings Per Share

Basic earnings per share is computed by dividing the profit / loss after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

X Cash Flow Statement

Cash Flow Statement is prepared under the "Indirect Method" as prescribed under the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows".

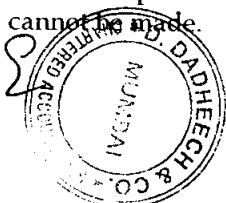
Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise of cash at bank and in hand and short term investments with original maturity of three months or less.

XI Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for -

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.



INOX MERCANTILE COMPANY PRIVATE LIMITED

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

XII Recent Accounting Developments

Standards issued but not yet effective: In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. As there is no such transaction of above nature at this stage, there will not be any effect due to above amendments.



INOX MERCANTILE COMPANY PRIVATE LIMITED

12 Other Notes forming part of Financial statements

I Transition to Ind AS:

The Company's financial statements for the year ended 31st March, 2017 are the first annual financial statements prepared in compliance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1st April, 2015 as the transition date. Ind AS 101 requires that all Ind AS that are effective for the first Ind AS Financial statements for the year ended 31st March, 2017, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Previous GAAP as at the Transition Date have been recognised directly in Equity at the Transition Date.

For the purposes of reporting, we have transitioned our basis of accounting from generally accepted accounting principles in India ("IGAAP") to Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31st March, 2017, the comparative information presented in these financial statements for the year ended 31st March, 2016 and in the preparation of an opening Ind AS Balance Sheet at 1st April, 2015 (the "transition date").

In preparing our opening Ind AS Balance Sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

A. Optional Exemption:

There are no optional exemptions taken by the Management for the purpose of first time adoption as per Ind AS 101.

B. Applicable Mandatory Exceptions :

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP.

(b) Classification and measurement of financial assets

As required under Ind AS 101, the Company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations :

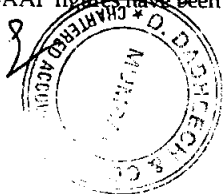
The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:



(i) Reconciliation of Balance Sheet as at 01-Apr-15

(Rs. In Lakhs)				
Particulars		Amount as per IGAAP *	Ind AS adjustments / reclassifications	Amount as per Ind AS
ASSETS				
A. Non Current Assets				
a. Investments		1,100.00	(1,100.00)	-
B. Current Assets				
a. Inventories		7,652.30	-	7,652.30
b. Financial Assets				
i. Cash and Cash Equivalents		3.74	-	3.74
ii. Other Financial Assets		29.66	-	29.66
TOTAL		8,785.70	(1,100.00)	7,685.70
EQUITY AND LIABILITIES				
A. Equity				
a. Equity Share Capital		1.00	-	1.00
b. Other Equity		(6.71)	1,068.25	1,061.54
B. Non Current Liabilities				
a. Financial Liabilities				
i. Borrowings		8,786.99	(3,137.84)	5,649.15
b. Deferred Tax Liabilities (Net)		-	969.59	969.59
C. Current Liabilities				
a. Financial Liabilities				
i. Trade Payables				
Micro and Small Enterprises		-	-	-
Others		4.33	-	4.33
ii. Other Financial Liabilities		-	-	-
b. Other Current Liabilities		-	-	-
c. Current Tax Liabilities		0.09	-	0.09
TOTAL		8,785.70	(1,100.00)	7,685.70

* IGAAP figures have been reclassified to conform to Ind AS presentation requirements of for the purpose of this note.



(ii) Reconciliation of Balance Sheet as at 31-Mar-16

(Rs. In Lakhs)

Particulars		Amount as per IGAAP *	Ind AS adjustments / reclassifications	Amount as per Ind AS
ASSETS				
A. Non Current Assets				
a. Investments		1,100.00	(1,100.00)	-
B. Current Assets				
a. Inventories		7,656.37	-	7,656.37
b. Financial Assets				
i. Cash and Cash Equivalents		5.21	-	5.21
ii. Other Financial Assets		29.66	-	29.66
TOTAL		8,791.24	(1,100.00)	7,691.24
EQUITY AND LIABILITIES				
A. Equity				
a. Equity Share Capital		1.00	-	1.00
b. Other Equity		(7.56)	448.95	441.39
B. Non Current Liabilities				
a. Financial Liabilities				
i. Borrowings		8,793.34	(2,241.60)	6,551.74
b. Deferred Tax Liabilities (Net)		-	692.65	692.65
C. Current Liabilities				
a. Financial Liabilities				
i. Trade Payables				
Micro and Small Enterprises		-	-	-
Others		4.37	-	4.37
ii. Other Financial Liabilities		-	-	-
b. Other Current Liabilities		-	-	-
c. Current Tax Liabilities		0.09	-	0.09
TOTAL		8,791.24	(1,100.00)	7,691.24



(iii) Reconciliation of Statement of Profit and Loss as at 31-Mar-16

(Rs. In Lakhs)

Particulars		Amount as per IGAAP	Ind AS adjustments / reclassifications	Amount as per Ind AS
INCOME:				
Other Income		-	-	-
Total Income		-	-	-
EXPENSES:				
Finance Costs		-	896.24	896.24
Other Expenses		0.85	-	0.85
Total Expenses		0.85	896.24	897.09
(Loss) Before Tax		(0.85)	(896.24)	(897.09)
Less : Tax Expense				
Current Tax			-	-
Deferred Tax			(276.94)	(276.94)
(Loss) For The Year		(0.85)	(619.30)	(620.15)
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the Year		(0.85)	(619.30)	(620.15)

(iv) Impact of adoption of Ind AS on Statement of Cash Flows for the year ended 31-Mar-16

There is no impact of Ind AS Adjustments on Cashflows for the year ended 31-Mar-16

(v) Reconciliation of Net Worth (Equity)

(Rs. In Lakhs)

Particulars	As at 01-Apr-15	As at 31-Mar-16
Net Worth under IGAAP	(5.71)	(6.56)
Summary of Ind AS adjustments		
Fair Valuation of Loan	3,137.84	3,137.84
Fair Valuation of Investments	(1,100.00)	(1,100.00)
Unwinding of Interest as per EIR	-	(896.24)
Deferred Tax on above adjustments	(969.59)	(692.65)
Total Ind AS adjustments	1,068.25	448.95
Net Worth under Ind AS	1,062.54	442.39

(vi) Reconciliation of Comprehensive Income

(Rs. In Lakhs)

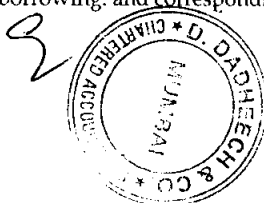
Particulars	As at 31-Mar-16
Profit after Tax under IGAAP	(0.85)
Summary of Ind AS adjustments	
Unwinding of Interest as per EIR	(896.24)
Deferred Tax on above adjustments	276.94
Total Ind AS adjustments	(619.30)
Comprehensive Income under Ind AS	(620.15)

(vii) Explanatory Notes

Borrowings

Ind AS 109 requires borrowings to be initially recognised at fair value and subsequently measured at amortised cost, using effective interest rate method. Accordingly, equity component of borrowings as at 01-Apr-15 has been recognised at Rs. 3137.84 lakh. Deferred tax liability has been created on the same at Rs. 969.59 lakh. Hence, the net increase in equity as per IGAAP amounts to Rs. 2168.25 lakh.

During FY 2015-16, interest expense has been recognised at Rs. 896.24 lakh upon partial unwinding of equity component of the borrowing, and corresponding deferred tax liability has been reversed to the extent of Rs. 276.94 lakh.



II Financial Instruments - Fair Values and Risk Management

A Accounting Classification and Fair Values

The carrying value of financial instruments by categories as at 31st March, 2017 is as follows:

(Rs. In Lakhs)

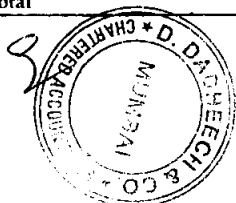
31-Mar-17	Carrying Amount			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	3.63	3.63
Interest Receivable	-	-	-	-
Balance with Banks in Deposit Account	-	-	-	-
Advances	-	-	29.66	29.66
Total	-	-	33.29	33.29
Financial Liabilities				
Trade Payables	-	-	1.46	1.46
Other Financial Liabilities - Borrowings	-	-	7,602.13	7,602.13
Total	-	-	7,603.59	7,603.59

The carrying value of financial instruments by categories as at 31st March, 2016 is as follows:

31-Mar-16	Carrying Amount			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	5.21	5.21
Interest Receivable	-	-	-	-
Balance with Banks in Deposit Account	-	-	-	-
Advances	-	-	29.66	29.66
Total	-	-	34.87	34.87
Financial Liabilities				
Trade Payables	-	-	4.37	4.37
Non Current Borrowings	-	-	6,551.74	6,551.74
Total	-	-	6,556.11	6,556.11

The carrying value of financial instruments by categories as at 1st April, 2015 is as follows:

31-Mar-16	Carrying Amount			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	3.74	3.74
Interest Receivable	-	-	-	-
Balance with Banks in Deposit Account	-	-	-	-
Advances	-	-	29.66	29.66
Total	-	-	33.40	33.40
Financial Liabilities				
Trade Payables	-	-	4.33	4.33
Non Current Borrowings	-	-	5,649.15	5,649.15
Total	-	-	5,653.48	5,653.48



Note No. i

The following table summarises financial liabilities measured at amortised cost, but fair value disclosure is required:

31-Mar-17	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Other Financial Liabilities - Borrowings	-	7,602.13	-	7,602.13
Total	-	7,602.13	-	7,602.13

31-Mar-16	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Non Current Borrowings	-	6,551.74	-	6,551.74
Total	-	6,551.74	-	6,551.74

1-Apr-15	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Non Current Borrowings	-	5,649.15	-	5,649.15
Total	-	5,649.15	-	5,649.15

Note No. ii

Carrying amounts of cash and cash equivalents, interest receivables, balance with banks in deposit account and trade payables as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 approximate the fair value.

B Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

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 policies. The Committee reports regularly to the Board of Directors on its activities

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies 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.



a Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investment in debt securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Balances with Banks are subject to low credit risk due to good credit rating assigned to these banks. There is no exposure in trade receivables or other financial assets, hence, there is no impairment on account of expected credit loss for the Company.

The carrying amount of following financial assets represents the maximum credit exposure:

i Cash and Cash Equivalents

The Company held Cash and Cash Equivalents of Rs. 3.63 lakh as at 31st March, 2017 (Rs. 5.21 lakh as at 31st March, 2016 and Rs. 2.8 lakh as at 1st April, 2015). The Cash and Cash Equivalents are held with bank.

ii Other Financial Assets

The Company held Other Financial Assets of Rs. 29.66 lakh as at 31st March, 2017 (Rs. 29.66 lakh as at 31st March, 2016 and Rs. 29.66 lakh as at 1st April, 2015). The Other Financial Assets consist of Balance in Deposit Account held with bank and Interest receivable thereon.

b 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.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of Cash and Cash Equivalents.

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.

(Rs. In Lakhs)

31-Mar-17	Carrying Amount	Total	Within 12 month	1-2 Year	2-5 Years	More than 5 Years
Trade Payables	1.46	1.46	1.46	-	-	-
Other Financial Liabilities- Borrowings	7,602.13	7,602.13	8,805.30	-	-	-

31-Mar-16	Carrying Amount	Total	Within 12 month	1-2 Year	2-5 Years	More than 5 Years
Trade Payables	4.37	4.37	4.37	-	-	-
Non Current Borrowings	6,551.74	6,551.74	-	8,793.34	-	-

1-Apr-15	Carrying Amount	Total	Within 12 month	1-2 Year	2-5 Years	More than 5 Years
Trade Payables	4.33	4.33	4.33	-	-	-
Non Current Borrowings	5,649.15	5,649.15	-	-	6,834.01	-



c Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices and will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

The Company is exposed to market risk primarily related to interest rate risk.

i Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. 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.

a Exposure to interest rate risk

Company's interest rate risk arises from Fixed Deposits and Long Term Borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the Management of the Company is as follows:

(Rs. In Lakhs)			
Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Fixed Rate Instruments			
Financial Assets			
Balance with Banks in Deposit Account	-	-	-
Financial Liabilities			
Unsecured Loan from Holding Company	7,602.13	6,551.74	5,649.15

b Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Company does not account for any fixed rate financial assets or liabilities at fair value. Therefore, a change in interest rates at the reporting date would not affect Profit or Loss.

III Auditors' Remuneration

(Rs. In Lakhs)		
Particulars	2016-17	2015-16
As Auditors		
a Audit Fees	0.77	0.74
b Service Tax on Fees and Reimbursement	0.11	0.11
Total	0.88	0.85

IV List of Related Parties and Transactions during the year as per Ind AS 24 Related Party Disclosures.

A. Ultimate Controlling Company

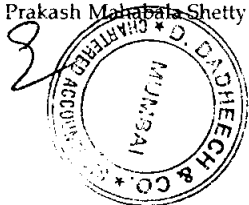
- 1 Peninsula Land Limited

B. Controlling Company

- 1 Peninsula Holdings & Investments Pvt. Ltd.

C. Key Management Personnel

- 1 Rajeev Ashok Piramal
- 2 Nandan Ashok Piramal
- 3 Rajendra Kumar Rewari
- 4 Prakash Mahabala Shetty



b Dividend

The Company has not declared any dividend during the current year and earlier years.

VII Tax Expense

a Amounts recognised in Profit and Loss

Particulars	(Rs. In Lakhs)	
	2016-17	2015-16
Current Income Tax	-	-
Deferred Income Tax Expense / (Income) [Net]		
Reversal of DTL on temporary differences	(320.87)	(276.94)
Deferred tax expense / (income)	(320.87)	(276.94)
Tax expense/ (benefit) for the year	(320.86)	(276.95)

b Deferred Tax Movement

FY 2015-16				(Rs. In Lakhs)
Particulars	As at 01-Apr-15	Recognised in		As at 31-Mar-16
		Profit or Loss	OCI	
Fair Valuation of Loan	969.59	(276.94)	-	692.65
Total	969.59	(276.94)	-	692.65

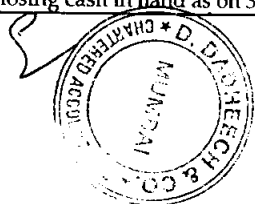
FY 2016-17				
Particulars	As at 31-Mar-16	Recognised in		As at 31-Mar-17
		Profit or Loss	OCI	
Fair Valuation of Loan	692.65	(320.87)	-	371.78
Total	692.65	(320.87)	-	371.78

c Reconciliation of tax expense and accounting profit multiplied by tax rate.

Particulars	(Rs. In Lakhs)	
	2016-17	2015-16
Profit before Tax	(1,038.84)	(897.09)
Tax at rate of Indian Income Tax Act	-	-
Tax effect of amounts which are not deductible/ (non-taxable)/taxable in calculating taxable income	-	-
Difference in rates of income tax considered for deferred tax purpose	(320.87)	(276.94)
Others	-	-
Tax Expense as per Income Tax Act, 1961	(320.87)	(276.94)

VIII As per Notification of Ministry of Corporate Affairs dated 30th March 2017 details of specified bank notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 are as provided in table below:

(Rs. In Lakhs)			
Particulars	SBNs	Other Denominations Notes	Total
Closing cash in hand as on 8th November 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount Deposited in banks	-	-	-
Closing cash in hand as on 30th December 2016	-	-	-



IX Disclosure as per The Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31st 2017. Hence, the information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not disclosed.

(Rs. In Lakhs)

X Contingent Liabilities

31-Mar-17 As at 31-Mar-16

i Claims under the Company not acknowledged as debts in respect of

a Contingent Liabilities are Nil. (Previous Year : Nil)

XI The 'management approach' as defined in "Ind AS 108 - Operating Segments" requires disclosure of segment-wise information based on the manner in which the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources in cases where a reporting entity operates in more than one business segment. Since the Company is primarily engaged in the business of real estate development which the Management and CODM recognise as the sole business segment, the disclosure of such segment-wise information is not required and accordingly, not provided.

XII The figures have been rounded off to two decimals in Lakh except for disclosure of SBN (Note VIII).

XIII The Company is registered with Ministry of Corporate Affairs under CIN U51900MH2006PTC160212

XIV There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the Balance Sheet date.

XV Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

As per our report of even date attached

D. Dadheech & Co.
Chartered Accountants
FR No. 101981 W

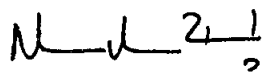
Devesh Dadheech
Membership No. 033909
Proprietor

Place: Mumbai
Date: 8th May, 2017



For and on behalf of Board of Directors


Rajeev Piramal
Director DIN No.00044983


Nandan Piramal
Director DIN No.00045003