

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF****FABCITY PROPERTIES PRIVATE LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **FABCITY PROPERTIES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these 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 (financial position) of the Company as at March 31, 2018, and its Profit (financial performance) and its Cash Flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further to our comments in Annexure 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 purpose 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 Standalone Financial Statements 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
  - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 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, refer to our separate Report in "Annexure B".



g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended) 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 long term contracts which would impact on its standalone 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 disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and are not relevant to these standalone financial statements. Hence reporting under this clause is not applicable.

For K. VENKATACHALAM AIYER & Co  
Chartered Accountants  
ICAI Firm Registration No.: 0046105

  
CA Sreevats Gopalakrishnan  
Partner  
Membership No. 227654



Place : New Delhi  
Date : June 5, 2018

Annexure A to the Independent Auditors Report of even date to the members of Fabcity Properties Private Limited on the standalone financial statements for the year ended March 31, 2018

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

1. As the Company has not acquired any fixed assets till the date of balance sheet, the question of maintenance of proper records and physical verification thereof does not arise.
2. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
3. The Company has granted unsecured loan to Vijay Nivas Real Estates Pvt. Ltd, a company covered in the Register maintained under section 189 of the Act and with respect to the same:
  - (a) In our opinion the terms and conditions of grant of such loans granted are not prima facie prejudicial to the interest of the company.
  - (b) The borrower company is regular in repaying principal amount and interest as per the terms of repayment agreed upon.
  - (c) There is no overdue on the loans.
4. In our opinion and according to the information and explanation given to us, the requirement entering details in the register maintained under section 189 of the Companies Act, 2013 does not apply.
5. In our opinion and according to the information and explanation given to us, the company has not granted any loan, made any investment, gave complied with the provisions of section 185 and 186 of the Companies Act 2013, as applicable, in respect of loans, investments, guarantees, and security.
6. In our opinion, the company has not accepted deposits from the public during the year and as such this clause is not applicable.
7. The Central Government has not prescribed for the maintenance of cost records under sub-section (1) of Section 148 of the Act, for the activities of the company, and hence this clause is not applicable.
8. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Goods and Services Tax, Cess and any other statutory dues with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the yearend for a period of more than six months from the date they became payable.



9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to any financial institution or bank or Government.
10. In our opinion and on the basis of the books of accounts and other records examined by us, the Company has not availed any Term Loans during the year.
11. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across or reported any instance of fraud by the Company nor any fraud on the Company by its officers or employees.
12. Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration is not paid by the Company during the year and hence provisions of clause 3(xi) of the order are not applicable.
13. The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013, as applicable, and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
15. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
16. In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under section 192 of the Act. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
17. The Company is not engaged in the business of Non-Banking Financial Institution and hence the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For **K. VENKATACHALAM AIYER & Co**  
Chartered Accountants  
ICAI Firm Registration No.: 0046105

  
**CA Sreevats Gopalakrishnan**  
Partner  
Membership No. 227654



Place : New Delhi  
Date : June 5, 2018

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**Annexure B to the Independent Auditor's Report of even date to the members of Fabcity Properties Private Limited on the standalone financial statements for the year ended March 31, 2018**

(Referred to in paragraph 2(f) under 'Report on Other Legal & Regulatory Requirement' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Fabcity Properties Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and the Guidance Note 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 were 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

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financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of 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 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.



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## 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **K. Venkatachalam Aiyer & Co**  
Chartered Accountants  
ICAI Firm Registration No. 004610S

  
**CA Sreevats Gopalakrishnan**  
Partner  
Membership No. 227654



Place : New Delhi  
Date : June 5, 2018



# Fabcity Properties Pvt. Ltd

Ground Floor, Skip House, No. 25/1, Museum Road, Bangalore- 560025  
CIN:U45200KA2008PTC045234

## Balance Sheet as at March 31, 2018

( Amount in Rs.)

| Particulars                      | Note No. | March 31, 2018    | March 31, 2017    |
|----------------------------------|----------|-------------------|-------------------|
| <b>I. EQUITY AND LIABILITIES</b> |          |                   |                   |
| <b>1 Shareholders' funds</b>     |          |                   |                   |
| (a) Share capital                | 3        | 1,500,000         | 1,500,000         |
| (b) Reserves and surplus         | 4        | (9,658,302)       | (9,621,187)       |
| <b>Non-current liabilities</b>   |          |                   |                   |
| (a) Long-term borrowings         | 5        | 73,718,000        | 73,618,000        |
| <b>2 Current liabilities</b>     |          |                   |                   |
| (a) Other current liabilities    | 6        | 159,884           | 159,499           |
| (b) Short-term provisions        | 7        | -                 | 13,828            |
| <b>Total</b>                     |          | <b>65,719,582</b> | <b>65,670,140</b> |
| <b>II. ASSETS</b>                |          |                   |                   |
| <b>1 Non-current assets</b>      |          |                   |                   |
| (a) Non-current investments      | 8        | 100,000           | 100,000           |
| (b) Long-term loans and advances | 9        | 1,300,000         | 1,300,000         |
| <b>2 Current assets</b>          |          |                   |                   |
| (a) Inventories                  | 10       | 64,026,950        | 64,026,950        |
| (b) Cash and cash equivalents    | 11       | 292,632           | 233,346           |
| (c) Other current assets         | 12       | -                 | 9,844             |
| <b>Total</b>                     |          | <b>65,719,582</b> | <b>65,670,140</b> |

Corporate Information about the company 1  
Summary of Significant Accounting Policies 2  
The accompanying notes are an integral part of the Financial statements 3 to 23

As per our report of even date attached  
For K Venkatachalam Aiyer & Co

Chartered Accountants  
Firm Regn.No.004610S



CA Sreevats Gopalakrishnan  
Partner

M.No.227654

For and on behalf of the Board of Directors of  
Fabcity Properties Pvt. Ltd

*K. Sreemannarayana*

K. Sreemannarayana  
Director

DIN: 01876402

*Ravi Majeti*

Ravi Majeti  
Director

DIN:07106220



Place : New Delhi  
Date : June 5, 2018

## Fabcity Properties Pvt. Ltd

Ground Floor, Skip House, No. 25/1, Museum Road, Bangalore- 560025  
CIN:U45200KA2008PTC045234

### Profit and loss statement for the year ended March 31, 2018

( Amount in Rs.)

| Particulars |   | Note No. | March 31, 2018 | March 31, 2017 |
|-------------|---|----------|----------------|----------------|
| I.          | Other income  | 13       | -              | 79,904         |
| II          | <b>Total Revenue</b>  |          | -              | 79,904         |
| III         | <b>Expenses:</b>  |          |                |                |
|             | Other expenses  | 14       | 27,814         | 40,464         |
|             | Finance costs   | 15       | 685            | 10             |
|             | <b>Total expenses</b>                                       |          | 28,499         | 40,474         |
| IV          | <b>Profit/(loss) before tax (II-III)</b>                    |          | (28,499)       | 39,430         |
| V           | <b>Tax expense:</b>   |          |                |                |
|             | Current tax   |          | -              | 12,184         |
|             | Previous years taxes  |          | 8,616          | (14,934)       |
| VI          | <b>Profit /(Loss) for the period (IV - V)</b>               |          | (37,115)       | 42,180         |
| VII         | <b>Earnings per equity share: ( Face value Rs. 10 each)</b> |          |                |                |
|             | Basic & Diluted   |          | (0.25)         | 0.28           |

Corporate Information about the company 1  
Summary of Significant Accounting Policies 2

The accompanying notes are an integral part of the Financial statements 3 to 23

As per my Report of even date attached  
For K Venkatachalam Aiyer & Co  
Chartered Accountants  
Firm Regn.No.004610S



**CA Sreevats Gopalakrishnan**  
Partner  
M.No.227654

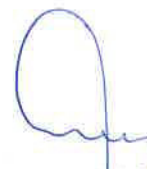
Place : New Delhi  
Date : June 5, 2018



For and on behalf of the Board of Directors of  
Fabcity Properties Pvt. Ltd



**K. Sreemannarayana**  
Director  
DIN: 01876402



**Ravi Majeti**  
Director  
DIN:07106220



**FABCITY PROPERTIES PVT. LTD.**  
Ground Floor, Skip House, No. 25/1, Museum Road, Bangalore- 560025  
CIN:U45200KA2008PTC045234

**Cash flow statement for the year ended March 31, 2018**

Amount in Rs.

|  | March 31, 2018  | March 31, 2017     |
|--|-----------------|--------------------|
| <b>Cash flow from operating activities</b>                           |                 |                    |
| Profit before tax from continuing operations                         | (28,499)        | 39,430             |
| Profit before tax from discontinuing operations                      |                 | -                  |
| <b>Profit before tax</b>   | <b>(28,499)</b> | <b>39,430</b>      |
| Non-cash adjustment to reconcile profit before tax to net cash flows |                 |                    |
| Profit on sale of current investments (other than trade)             | -               | (79,904)           |
| <b>Operating profit before working capital changes</b>               | <b>(28,499)</b> | <b>(40,474)</b>    |
| Movements in working capital :                                       |                 |                    |
| Increase/ (decrease) in other current liabilities                    | 385             | 16,158             |
| Decrease / (increase) in short term provisions                       | (13,828)        | -                  |
| Decrease / (increase) in other current assets                        | -               | 146,935            |
| Decrease / (Increase) long term loans and advances                   | -               | (1,300,000)        |
| <b>Cash generated from / (used in) operations</b>                    | <b>(41,942)</b> | <b>(1,177,381)</b> |
| Direct taxes paid (net of refunds)                                   | 1,228           | 2,750              |
| <b>Net cash flow from/ (used in) operating activities (A)</b>        | <b>(40,714)</b> | <b>(1,174,631)</b> |
| <b>Cash flows from investing activities</b>                          |                 |                    |
| Purchase of fixed assets, including CWIP and capital advances        | -               | (153,000)          |
| Proceeds from sale/maturity of current investments (net)             | -               | 1,379,903          |
| <b>Net cash flow from/ (used in) investing activities (B)</b>        | <b>-</b>        | <b>1,226,903</b>   |
| Proceeds from long-term borrowings                                   | 100,000         | -                  |
| <b>Net cash flow from/ (used in) in financing activities (C)</b>     | <b>100,000</b>  | <b>-</b>           |
| Net increase/(decrease) in cash and cash equivalents (A + B + C)     | 59,286          | 52,273             |
| Cash and cash equivalents at the beginning of the year               | 233,346         | 181,073            |
| Cash and cash equivalents at the end of the year                     | <b>292,632</b>  | <b>233,346</b>     |
| <b>Components of cash and cash equivalents</b>                       |                 |                    |
| With banks- on current account                                       | 292,632         | 233,346            |
| <b>Total cash and cash equivalents</b>                               | <b>292,632</b>  | <b>233,346</b>     |

Corporate Information about the company

1

Summary of Significant Accounting Policies

2

The accompanying notes are an integral part of the Financial statements

3 to 23

**As Per our Report of even date attached**

**For K Venkatachalam Aiyer & Co**

Chartered Accountants

Firm Regn.No.004610S

**CA Sreevats Gopalakrishnan**

**Partner**

M.No.227654



**For and on behalf of the Board of Directors of  
Fabcity Properties Pvt. Ltd**

*K. Sreemannarayana*

**K. Sreemannarayana**

**Director**

DIN: 01876402

*Ravi Majeti*

**Ravi Majeti**

**Director**

DIN:07106220



Place : New Delhi

Date : June 5, 2018

Fabcity Properties Private Limited  
Ground Floor, Skip House, No.25/1, Museum Road, Bangalore – 560 025.  
CIN: U45200KA2008PTC045234  
Statement of Significant Accounting Policies and Notes to the Accounts

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**Note-1 Corporate Information about the company**

FABCITY Properties Private Limited domiciled in India and incorporated on 8<sup>th</sup> February' 2008, under the provisions of the Companies Act, 1956. The company is in the business of dealing in real estate, property development, estate agency to acquire by purchase, exchange, net or otherwise deal in lands, buildings or any estate or interest therein and any rights over or connected with lands so situated and laying out, developing land for industrial purpose, building and preparing sites by planting, paving, drawing and by constructing offices, flats, service flats, hotels, warehouses, shopping and commercial complexes, by leasing, letting or renting, selling (by installments, ownership, hire purchase basis or otherwise or disposing of the same). FABCITY Properties Private Limited is a subsidiary company of GMR Enterprises Private Limited.

**Note-2 Significant accounting policies**

i. Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii. Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- a. Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.
- b. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- c. Profit/ loss on sale of mutual funds are recognized when the title to mutual funds ceases to exist.

iii. Fixed assets

Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and freight, duties levies and borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Assets under installation or under construction as at balance sheet are shown as Capital work in progress.





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Statement of Significant Accounting Policies and Notes to the Accounts

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iv. Depreciation / Amortization

Tangible assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management or rates prescribed under Schedule II Companies Act, 2013 whichever is higher, except for assets individually costing less than Rs.5,000, which are fully depreciated in the year of acquisition.

Leasehold land is amortized over the tenure of the lease. Leasehold improvements are amortized over the primary period of the lease or estimated useful life whichever is shorter.

Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

Intangible assets

Software is amortized based on the useful life of six years on a straight line basis as estimated by the management

v. Impairment of tangible and intangible 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 or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU 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 assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

vi. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Non-Current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



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vii. Inventories

Land held as inventory is valued at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

viii. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or 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.

ix. Taxes on Income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available



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Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

x. Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter segment Transfers:

The Company accounts for intersegment sales/ transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated Items:

Includes income tax, deferred tax charge or credit and the related tax liabilities and tax assets. Also includes interest expense or interest income and related interest generating assets, interest bearing liabilities, which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.





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xi. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

xii. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

xiii. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

xiv. 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. The contingent Liability existing as on 31<sup>st</sup> Mar'18 being Rs. Nil (Mar 17- Rs. Nil)





Notes to the financial statements for the year ended March 31, 2018

**3. Share capital**

| Particulars                                     | March 31, 2018 |                  | March 31, 2017 |                  |
|---|----------------|------------------|----------------|------------------|
|   | Number         | Amount in Rs.    | Number         | Amount in Rs.    |
| <b>Authorised</b>                               |                |                  |                |                  |
| Equity shares of Rs. 10/- each                  | 150,000        | 1,500,000        | 150,000        | 1,500,000        |
| <b>Issued, Subscribed &amp; Paid up Capital</b> |                |                  |                |                  |
| Equity shares of Rs. 10/- each                  |                |                  |                |                  |
| At the beginning of the reporting period        | 150,000        | 1,500,000        | 150,000        | 1,500,000        |
| Issued during the year                          | -              | -                | -              | -                |
| Cancelled during the year                       | -              | -                | -              | -                |
| <b>At the close of the reporting period</b>     | <b>150,000</b> | <b>1,500,000</b> | <b>150,000</b> | <b>1,500,000</b> |

**a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

| Particulars                                      | March 31, 2018 |                  | March 31, 2017   |                   |
|--|----------------|------------------|------------------|-------------------|
|  | Number         | Amount in Rs     | Number           | Amount in Rs      |
| Shares outstanding at the beginning of the year  | 150,000        | 1,500,000        | 1,500,000        | 15,000,000        |
| Shares Issued during the year                    | -              | -                | -                | -                 |
| Shares bought back during the year               | -              | -                | -                | -                 |
| <b>Shares outstanding at the end of the year</b> | <b>150,000</b> | <b>1,500,000</b> | <b>1,500,000</b> | <b>15,000,000</b> |

**b) Terms/rights attached to Equity shares**

The company has only one class of equity shares having a par value of Rs.10 per share. Every member holding equity shares shall have voting rights in proportion to his shares to the paid up equity share capital. The company declares and pays dividend in Indian rupees. The Dividend proposed by the Board of Directors, if any, is subject to the approval of the share holders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares would be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

**c) Share held by Holding/Ultimate Holding company and or their subsidiaries /Associates**

Out of equity shares issued by the company, shares held by its holding company, ultimate Holding company and their subsidiaries /associates are as below

(Amount in Rs.)

| Name of Shareholder                                   | March 31, 2018     |                  | March 31, 2017     |                  |
|---|--------------------|------------------|--------------------|------------------|
|   | No. of Shares held | Amount           | No. of Shares held | Amount           |
| GMR Enterprises Private Limited                       | 149,990            | 1,499,900        | 149,990            | 1,499,900        |
| Mr.Govinda Bhat P Jointly with GMR Enterprise Pvt Ltd | 10                 | 100              | 10                 | 100              |
| <b>Total</b>  | <b>150,000</b>     | <b>1,500,000</b> | <b>150,000</b>     | <b>1,500,000</b> |

**d) Shares in the company held by each shareholder holding more than 5 percent shares**

| Name of Shareholder             | March 31, 2018 |              | March 31, 2017 |              |
|---------------------------------|----------------|--------------|----------------|--------------|
|                                 | No. of Shares  | % of Holding | No. of Shares  | % of Holding |
| GMR Enterprises Private Limited | 149,990        | 99.99%       | 149,990        | 99.99%       |

**4 Reserves and surplus**

Amount in Rs.

| Particulars                                    | March 31, 2018     | March 31, 2017     |
|--|--------------------|--------------------|
| Opening balance                                | (9,621,187)        | (9,663,367)        |
| (+) Net Profit/(Net Loss) For the current year | (37,115)           | 42,180             |
| <b>Total</b>                                   | <b>(9,658,302)</b> | <b>(9,621,187)</b> |

**5 Long term Borrowings**

Amount in Rs.

| Particulars                         | March 31, 2018    | March 31, 2017    |
|-------------------------------------|-------------------|-------------------|
| Loans from GMR Enterprises Pvt. Ltd | 73,718,000        | 73,618,000        |
| <b>Total</b>                        | <b>73,718,000</b> | <b>73,618,000</b> |



Notes to the financial statements for the year ended March 31, 2018

**6. Other Current Liabilities** Amount in Rs.

| Particulars                         | March 31, 2018 | March 31, 2017 |
|-------------------------------------|----------------|----------------|
| Audit fee payable                   | 11,800         | 11,500         |
| Non trade payables                  | 121,440        | 121,355        |
| Non trade payables -Group companies | 26,644         | 26,644         |
| <b>Total</b>                        | <b>159,884</b> | <b>159,499</b> |

**7. Short Term Provisions** Amount in Rs.

| Particulars            | March 31, 2018 | March 31, 2017 |
|------------------------|----------------|----------------|
| Provision for taxation | -              | 13,828         |
| <b>Total</b>           | <b>-</b>       | <b>13,828</b>  |

**8. Non current investments** Amount in Rs.

| Particulars   | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
|   | Amount in Rs.  | Amount in Rs.  |
| <u>unquoted equity shares in Group Companies</u>  |                |                |
| Investments in GMR Bannerghatta Properties Pvt Ltd.,<br>10,000 Nos Shares Rs. 10/- each | 100,000        | 100,000        |
| <b>Total</b>  | <b>100,000</b> | <b>100,000</b> |

**9. Long Term Loans and advances** Amount in Rs.

| Particulars                                     | March 31, 2018   | March 31, 2017   |
|---|------------------|------------------|
| a. Loans and advances to Group Companies        |                  |                  |
| Unsecured, considered good                      | 1,300,000        | 1,300,000        |
| Less: Provision for doubtful loans and advances | -                | -                |
| <b>Total</b>                                    | <b>1,300,000</b> | <b>1,300,000</b> |

**10. Inventories** Amount in Rs.

| Particulars                            | March 31, 2018    | March 31, 2017    |
|--|-------------------|-------------------|
| Stock-in-trade (Valued at cost)        | 64,026,950        | 64,026,950        |
| (Land at Fabcity ,Hyderabad and Rajam) |                   |                   |
|  | <b>64,026,950</b> | <b>64,026,950</b> |

**11. Cash and cash equivalents** Amount in Rs.

| Particulars                             | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Balances with banks in current accounts | 292,632        | 233,346        |
| <b>Total</b>                            | <b>292,632</b> | <b>233,346</b> |

**12. Other Current Assets** Amount in Rs.

| Particulars      | March 31, 2018 | March 31, 2018 |
|------------------|----------------|----------------|
| Advance tax paid | -              | 9,844          |
| <b>Total</b>     | <b>-</b>       | <b>9,844</b>   |



**Fabcity Properties Pvt. Ltd**  
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**Notes to the financial statements for the year ended March 31, 2018**

| <b>13 Other income</b>                |                       | <b>Amount in Rs.</b>  |
|---------------------------------------|-----------------------|-----------------------|
| <b>Particulars</b>                    | <b>March 31, 2018</b> | <b>March 31, 2017</b> |
| Profit on sale of current investments | -                     | 79,904                |
| <b>Total</b>                          | <b>-</b>              | <b>79,904</b>         |

| <b>14. Other expenses</b>                  |                       | <b>Amount in Rs.</b>  |
|--|-----------------------|-----------------------|
| <b>Particulars</b>                         | <b>March 31, 2018</b> | <b>March 31, 2017</b> |
| Legal & Professional fees                  | 12,872                | 14,519                |
| Rates and taxes                            | 4,942                 | 2,950                 |
| Maintenance charges                        | -                     | 12,995                |
| Statutory audit fees (Refer details below) | 10,000                | 10,000                |
| <b>Total</b>                               | <b>27,814</b>         | <b>40,464</b>         |

| <b>Payment to auditor</b> |                       | <b>Amount in Rs.</b>  |
|---------------------------|-----------------------|-----------------------|
| <b>Particulars</b>        | <b>March 31, 2018</b> | <b>March 31, 2017</b> |
| As auditor:               |                       |                       |
| Audit fees                | 10,000                | 10,000                |
| <b>Total</b>              | <b>10,000</b>         | <b>10,000</b>         |

| <b>15. Finance costs</b> |                       | <b>Amount in Rs.</b>  |
|--------------------------|-----------------------|-----------------------|
| <b>Particulars</b>       | <b>March 31, 2018</b> | <b>March 31, 2017</b> |
| Bank charges             | 685                   | 10                    |
| <b>Total</b>             | <b>685</b>            | <b>10</b>             |



Notes to the financial statement for the year ended March 31, 2018

**16. Contingent Liabilities:-**

- a) Capital commitments:-Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances Rs. Nil (March 31, 2017 - Rs. Nil).
- b) The company has offered its 10 Acres land held as stock in trade as security to IFCI Limited for the loan availed by one of the group companies.

**17. Related Party transactions**

- a) Name of Related Parties and description of Relationship.

| FABCITY Properties Private Limited - Related parties |  |   |
|--|--|---|
| (i)  | Enterprises that control the Company                             | GMR Enterprises Private Limited (GEPL)  |
| (ii)   | Fellow Subsidiary Companies<br>( Where transactions taken place) | GMR Bannerghatta Properties Pvt. Ltd ( GBPPL)<br>Vijay Nivas Real Estates Pvt. Ltd ( VNREPL)  |
| (iii)  | Key Management Personnel   | Mr. M.V.Srinivas - Director *<br>Mr. P.Govinda Bhat – Director *<br>Mr. K. Sreemannarayana - Director **<br>Mr. Ravi Majeti – Director **<br>Mr. Purnachandra Rao Gollapudi - Director, |

\* Ceased to be Director of the Company w.e.f 24<sup>th</sup> July'2017.

\*\* appointed as Director on the Board of the Company w.e.f 24<sup>th</sup> July'2017

- b) Summary of transactions with the above related parties is as below:

| Particulars  | (Amount in Rupees) |                |
|--|--------------------|----------------|
|  | March 31, 2018     | March 31, 2017 |
| i) Loan received from<br>- Holding Company – GEPL  | 1,00,000           | -              |
| ii) Loan given to:<br>- Fellow subsidiary – VNREPL | -                  | 13,00,000      |

- c) Balance as on 31<sup>st</sup> March 2018 is as under for following related parties.

| Name of the company  | (Amount in Rupees) |                |
|--|--------------------|----------------|
|  | March 31, 2018     | March 31, 2017 |
| i) Equity Share Capital<br>- Enterprises that Control the Company – GEPL | 14,99,900          | 14,99,900      |
| ii) Loan from<br>- Enterprises that Control the Company – GEPL           | 7,37,18,000        | 7,36,18,000    |
| iii) Loan given to<br>- Fellow subsidiary – VNREPL                       | 13,00,000          | 13,00,000      |
| iv) Balance Payable to<br>- Fellow Subsidiary – GBPPL                    | 1,644              | 1,644          |



Notes to the financial statement for the year ended March 31, 2018

**18. Earnings per Share (EPS)**

| (Amount in Rupees)   |                |                |
|--|----------------|----------------|
| Particulars  | March 31, 2018 | March 31, 2017 |
| Nominal value of Equity Shares(Rs. Per share)                              | 10             | 10             |
| Total No. of Equity Shares outstanding at the beginning of the Period/Year | 1,50,000       | 1,50,000       |
| Total No. of Equity Shares outstanding at the end of the Period/Year       | 1,50,000       | 1,50,000       |
| Weighted average No. of Equity shares for Basic earnings per Share         | 1,50,000       | 1,50,000       |
| Profit / (loss) as per Profit and loss Account (Rs.)                       | (37,115)       | 42,180         |
| Less: Dividend on Preference shares (including tax thereon)                | -              | -              |
| Profit/ (Loss) for Earning per share (Rs.)                                 | (37,115)       | 42,180         |
| Earnings per Share (EPS) (Rs.)   | (0.25)         | 0.28           |

**19. Segment Reporting**

The company is solely engaged primarily in the business of procurement of land for developing. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Accounting Standard (AS-17) on Segment Reporting issued by the ICAI are not applicable to the present activities of the company.

**20. Pending litigations:**

- a) The Company does not have any pending litigations which would impact its financial position as on 31<sup>st</sup> March, 2018.
- b) There are no micro and small enterprises to which the company owes dues which are outstanding for more than 45 days as at March 31, 2018. This information, as required to be disclosed under the Micro Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the company

**21. Foreseeable losses:**

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

**22. Expenditure in Foreign Currency: Nil (2017:Nil).**

**23. Previous year's figures have been re-grouped and reclassified, wherever necessary, to conform to those of current year.**

**For K Venkatachalam Aiyer & Co.,**  
Chartered Accountants  
Firm Registration Number: 004610S

**For and on Behalf of Board of Directors of  
Fabcity Properties Pvt. Ltd**

**CA Sreevats Gopalakrishnan**  
Partner  
M No: 227654

**K.Sreemannarayana**  
Director  
DIN No.01876402

**Ravi Majeti**  
Director  
DIN No. 07106220

Place: New Delhi .  
Date: June 5, 2018

