B. Purushottam & Co.,
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the members of Honeyflower Estates Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Honeyflower Estates Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, (including the statement of Other Comprehensive Income/loss), the Cash Flow Statement and the Statement of Changes in Equity 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 is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income/loss), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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.

Flat No.3-D, "PIONEER HOMES", 23/A, North Boag Road, T. Nagar, Chennai - 600 017.
Phone : 28152515, 42013486, Fax : 42013485 Email : bpcchennai@gmail.com

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, its profit (financial performance including other comprehensive income/loss), its cash flows and the changes in equity 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. 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

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(c) The Balance Sheet, Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

(e) On the basis of written representations received from the directors as on March 31, 2018, 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) As the Company is a private limited company, not having turnover more than rupees fifty crores as per last audited financial statements and which does not have aggregate borrowings exceeding twenty five crore rupees from any bank or financial institution or any body corporate at any point of time during the financial year, the reporting on Internal financial control u/s 143(3)(i) of Companies act, 2013 is not applicable.

(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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company did not have any pending litigations which would impact its financial position in its Ind AS financial position.

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.

For B.Purushottam & Co.,
Chartered Accountants
Reg No : 002808S

K.V.N.S Kishore
Partner
M.No : 206734

B. PURUSHOTTAM & CO. CHARTERED ACCOUNTANTS 23/A, North Boag Road, T. Nagar, Chennai 600 017

Place : Bangalore
Date : 21.04.2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of **Honeyflower Estates Private Limited** on the financial statements for the year ended 31st March 2018, we report that:

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the company.

(ii) The Company does not have any inventory during the year and hence reporting under this clause does not arise.

(iii) As per records of the company and as per the information and explanations given to us the company has not granted loans, secured or unsecured to companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, hence reporting under this clause does not arise.

(iv) The company has not accepted deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

(vi) Maintenance of cost records is not prescribed under sub-section (1) of section 148 of the Companies Act, 2013,hence reporting under this clause does not arise.

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(vii) (a) As per the information and explanations given to us, the provisions of the Employees State Insurance Act do not apply to the Company. The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and there were no undisputed amounts payable in respect of income tax and cess which were outstanding as on 31.03.2018 for a period of more than six months from the date on which they became due.

(b) No dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.

(viii) According to information and explanations given to us and based on our examination of records of the company, the company has not accepted any loans or borrowing from a financial institution, bank, Government or from a debenture holders. Hence reporting under this clause doesn't arise.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans.

(x) According to the information and explanations given to us no fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and so the limits for payment of managerial remuneration specified in Sec 197 and Schedule V are not applicable. Hence, we have no comments to offer.

(xii) The Company is not Nidhi Company hence reporting under this clause is not applicable.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;

B. PURUSHOTTAM & CO. CHARTERED ACCOUNTANTS

(xiv) According to information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year under review, hence reporting under this clause does not arise.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B.Purushottam & Co.,
Chartered Accountants
Reg No : 002808S

K.V.N.S Kishore
Partner
M.No : 206734

B. PURUSHOTTAM & CO. CHARTERED ACCOUNTANTS
23/A, North Boag Road, T Nagar, Chennai 600 017

Place : Bangalore
Date : 21.04.2018

Honey Flower Estates Pvt Ltd
CIN: U70100KA2003PTC032917
IND AS Balance sheet as at 31st March 2018

	Notes	31st March 2018	31st March 2017
		Amount in Rs.	Amount in Rs.
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	22,288,882	27,024,012
Capital work-in-progress		-	-
Investment Property	4	362,795,028	367,311,044
Other Intangible assets		5,401	7,201
Other non-current assets	5	374,510	686,529
		385,463,821	**395,028,786**
Current assets			
Financial Assets			
Trade receivables	6	2,866,599	116,556
Cash and cash equivalents	7	3,880,177	3,855,141
Short-term loans and advances	8	45,200	614,743
Others	9	7,000	7,000
Other current assets	10	12,872,717	7,622,184
		19,671,693	**12,215,624**
Total Assets		**405,135,515**	**407,244,410**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	11	47,600,000	47,600,000
Other Equity	12	323,801,644	295,210,600
Total equity		**371,401,644**	**342,810,600**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Long-term borrowings	13	-	18,153,547
Other financial liabilities	14	3,583	2,085,579
		3,583	**20,239,126**
Current liabilities			
Financial Liabilities			
Trade and other payables	15	819,809	438,563
Other financial liabilities	14	30,312,684	41,376,859
Other current liabilities	16	490,229	16,057
Short-term Provisions	17	2,107,566	2,363,206
		33,730,287	**44,194,685**
Total Equity and Liabilities		**405,135,515**	**407,244,410**

The above notes form an integral part of the balance sheet. 1-22

As per our report of even date

For B. Purushottam & Co.,
Chartered Accountants
Firm Registration No. : 002808S

KVNS Kishore
Partner
M No 206734

Place: Bangalore
Date: 21.04.2018

For and on behalf of the board of directors of Honey Flower Estates Private Limited

Vasudeva Rao Yanduri
Director
DIN: 05337020

Ravi Reddi
Director
DIN no: 03546630

B. PURUSHOTTAM & CO. 25 A, North Boag Road, T. Nagar, Chennai 600 017 CHARTERED ACCOUNTANTS

Honey Flower Estates Private Limited

Honey Flower Estates Pvt Ltd

CIN: U70100KA2003PTC032917

IND AS Statement of profit and loss for the year ended 31st March 2018

		31st March 2018	31st March 2017
		Amount in Rs.	Amount in Rs.
Revenue from operations	18	49,835,316	45,744,497
Other income	19	13,794	231,130
Finance income			
Total Income		**49,849,110**	**46,025,627**
Depreciation and amortisation expenses	20	9,252,947	9,289,888
Finance costs	21	723,483	2,938,150
Other expenses	22	7,281,636	9,088,928
Share of (profit)/loss of an associate and a joint venture		-	-
Total Expenses		**17,258,066**	**21,316,966**
Profit/(loss) before exceptional items and tax from continuing operations		**32,591,044**	**24,708,661**
Exceptional items		-	-
Profit/(loss) before and tax from continuing operations		**32,591,044**	**24,708,661**
Other Comprehensive Income		-	-
(1) Current tax		4,000,000	2,472,199
(2) Adjustment of tax relating to earlier periods		-	-
(3) Deferred tax		-	-
Profit/(loss) for the year from continuing operations		**28,591,044**	**22,236,462**
Earnings per share for continuing operations Basic & Diluted, profit from continuing operations attributable to equity holders of the parent @ Rs.10 Per Share		6.01	4.67

The above notes form an integral part of the balance sheet. 1-22

As per our report of even date

For B. Purushottam & Co.,
Chartered Accountants
Firm Registration No. : 002808S

KVNS Kishore
Partner
M No 206734

Place: Bangalore
Date: 21.04.2018

For and on behalf of the board of directors of Honey Flower Estates Private Limited

Vasudeva Rao Yanduri
Director
DIN: 05337020

Ravi Reddi
Director
DIN no: 03546630

Honeyflower Estates Private Limited

CIN: U70100KA2003PTC032917

Ground Floor, Skip House 25/1 Museum Road, Bangalore - 560 025

Cash Flow Statement for the year ended 31st March 2018

Particulars	For the Year ended 31st March 2018 Rs.	For the Year ended 31st March 2017 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation & Extraordinary Items	32,591,044	24,708,66
Adjustments for:		
Depreciation	9,252,947	9,289,88[illegible]
Interest & Financial Charges	723,483	2,938,15[illegible]
Operating profit before working capital changes	42,567,474	36,936,69[illegible]
(+) Changes in current liabilities	(12,546,394)	(12,475,09[illegible])
	30,021,080	24,461,605
(-) Taxes paid	4,000,000	2,472,19[illegible]
Net Cash Flow from Operating Activities	26,021,080	21,989,407
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
(Increase) in Fixed Assets		(4,711,504)
(Increase)/Decrease in Investments	-	-
(Increase)/Decrease in Current Assets	(7,431,033)	4,739,062
(Increase)/Decrease in non Current Assets	312,019	(325,835)
(Increase)/Decrease in Loans & Advances	-	-
Net Cash Flow from Investing Activities	(7,119,014)	(298,2[illegible]7)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease) in Secured Loans	(18,153,547)	(35,243,2[illegible]7)
Increase in Share Capital	-	-
Increase in Share Premium	-	-
Decrease/(Increase) in Share Application Money	-	-
Interest & Financial Charges	(723,483)	(2,938,1[illegible]0)
Net Cash Flow from Financing Activities	(18,877,030)	(38,181,3[illegible]7)
Net Increase in cash and cash equivalents	25,036	(16,490,2[illegible]7)
Cash & Cash Equivalents at the beginning of the year	3,855,141	20,345,3[illegible]0
Cash & Cash Equivalents at the end of the year	3,880,177	3,855,1[illegible]1

Notes forming part of the Financial Statements: 1-35

Note:

1. The above cashflow statement has been prepared under the 'Indirect Method' as set out in the IND AS - 7 on cashflow statements as referred to in section 133 of the Companies Act, 2013.

2. The above cashflow statement has been compiled from and is based on the Balance Sheet as at March 31, 2018 and the related statement of profit and loss for the year ended on that date.

3. a) Where there is movement/ balance in financial activities in cash flow

Amendment to Ind AS 7

Effective April 1, 2017, the company adopted the amendment to Ind AS 7, which requires 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 reconciliation is given as below:

Particulars	01.04.2017	Cash Flow	Non Cash Changes		31.03.2018
			Fair Value Changes	Others	
Long Term Borrowings	18,153,547	18,153,547	-	-	
Short Term Borrowing	-	-	-	-	-

As per our report of even date attached

For B. Purushottam & Co.
Chartered Accountants
Firm Registration No. : 002808S

KVNS Kishore
Partner
M No 206734

Place: Bangalore
Date: 21.04.2018

For and on behalf of the Board of Directors

Vasudeva Rao Yap
Director
DIN: 05337020

Ravi Reddi
Director
DIN no: 035466[illegible]0

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Honey Flower Estates Pvt Ltd

Statement of change in Equity for the year ended 31 March 2018

(Amounts in Rupees)

		Attributable to the equity holders of the parent			Total equity
		Reserves and surplus			
	Issued capital	Share premium	Retained earnings	Total	
At 31 March 2016	47,600,000	**285,000,000.00**	-12,025,862	320,574,138	320,574,138
Profit for the period		-	22,236,462	22,236,462	22,236,462
Other comprehensive income		-	-	-	-
Total comprehensive income	-	-	-	-	-
At 31 March 2017	47,600,000	**285,000,000.00**	**10,210,600**	342,810,600	342,810,600
Profit for the period	-	-	28,591,044	28,591,044	28,591,044
Issued during the year				-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
At 31 March 2018	47,600,000	**285,000,000.00**	**38,801,644**	**371,401,644**	**371,401,644**

As per our report of even date

For B. Purushottam & Co.,
Chartered Accountants
Firm Registration No. : 002808S

KVNS Kishore
Partner
M No 206734

Place: Bangalore
Date: 21.04.2018

For and on behalf of the board of directors of Honey Flower Estates Private Limited

Vasudeva Rao Yanduri
Director
DIN: 05337020

Ravi Reddi
Director
DIN no: 03546630

Honey Flower Estates Pvt Ltd
CIN: U70100KA2003PTC032917
Notes to the financial statements as at 31st March 2018

3 **Tangible assets/Property plant and equipment**

	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs
Office Equipments (Incl Computers)	4,733,566	7,307 627
Plant and Equipments	3,711,533	4,037 696
Furniture and Fixtures	4,775,441	5,409 940
Electrical Equipments	9,068,342	10,268 749
	22,288,882	**27,024,012**

4 **Investment Property**

	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs
Freehold Land	107,183,088	107,183,088
Buildings	255,611,940	260,127,956
	362,795,028	**367,311,044**

For investment property existing as on 1 April 2015, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed costs.

The Company owns 3rd, 4th, 5th floors of property known as Umiya Emporium. As at 31 March 2017 and 31 March 2018, the fair values of the property is INR 64.30 Crores. These valuations are based on valuations performed by Thitte Valuers, an accredited independent valuer firm. M/s Thitte valuers is specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

This Property has been mortgaged to IDBI bank limited as security by way of deposit of title deeds for corporate loan taken by GMR Infrastructure Limited.

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Honey Flower Estates Private Limited

5 Other non-current assets

	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs
Capital advances	374,510	686,529
	374,510	**686,529**

6 **Trade receivables**

	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs
Other receivables - Unsecured ,considered good	2,866,599	116,556
	2,866,599	**116,556**

7 **Cash and Bank balances**

	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs
Cash and cash equivalents		
Balances with banks:		
– On current accounts	3,878,309	3,853,273
Cash on hand	1,868	1,868
Other bank balances		
	3,880,177	**3,855,141**

8 **Short-term Loans and advances**

	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs
Advances recoverable in cash or kind	45,200	614,743
	45,200	**614,743**

9 **Other receivables**

	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs
Deposits	7,000	7,000
	7,000	**7,000**

10 **Other current assets**

	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs
Prepaid expenses	171,397	25,662
TDS Receivable	12,701,320	7,596,522
	12,872,717	**7,622,184**

B. PURUSHOTTAM & CO. 23/A, North Boag Road, T.Nagar, Chennai-600 017 CHARTERED ACCOUNTANTS

HoneyFlower Estates Private Limited

Honey Flower Estates Pvt Ltd
CIN: U70100KA2003PTC032917
Notes to the financial statements as at 31st March 2018

11. Share Capital

Share Capital	As At 31st March 2018		As At 31st March 2017	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Authorised				
Preference Share	-	-	-	-
Equity Share of Rs. 10/- Each	13,000,000	130,000,000	13,000,000	130,000,000
Issued, Subscribed & Fully Paid Up				
Preference Share	-	-	-	-
Equity Share	4,760,000	47,600,000	4,760,000	47,600,000
TOTAL	**4,760,000**	**47,600,000**	**4,760,000**	**47,600,000**

a) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the Year

Particulars	As At 31st March 2018		As At 31st March 2017	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Opening Balance	4,760,000	47,600,000	4,760,000	47,600,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Closing Balance	**4,760,000**	**47,600,000**	**4,760,000**	**47,600,000**

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. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the period ended 31st March 2018, the amount of per share dividend recognised as distributions to equity shareholders was Rs. NIL, (31 March 2017 : Rs. NIL)

In the event of liquidation of the company, the holders of Equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity share held by the shareholders.

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

Particulars	As At 31st March 2018		As At 31st March 2017	
	Number	Amount in Rs.	Number	Amount in Rs.
GMR SEZ & Port Holding Limited (Formarly Known as GMR SEZ Port Holdings Private Limited)	4,760,000	47,600,000	4,760,000	47,600,000
	4,760,000	**47,600,000**	**4,760,000**	**47,600,000**

d) Details of the Shareholders holding 5% or more shares in the Company.

SR. NO.	Name of the Share Holder	As At 31st March 2018		As At 31st March 2017	
		No. of Share	% of Holding	No. of Share	% of Holding
1	*GMR SEZ & Port Holding Limited (Formarly Known as GMR SEZ Port Holdings Pvt Ltd)*	4,760,000	100.00%	4,760,000	100.00%
	Total	**4,760,000**	**100.00%**	**4,760,000**	**100.00%**

As per record of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

B. PURUSHOTTAM & CO. CHARTERED ACCOUNTANTS 23/A, North Boag Road, T Nagar, Chennai 600 017

HoneyFlower Estates Private Limited

Honey Flower Estates Pvt Ltd
CIN: U70100KA2003PTC032917
Notes to the financial statements as at 31st March 2018

12 Other Equity

	31st March 2018	31st March 2017
	Amount in Rs.	Amount in Rs.
Securities Premium (A)	285,000,000	285,000,000
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	10,210,600	(12,025,862)
Profit/ (Loss) for the year	28,591,044	22,236,462
Net Surplus/ (deficit) in the statement of profit and loss (B)	**38,801,644**	**10,210,600**
Total reserves and surplus (A+B)	**323,801,644**	**295,210,600**

13 Financial Liabilities - borrowings

	Non-current		Current	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Loans				
Loans from a group Company	-	18,153,547	-	-
	-	**18,153,547**	-	-
The above amount includes				
Unsecured borrowings	-	18,153,547	-	-
Total	-	**18,153,547**	-	-

The company availed an loan of Rs. 70,496,774 at an interest rate of 8.50% pa and repaid Rs. 17,100,000 by 31st March 2016. During the FY 2016-17 the company has repaid the amount of Rs.35,243,227. The interest rate is changed to 12.25%.During the FY 2017-18 the company has repaid the amount of Rs. 15,600,000 . The balance Loan balance Rs. 2553547 repaid during the quarter ended 31st March 2018

15 Trade & other Payables

	Non-current		Current	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs	Amount in Rs	Amount in Rs
Trade Payables	-	-	819,809	438,563
Total	-	-	**819,809**	**438,563**

Note: There are no micro and small enterprises, to which the company owes dues, based on the information available with the Company and this has been relied upon by the Auditors' of the Company.

14 Other Financial Liabilities

	Non-current		Current	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs	Amount in Rs	Amount in Rs
Interest accrued but not due on borrowings	3,583	2,085,579	-	-
Retention money	-	-	789,123	789,123
Non trade payable (Group Companies)			1,323,560	
Lease Deposits Received	-	-	28,070,840	40,554,840
Other Current Liabilities	-	-	129,161	19,102
Salary Payable	-	-	-	13,794
Total	**3,583**	**2,085,579**	**30,312,684**	**41,376,859**

16 Other Current Liabilities

	Non-current		Current	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs	Amount in Rs	Amount in Rs
Other statutory dues	-	-	490,229	16,057
Total	-	-	**490,229**	**16,057**

17 Provisions

	Non-current		Current	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
	Amount in Rs	Amount in Rs	Amount in Rs	Amount in Rs
Other provision				
Others (Provision for Tax net of Advance Tax)	-	-	2,107,566	2,363,206
Total	-	-	**2,107,566**	**2,363,206**

B. PURUSHOTTAM & CO. CHARTERED ACCOUNTANTS 23/A, North Boag Road, T. Nagar, Chennai 600 017

HoneyFlower Estates Private Limited

Honey Flower Estates Pvt Ltd
CIN: U70100KA2003PTC032917
Notes to the financial statements as at 31st March 2018

18 **Revenue From Operations**

Particulars	31st March 2018	31st March 2017
	Amount in Rs.	Amount in Rs.
Revenue from Operations		
Rental Income	49,835,316	45,744,497
Total	**49,835,316**	**45,744,497**

19 **Other Income**

Particulars	31st March 2018	31st March 2017
	Amount in Rs.	Amount in Rs.
Other Income		
Interest on FD	-	228,809
Other Income	13,794	-
Interest received on IT refund	-	52,321
Total	**13,794**	**281,130**

20 **Depreciation & Amortisation Charges**

Particulars	31st March 2018	31st March 2017
	Amount in Rs.	Amount in Rs.
Depreciation & Amortisation Charges		
Depreciation Chargess	9,252,947	9,289,888
Total	**9,252,947**	**9,289,888**

B. PURUSHOTTAM & CO. CHARTERED ACCOUNTANTS 23/A, North Boag Road, T. Nagar, Chennai-600 017

HoneyFlower Estates Private Limited

21 **Finance Cost**

Particulars	31st March 2018	31st March 2017
	Amount in Rs.	Amount in Rs.
Finance Cost		
Delay in statutory payments	1,759	11
Bank Charges	1,132	5,458
Interest Others	720,592	2,932,681
Total	**723,483**	**2,938,150**

22 **Other Expenses**

Particulars	31st March 2018	31st March 2017
	Amount in Rs.	Amount in Rs.
Other Expenses		
Audit Fee (Refer note (i) below)	51,068	39,277
Electricity Charges	-	226,459
Insurance Charges	171,722	208,498
Secretaral Expenses	1,830	7,443
Corporation Tax	2,283,790	1,708,192
Brokerage Expenses	52,717	2,567,328
Repairs & Maintenance	2,306,386	2,768,142
Security Charges	1,838,261	294,516
Donation	1,010	-
Loss on Sale of Fixed Asset	-	86,234
Prior Period Expenses	-	542,085
Printing & Stationary	5,926	551
Professional and Consultancy Charges	284,313	585,281
Rates & Taxes	2,500	2,588
Miscellaneous Expenses	2	(2)
Internet Charges	3,379	
Travelling & Conveyance Expenses	278,732	52,336
Total	**7,281,636**	**9,088,928**

Note (i) : Payments to Auditors

Particulars	31st March 2018	31st March 2017
	Amount in Rs.	Amount in Rs.
Audit Fees- Statutory Audit fees	31,068	19,152
Audit fees- Limited Review Fees	20,000	20,125
Total	**51,068**	**39,277**

B. PURUSHOTTAM & CO CHARTERED ACCOUNTANTS 23/A, North Boag Road, T.Nagar, Chennai-600 017

HoneyFlower Estates Private Limited

23 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Amounts in INR

Particulars	**31-Mar-18**	**31-Mar-17**
Profit attributable to equity holders of the parent		
Continuing operations	28,591,044	22,236,462
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	-	-
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	-	-
Weighted Average number of equity shares used for computing Earning Per Share (Basic)	4,760,000	4,760,000
Effect of dilution:	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	4,760,000	4,760,000
Earning Per Share (Basic) (Rs)	6.01	4.67
Earning Per Share (Diluted) (Rs)	6.01	4.67
Face value per share (Rs)	10	10

24 Related Party transactions

(A) Names of Related parties and nature of related party relationships

Honey Flower Estates Private Limited - Related parties		
(i)	Enterprises that control the Company	GMR SEZ & Port Holdings Limited (GSPHL) (Holding GMR Infrastructure Limited (GIL) GMR Enterprises Private Limited (GEPL)
(ii)	Fellow Subsidiary Companies	Amartya Properties Private Limited(Amartya) Advika Properties Private Limited (Advika) Aklima Properties Private Limited (Aklima) Baruni Properties Private Limited (Baruni) Bougainvillea Properties Private Limited (BPPL) Camelia Properties Private Limited (CPPL) Deepesh Properties Private Limited (DPPL) Eila Properties Private Limited (EPPL) Gerbera Properties Private Limited (GPPL) Lakshmi Priya Properties Private Limited (LPPPL) Larkspur Properties Private Limited (LPPL) GMR Hosur Industrial City Private Limited (GHICPL) Honeysuckle Properties Private Limited (HPPL) Idika Properties Private Limited (IPPL) Krishnapriya Properties Private Limited (KPPPL) Nadira Properties Private Limited (NPPL) Padmapriya Properties Private Limited (PPPPL) Pranesh Properties Private Limited (Pranesh) Prakalpa Properties Private Limited (Prakalpa) Purnachandra Properties Private Limited (PPPL) Radhapriya Properties Private Limited (RPPPL) Shreyadita Properties Private Limited (SPPL) Sreepa Properties Private Limited (Sreepa) GMR Hosur Energy Limited (GHEL) GMR Krishnagiri SEZ Limited (GKSEZ) Namitha Real Estates Private Limited (NREPL) Suzone properties Private Limited (Suzone) Lilliam Properties Private Limited (Lilliam) GMR Utilities Private Limited (GUPL) Raxa Security Services Limited (RSSL) East Godavari Power Distribution Company Private Limited(EGPDL)
(iii)	Key Management Personnel	Mr. Ravi Reddi Mr. VasudevaRao Yanduri

(B) Summary of transactions with the above related parties is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
i) Loan Received :-		
- Enterprises that Control the Company – GSPHL	-	-
ii) Re imbursement of Expenses:		
- Fellow subsidiary – RPPPL	10,362,121	7,384,993
iii) Interest on loan :-		
- Enterprises that Control the Company – GSPHL	720,206	2,932,681
iv)) Other Expenses to :-		
-Fellow subsidiary – RSSL	1,838,261	294,516
v) Lease Deposits Refunded		
-Fellow Subsidiary-GAPL	-	1,290,000
-Fellow Subsidiary-RSSL	-	-
- Enterprises that Control the Company – GIL	12,484,000	8,100,000
vi) Loan Repayment:-		
- Enterprises that Control the Company – GSPHL	18,153,547	35,243,227
vii) Advances (Received back) / given		
- Enterprises that Control the Company – GSPHL	-	-
- Enterprises that Control the Company – GIL	-	-
- Enterprises that Control the Company – GIL	-	-
viii) Repayment of interest on loan		
- Enterprises that Control the Company – GSPHL	2,802,202	1,030,675
IX) Debtors / Receivable		
- Enterprises that Control the Company – GSPHL	-	3,050,459
x) Creditors / payable		
-Fellow Subsidiary-RSSL	-	240,232

(C)

Outstanding Balances at the year-end : Particulars	As at March 31, 2018	As at March 31, 2017
i) Equity Share Capital		
- Enterprises that Control the Company – GSPHL	47,600,000	47,600,000
ii) Share Premium		
- Enterprises that Control the Company – GSPHL	285,000,000	285,000,000
iii) Loan Received :-		
- Enterprises that Control the Company – GSPHL	-	18,153,547
iv) Interest on Loan :-		
- Enterprises that Control the Company – GSPHL	-	2,081,996
v) Debtors / Receivable		
- Enterprises that Control the Company – GIL	-	-
vi) Creditors / payable		
-Fellow Subsidiary-RSSL	1,455,460	246,229
vii) Lease Deposits Received		
- Enterprises that Control the Company – GIL	-	12,484,000
-Fellow Subsidiary-GAPL	-	-

HoneyFlower Estates Private Limited

B PURUSHOTTAM & CO CHARTERED ACCOUNTANTS

25 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.

The following assumptions have been made in calculating the sensitivity analyses:

► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have fluctuating interest rate borrowings, thus company does not have any interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have exposure to foreign currency payable or receivable balances and hence it does not have any foreign currency risk.

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HoneyFlower Estates Private Limited

26 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt.

Amounts in INR

	At 31 March 2018	At 31 March 2017
Borrowings	-	18,153,547
Total debt	**-**	**18,153,547**
Capital Components		
share Capital	47,600,000	47,600,000
Other equity	323,801,644	295,210,600
Total Capital	**371,401,644**	**342,810,600**
Capital and net debt	**371,401,644**	**360,964,147**
Gearing ratio (%)	**0%**	**5%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

B. PURUSHOTTAM & CO. CHARTERED ACCOUNTANTS 23/A, North Boag Road, T.Nagar, Chennai 600 017

HoneyFlower Estates Private Limited

27 Liquidity Risk

Maturity profile of the Group's financial liabilities based on contractual undiscounted payments as on 31st March 2018

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	INR	**INR**	**INR**	**INR**	**INR**	**INR**
Year ended						
31st March 18						
Other financial liabilities	28,989,124					28,989,124
Borrowings	0					0
Total	**28,989,124**	-	-	-	-	**28,989,124**

Maturity profile of the Group's financial liabilities based on contractual undiscounted payments as on 31st March 2017

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	INR	**INR**	**INR**	**INR**	**INR**	**INR**
Year ended						
31st March 2017						
Other financial liabilities	43,443,333					43,443,333
Borrowings	18,153,547					18,153,547
Total	**61,596,880**	-	-	-	-	**61,596,880**

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HoneyFlower Estates Private Limited

28 **Segment Reporting**

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

29 The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 (`principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Companies (Accounting Standards) Rules, 2016 is effective March 30, 2016. The Company believes that the Rule 3(2) of the principal rules has not been withdrawn or replaced and accordingly the Companies (Accounting Standards) Rule, 2016 will apply for the accounting periods commencing on or after March 30, 2016. Therefore the company has not considered the amendments made vide MCA notification dated March 30, 2016 in the financial statements.

30 **Capital Capital commitments:**

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances March 2018 - Rs.NIL (Mar'17 – Rs.NIL).

31 **Pending litigations:**

The Company does not have any pending litigations which would impact its financial position.

32 **Foreseeable losses**:

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

33 **MSME Dues:**

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.

For B. Purushottam & Co.,
Chartered Accountants
Firm Registration No. : 002808S

For and on behalf of the board of directors of Honey Flower Estates Pvt Ltd

KVNS Kishore
Partner
M No 206734

B. PURUSHOTTAM & CO. CHARTERED ACCOUNTANTS 23/A, North Boag Road, T.Nagar, Chennai-600 017

Vasudeva Rao Yanduri
Director
DIN: 05337020

Ravi Reddi
Director
DIN no: 03546630

HoneyFlower Estates Private Limited

Place: Bangalore
Date: 21.04.2018

Related Party Transaction Details
For the year ended March 31, 2018

Balance Sheet

Honey Flower Estates Private Limited (HFEPL)
Code : C5529

A. **Payable / Sundry Creditors / Deposits Received / Interest Payable**

(Rs. in Units)

Sl No	Short Code	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transactio	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
					Show In Financials						
1	Raxa	Raxa Security Services Limited	IC8000	Security Charges	Other current liabilities	Non Trade payable	2.05E+09	1,323,560.00	-	1,323,560.00	-
2	Raxa	Raxa Security Services Limited	IC8000	Retention Amount	Other current liabilities	Retention Money - Non trade	2.05E+09	131,900.00	-	131,900.00	-

B. **Share Capital**

(Rs. in Units)

Sl No	Short Code	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transactio	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
					Show In Financials						
1	GSPHPL	GMR SEZ and Port Holdings Private Limited (GSPHPL)	IC6121	Share capital	Share capital	Equity Issued and Subscribed-fully paid-up	2.01E+09	47,600,000.00	-	47,600,000.00	-
2	GSPHPL	GMR SEZ and Port Holdings Private Limited (GSPHPL)	IC6121	Share Premium	Reserves and surplus	Equity component of Related party loans	2.03E+09	285,000,000.00	-	285,000,000.00	-

For For B Purushottam & Co.,
Firm registration number: 002808S
Chartered Accountants

VNS Kishore
Partner
Membership no.: 206734

Place: Hosur
Date: 21.04.2018

B. PURUSHOTTAM & CO. 23/A, North Boag Road, T. Nagar, Chennai-600 017 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Ravi Reddi
Director
DIN: DIN no: 03546630

Company Secretary

HoneyFlower Estates Private Limited

Related Party Transaction Details
For the year ended March 31, 2018

Profit & Loss

Honey Flower Estates Private Limited (HFEPL)
Code : C5529

(Rs. in Units)

A. **Expense**

Sl No	Short Code	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Show in Financials Transaction	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GSPHPL	GMR SEZ and Port Holdings Private Limited (GSPHPL)	IC6121	Interest Expenses	Finance costs	Interest	6200014006	720,592.00	-	720,592.00	-
2	Raxa	Raxa Security Services Limited	IC8000	Security Expenses	Other Expenses	Man power Outsourcir	6050006001	1,838,261.00	-	1,838,261.00	-

For For B. Purushottam & Co.,
Firm registration number: 002808S
Chartered Accountants

KVNS Kishore
Partner
Membership no.: 206734

Place: Hosur
Date: 21.04.2018

B. PURUSHOTTAM & CO. ★ CHARTERED ACCOUNTANTS ★ 23/A, North Boag Road, T Nagar, Chennai-600 017

For and on behalf of the Board of Directors

Ravi Reddi
Director
DIN: DIN no: 03546630

Company Secretary

HoneyFlower Estates Private Limited ★

1. Corporate Information

Honey Flower Estates Private Limited (CIN : U70100KA2003PTC032917) was incorporated on 25th November 2003, to carry on the business of Real Estate & Property Development and Construction of all kinds of infrastructure and super structures.

The registered office of the company is located in Bangalore in Karnataka, India.

Information on other related party relationships of the Company is provided in Note 24.

The financial statements were approved for issue in accordance with a resolution of the directors on 21st April 2018.

2. Significant Accounting Policies

A. Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees (INR).

B. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle
ii) Held primarily for the purpose of trading
iii) Expected to be realised within twelve months after the reporting period, or
iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when it is:

B. PURUSHOTTAM & CO. 23/A, North Boag Road, T.Nagar, Chennai-600 017 CHARTERED ACCOUNTANTS

HoneyFlower Estates Private Limited

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, plant and equipment

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment as at 31 March 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on 1 April 2015.

Land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c. Depreciation on Property, plant and equipment

Depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed

B. PURUSHOTTAM & CO. CHARTERED ACCOUNTANTS 23/A, North Boag Road, T. Nagar, Chennai-600 017

Honey Flower Estates Private Limited

under Schedule II of the Companies Act, 2013 except for assets individually costing less than Rs. 5,000 which are fully depreciated in the year of acquisition and certain items of building, plant and equipment, the Company, based on technical assessment made by technical expert and management estimate, believes that the useful lives of such assets are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Property, plant and equipment acquired under finance lease is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of lease term.

d. Investment properties

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1st April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets include software and their useful lives are assessed as either finite or indefinite

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HoneyFlower Estates Private Limited

Research and development cost:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an 'intangible asset' when all of the below conditions are met:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale
ii. The Company's intention to complete the asset and use or sell it
iii. The Company has ability to use or sell the asset
iv. It can be demonstrated how the asset will generate probable future economic benefits
v. Adequate technical, financial and other resources to complete the development and to use or sell the asset are available, and
vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

f. Amortisation of intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets like the Software licence are amortised over the useful life of 6 years as estimated by the management.

g. Borrowing 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h. Leases

Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

i) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
ii) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Company as a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

i. **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 or cash generating units' (CGUs) 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 Company of assets. When 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

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assessing value in use, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

j. Provisions, Contingent liabilities, Contingent assets, and Commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost."

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

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

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k. **Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by associates and joint ventures are measured at cost less impairment.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through profit or loss.

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For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

For trade and other receivables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

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For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

b. De-recognition

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 de-recognition 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.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l. Cash and cash equivalents

Cash and cash equivalent 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

m. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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i) In the principal market for the asset or liability, or

ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period."
The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years.

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At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value.

n. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.
Other interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

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o. Taxes

Tax expense comprises current and deferred tax.

Current income 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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate."

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

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Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax law in India, which is likely to give future economic benefits in form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in balance sheet when the assets can be measured reliably and it is probable that future economic benefit associated with the assets will be realised.

p. Corporate Social Responsibility ('CSR') expenditure

The Company charges its CSR expenditure, if any, during the year to the statement of profit and loss