

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FABCITY PROPERTIES PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **FABCITY PROPERTIES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March, 2017**, the Statement of Profit and Loss and cash flow statement for the year ended 31st March 2017 and a summary of the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 financial statements based on our audit. We have taken into account the provisions of the Act, the accounting & auditing standards and matters which are required to be included in the audit report under the provisions of the Act & 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 the 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. 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 the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) In case of the Balance sheet ,of the state of affairs of the Company as at 31st March, 2017, and ;
- b) In case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date.
- c) In case of Cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 Companies Act,2013 , we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet and the Statement of Profit and Loss Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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:



- a. the Company does not have any pending litigations which would impact its financial position
- b. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- c. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.27 to the standalone Ind AS financial statements

(g) The special report on adequacy of the internal financial controls over financial reporting of the Company is not applicable as per the provisions of Section 143(3)(i) of Companies Act, 2013.

For **K.H.Rao & Co**

Chartered Accountants

Firm Registration No.005507S

Place : Bangalore – 560043

Date: 15-05-2017

“Annexure A” to the Independent Auditors’ Report referred to in clause 1 of paragraph on the ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2017:

Re: Fabcity Properties Private Limited

I. Since 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.

II. The inventory of the company consists of land.

In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business

No material discrepancies have been noticed on physical verification of stock as compared to books/record.

III. 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.

IV. In our opinion and according to the information and explanation given to us the company has not granted any loan, made any investments, gave any guarantee or provided security in connection with a loan to any other body corporate or person in contravention of section 185 and 186 of the Companies Act,2013.

V. According to the information and explanation given to us the company has not accepted deposits from the public during the year and as such this clause is not applicable.

VI. According to the information and explanation given to us the Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013 for the activities carried out by the Company, and hence this clause is not applicable.

VII. Since the company has no employees the provisions of Employees Provident Fund Act and ESI Act do not apply. As the company has not yet commenced any commercial operations the payment of Statutory Dues like Income Tax, VAT and Service Tax does not arise.

VIII. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that, the company has not taken any loan from a financial institution or bank or Government or are there any dues to debenture holders. Accordingly reporting requirement under this clause is not applicable.

IX. The company did not raise any money by way of initial public offer or further public offer (Including debt instrument) or has taken term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.



- X. During the course of 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 not come across any instance of fraud by the company or on the company by its officers or employees of the company during the year.
- XI. According to the information and explanation given to us and the records of the company examined by us the Company has not paid or provided any managerial Remuneration. Accordingly, paragraph 3 (xi) of the order is not applicable.
- XII. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the order is not applicable.
- XIII. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that all the transaction with the related parties are in compliance with section 177 and 188 of Companies Act.2013 and the details of the transactions have been disclosed in the standalone Financial Statements as per applicable accounting Standards.
- XIV. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that the Company has not made any preferential allotment or private placement of shares or fully or partly debentures during the year under review.
- XV. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the order is not applicable.
- XVI. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company is not required to be registered under Section 45 -IA of the Reserve Bank of India.

PLACE : Bangalore - 43

DATE : May 15, 2017

for **K H Rao & Co.,**
Chartered Accountants

FRN No.005507S


(K.Hanumantha Rao)

Proprietor

Membership No:024951



FABCITY PROPERTIES PVT. LTD.

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

CIN:U45200KA2008PTC045234

Balance Sheet as at 31st March 2017

	Particulars	Note No.	31st March 2017	31st March 2016
			Amount in Rs.	Amount in Rs.
I.	EQUITY AND LIABILITIES			
	Shareholders' funds			
	(a) Share capital	3	1,500,000	1,500,000
	(b) Reserves and surplus	4	(9,621,187)	(9,663,367)
	Non-current liabilities			
	(a) Long-term borrowings	5	73,618,000	73,618,000
	Current liabilities			
	(a) Other current liabilities	6	159,499	42,862
	(b) Short-term provisions	7	13,828	114,307
	TOTAL		65,670,140	65,611,802
II.	ASSETS			
	Non-current assets			
	(a) Non-current investments	8	100,000	100,000
	(b) Long-term loans and advances	10	1,300,000	
	Current assets			
	(a) Current investments	9	-	1,300,000
	(b) Inventories	11	64,026,950	63,873,950
	(c) Cash and cash equivalents	12	233,346	181,073
	(d) Other current assets	13	9,844	156,779
	TOTAL		65,670,140	65,611,802

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


As Per our Report of even date attached
for K H Rao & Co
 Chartered Accountants
 Firm Reg. No.0055075

for and on behalf of the Board


 K Hanumantha Rao
 Proprietor
 M. No. 024951
 Place : Bangalore
 Date : 15.05.2017




 M V Srinivas
 Director
 DIN No: 02477894


 Purnachandrarao Gollapudi
 Director
 DIN No: 01691531



FABCITY PROPERTIES PVT. LTD.

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Profit and loss Account for the year ended 31st March 2017

Particulars	Note No.	Year Ended 31st March 2017	Year Ended 31st March 2016
		Amount in Rs.	Amount in Rs.
Income			
Other income	14	79,904	50,116
Total Revenue		79,904	50,116
Expenses:			
Finance costs	15	10	70
Other expenses	16	40,464	44,725
Total expenses		40,474	44,795
Profit/(Loss) before tax		39,430	5,321
Tax expense:			
Current tax		12,184	7,130
Taxes of previous periods		(14,934)	-
		(2,750)	7,130
VII Profit (Loss) for the period from continuing operations (V-VI)		42,180	(1,809)
VIII Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
Profit (Loss) for the year		42,180	(1,809)
Earnings per equity share: [nominal value of share Rs.10 (31st March 2016: Rs.10)]			
Basic and Diluted EPS		0.28	(0.01)

Corporate Information about the company

1

Summary of Significant Accounting Policies

2

The accompanying notes are an integral part of the Financial statements

3-23

As Per our Report of even date attached

for **K H Rao & Co**

Chartered Accountants

Firm Reg. No.005507S

for and on behalf of the Board



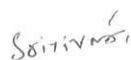
K Hanumantha Rao

Proprietor

M. No.024951

Place : Bangalore

Date : 15.05.2017



M V Srinivas

Director

DIN No: 02477894



Purnachandrarao Gollapudi

Director

DIN No: 01691531



FABCITY PROPERTIES PVT. LTD.

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Cash flow statement for the year ended 31st March 2017

	31st March 2017	31st March 2016
	Amount in Rs.	Amount in Rs.
Cash flow from operating activities		
Profit before tax from continuing operations	39,430	5,321
Profit before tax from discontinuing operations		-
Profit before tax	39,430	5,321
Non-cash adjustment to reconcile profit before tax to net cash flows		
Profit on sale of current investments (other than trade)	(79,904)	(50,116)
Operating profit before working capital changes	(40,474)	(44,795)
Movements in working capital :		
Increase/ (decrease) in other current liabilities	16,158	(95,585)
Decrease / (increase) in other current assets	146,935	112,100
Decrease / (Increase) long term loans and advances	(1,300,000)	-
Cash generated from /(used in) operations	(1,177,381)	(28,280)
Direct taxes paid (net of refunds)	2,750	(7,130)
Net cash flow from/ (used in) operating activities (A)	(1,174,631)	(35,410)
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(153,000)	-
Purchase of current investments		(3,850,116)
Proceeds from sale/maturity of current investments (net)	1,379,903	2,700,233
Net cash flow from/ (used in) investing activities (B)	1,226,903	(1,149,883)
Cash flows from financing activities		
Net cash flow from/ (used in) in financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	52,273	(1,185,293)
Cash and cash equivalents at the beginning of the year	181,073	1,366,367
Cash and cash equivalents at the end of the year	233,346	181,073
Components of cash and cash equivalents		
With banks- on current account	233,346	181,073
Total cash and cash equivalents	233,346	181,073

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

As Per our Report of even date attached

for K H Rao & Co

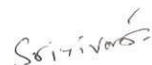
Chartered Accountants

Firm Reg. No.005507S

for and on behalf of the Board



K Hanumantha Rao
Proprietor
M. No.024951
Place : Bangalore
Date : 15.05.2017

M V Srinivas
Director
DIN No: 02477894



Purnachandrarao Gollapudi
Director
DIN No: 01691531



FABCITY PROPERTIES PVT. LTD.

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Note 3

Share capital

Particulars	31st March 2017		31st March 2016	
	Number	Amount in Rs.	Number	Amount in Rs.
Share Capital				
Authorised, Issued, Subscribed & Paid up				
150,000 Fully Paid up Equity Shares of Rs.10/- each (1,49,990 shares are held by holding company GMR Enterprises Pvt Ltd and balance 10 shares are held jointly by GMR Enterprises Pvt Ltd with Mr Govind Bhat, Director)	150,000	1,500,000	150,000	1,500,000
Total	150,000	1,500,000	150,000	1,500,000

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

Particulars	31st March 2017		31st March 2016	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	150,000	1,500,000	150,000	1,500,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	150,000	1,500,000	150,000	1,500,000

1,49,990 Equity Shares (previous year - 1,49,990) are held by GMR Enterprises Private Limited the holding company.

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 capital.

In 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 and associates are as below

	Amount in Rs.	
	31st March 2017	31st March 2016
GMR Enterprises Private Limited	1,499,900	1,499,900
Govind Bhat P & GMR Enterprises Private Limited	100	100

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

Name of Shareholder	31st March 2017		31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
GMR Enterprises Private Limited	149990	99.993%	149990	99.993%

Note 4

Reserves and surplus

Particulars	31st March 2017	31st March 2016
	Amount in Rs.	Amount in Rs.
Surplus/(Deficit) in the statement of Profit & Loss A/c		
Opening balance	(9,663,367)	(9,661,558)
(+) Net Profit/(Net Loss) For the current year	42,180	(1,809)
Closing Balance	(9,621,187)	(9,663,367)
Total	(9,621,187)	(9,663,367)



Note 5**Other Long term Liabilities**

Particulars	31st March 2017	31st March 2016
	Amount in Rs.	Amount in Rs.
Loans and advances from related parties	73,618,000	73,618,000
Total	73,618,000	73,618,000

Note 6**Other Current Liabilities**

Particulars	31st March 2017	31st March 2016
	Amount in Rs.	Amount in Rs.
Audit fee payable	11,500	-
Non trade payables	121,355	17,862
Non trade payables -Group companies	26,644	25,000
Total	159,499	42,862

Note 7**Short Term Provisions**

Particulars	31st March 2017	31st March 2016
	Amount in Rs.	Amount in Rs.
Provision for taxation	13,828	114,307
Total	13,828	114,307

Note 10**Long Term Loans and Advances**

Particulars	31st March 2017	31st March 2016
	Amount in Rs.	Amount in Rs.
a. Loans and advances to Group companies		
Unsecured, considered good	1,300,000	-
Less: Provision for doubtful loans and advances	-	-
	1,300,000	-
	1,300,000	-

Note 11**Inventories**

Particulars	31st March 2017	31st March 2016
	Amount in Rs.	Amount in Rs.
Stock-in-trade (Valued at cost) (Land at Fabcity ,Hyderabad and Rajam)	64,026,950	63,873,950
Total	64,026,950	63,873,950

Note 12**Cash and cash equivalents**

Particulars	31st March 2017	31st March 2016
	Amount in Rs.	Amount in Rs.
Balances with banks in current A/c	233,346	181,073
	233,346	181,073

Note 13**Other Current Assets**

Particulars	31st March 2017	31st March 2016
	Amount in Rs.	Amount in Rs.
Advance tax paid	9,844	105,929
Loans & Advances	-	50,850
	9,844	156,779



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Note 8

Non current investments

Investments in GMR Bannerghatta Properties Pvt Ltd.,

31st March 2017			31st March 2016		
No. of shares	Rate	Amount in Rs.	No. of shares	Rate	Amount in Rs.
10,000	10	100,000	10,000	10	100,000
	Total	100,000			100,000

Note 9

Current Investments

Particulars	31st March 2017	31st March 2016
	Amount in Rs.	Amount in Rs.
Investments in Mutual Funds - Birla Sunlife Cash Plus Instl Premium - Growth -5,567.340 units @ Rs.233.5047	-	1,300,000
Total	-	1,300,000



FABCITY PROPERTIES PVT. LTD.

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Note 14

Other income

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
	Amount in Rs.	Amount in Rs.
Profit on sale of current investments	79,904	50,116
Total	79,904	50,116

Note 15

Finance costs

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
	Amount in Rs.	Amount in Rs.
Bank charges	10	70
Total	10	70

Note 16

Other expenses

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
	Amount in Rs.	Amount in Rs.
Rates -Registration expenses	-	17,750
Legal & Professional fees	14,519	8,977
Rates and taxes	2,900	5,300
Maintenance charges	12,995	-
Statutory audit fees (Refer details below)	10,050	11,664
Printing & Stationery	-	1,034
Total	40,464	44,725

Payment to auditor

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
	Amount in Rs.	Amount in Rs.
As auditor:		
Audit fees	10,050	11,450
Reimbursement of expenses	-	214
	10,050	11,664



Note-1 Corporate Information about the company

FABCITY Properties Private Limited domiciled in India and incorporated, 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.



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.

vii. Employee Benefit

As there are no employees, the company has not determined the liability for gratuity and long term compensated absence in accordance with revised AS-15.



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

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.

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.



Fabcity Properties Private Limited

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 31st Mar'17 being Rs. Nil (Mar 16- Rs. Nil)

xv. Capital commitments:

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances Rs. Nil (31st March 2016 - Rs. Nil).

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	GMR Infrastructure Limited GMR Sports Private Limited GMR Infratech Private Limited GMR Bannerghatta Properties Private Limited (GBPPL) Hyderabad Jabilli Properties Private Limited Kondampeta Properties Private Limited Pashupathi Artrex Agencies Private Limited Vijay Nivas Real Estates Private Limited (VNREPL) Cadence Retail Private Limited Ravivarma Realty Private Limited Leora Real Estates Private Limited Crossridge Investments Ltd. Toridon Enterprises Limited
(iii)	Key Management Personnel	Mr. Purnachandra Rao Gollapudi Mr. Srinivas M V

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

Particulars	(Amount in Rupees)	
	Year Ended 31 st Mar'17	Year Ended 31 st Mar' 16
i) Creditors - Fellow Subsidiary – GBPPL	1,644	17,750
ii) Loan given to: - Fellow subsidiary – VNREPL	13,00,000	-

c) Balance as on 31st March 2017 is as under for following related parties.

Name of the company	(Amount in Rupees)	
	Year Ended 31 st Mar' 17	Year Ended 31 st Mar' 16
i) Equity Share Capital - Enterprises that Control the Company – GEPL	14,99,900	14,99,900
ii) Loan from - Enterprises that Control the Company – GEPL	7,36,18,000	7,36,18,000
iii) Loan given to - Fellow subsidiary – VNREPL	13,00,000	-
iv) Balance Payable to - Fellow Subsidiary – GBPPL	1,644	



18 Earnings per Share (EPS)

Particulars	Year Ended 31 st Mar'17	Year Ended 31 st Mar'16
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.)	42,180	(1,809)
Less: Dividend on Preference shares (including tax thereon)	-	-
Profit/ (Loss) for Earning per share (Rs.)	42,180	(1,809)
Earnings per Share (EPS) (Rs.)	0.28	(0.01)

19. Following are the cash and cash equivalents schedule for demonetization period

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount Deposited in Bank	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

20 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.

21 Pending litigations:

- The Company does not have any pending litigations which would impact its financial position as on 31st March, 2017.
- 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, 2017. 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

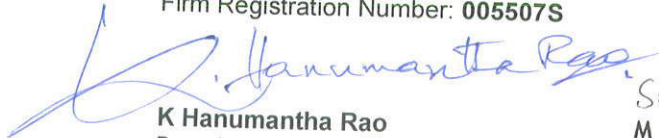
22 Foreseeable losses:

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



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


For K.H Rao & Co.
Chartered Accountants
Firm Registration Number: **005507S**



K Hanumantha Rao
Proprietor
M No: 024951

For and on Behalf of Board

Srinivas
M V Srinivas
Director
DIN No. 02477894



Purnachandra Rao Gollapudi
Director
DIN No. 01691531

Place: Bangalore.
Date: 15.05.2017

