G.D. Apte & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
HCC Real Estate Limited

Report on the Financial Statements (Standalone)

We have audited the accompanying financial statements of **HCC Real Estate Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income) and 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 standalone IND AS financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 there under. We conducted our audit 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the IND AS financial statements.

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

Basis for Qualified opinion

Loans from Jammu & Kashmir Bank outstanding in the books as on 31st March, 2017 amounting to Rs. 3,106.05 Lakhs are subject to confirmation, reconciliation and consequential adjustments, if any.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the Basis for Qualified opinion paragraph above, the standalone 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 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 35 in the standalone IND AS Financial Statements, regarding the company's exposure of long term investments and loans and advances in its subsidiaries of Rs. 74,584.41 lakhs in Lavasa Corporation Limited, Rs. 7,486.53 Lakhs in Charosa Wineries Limited, Rs. 4,765.42 Lakhs in Pune Paud Toll Road Company Limited, Rs. 195.54 Lakhs in Nashik Township Developers Limited, Rs. 4,176.82 Lakhs in HRL (Thane) Real Estate Limited, Rs. 49.52 Lakhs in HRL Township Developers Limited, Rs. 4,765.42 Lakhs in HCC Aviation Limited. On the basis of the book value of these companies, there is a diminution in the value of these investments and advances, which in the opinion of the management is temporary.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 26th April, 2016 and 27th April 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

I. 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 4 and 5 of the Order.

II. As required by section 143(3) of the Act, we report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) The Balance Sheet, the 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 standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this Report.

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 has disclosed the impact of the pending litigations on its financial position in its financial statements- Refer Note 33 of the financial statements.

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

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

   iv. The company did not have any holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

For G. D. Apte & Co.
Chartered Accountants
(Firm Registration No. 100515W)

G. D. APTE & CO. ★ Chartered Accountants ★

Chetan R. Sapre
(Partner)
ICAI Membership No. 116952
Place: Mumbai
Date: 24th April, 2017

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Annexure A to Independent Auditors' Report

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our report)

(i)

a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) As per the information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of company and nature of its business.

c) The company does not hold any immovable properties forming part of the fixed assets. Accordingly the provisions of clause 3(i)(c) of the order is not applicable to the company.

(ii) The inventories have been physically verified by the management in a phased manner/ at the time of acquisition of the land. In our opinion, the frequency of physical verification is reasonable and adequate considering the size of the company and its nature of the business. According to the information and explanation given to us, no material discrepancies were noticed during the year.

(iii) According to the information and explanations given to us, the Company has not granted any 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. Accordingly, the provisions of sub clauses (a), (b), (c) of clause (iii) of the order are not applicable to the company.

(iv) According to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of companies Act, 2013 with respect to loans and investments made and guarantees and securities given.

(v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, are not applicable and hence not commented upon.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the Company, and therefore the provisions of clause (vi) of the order are not applicable to the company.

(vii)

a) According to records of the Company verified by us, we report that there have been considerable delays in payment of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities.

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According to the information and explanations given to us, undisputed amounts payable in respect of the aforesaid dues as mentioned below were outstanding as at March 31, 2017 for a period more than six months from the date of becoming payable.

Amount in Rs.

Nature of Dues	Amount in Rupees	Outstanding since (Due date of payment)
Service Tax Payable	4,672	June 16
	4,672	August 16
	8,974	September 16

b) According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Sales Tax, Service Tax and Value Added Tax which have not been deposited on account of any dispute except the following:

Amount (Rs. in Lakhs)

Name Of The Statute	Nature Of The Dues	The Forum /Authority Where Dispute Is Pending	Financial Year To Which The Amount Relates	Amount Involved	Amount Paid Under Protest	Unpaid Amount
Income Tax Act, 1961	Income Tax/ Penalty/ Interest	Commissioner (Appeals)	2009-10	133.57	-	133.57
			2011-12	314.87	62.40	252.47
			2012-13	713.74	107.00	606.74
			2013-14	573.32	86.00	487.32
		Income Tax Appellate Tribunal	2005-06	0.11	-	0.11
			2008-09	24.35	-	24.35
			2009-10	13.45	-	13.45
			2010-11	969.62	-	969.62
TOTAL				**2,743.03**	**255.40**	**2,487.63**

(viii) According to the information and explanations given to us, we are of the opinion that the company has defaulted in repayment of loans or borrowings to financial institutions and banks as below. The company has not issued any debentures.

Amount (Rs. In Lakhs)

Particulars	Principal - paid with delay	Principal Un paid	Interest - paid with delay	Unpaid interest	Remarks
Loan from J&K Bank Limited					
1-30 days	-	-	-	32.93	March 17
31-90 days	-	-	-	61.69	Jan & Feb 17
91-181 days	-	-	-	93.64	Oct to Dec 17
182-365 days	-	-	-	177.44	April to Sep 16
366 days and above	-	2,241.73	-	323.58	Jan to March 16

(ix) According to the information and explanation provided by the management, the company has not raised any moneys by way if initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) According to the information and explanation provided by the management, there were no frauds by the company or any fraud on the company by its officers or employees have been noticed or reported during the course of our audit

(xi) According to the information provided by the management, managerial remuneration paid to its manager is in accordance with the requisite approvals as mandated by the provisions of sec 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion the company is not a Nidhi Company. Therefore provisions of clause 3 (xii) of the order is not applicable to the company.

(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.

(xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore provisions of clause 3 (xiv) of the order is not applicable to the company.

(xv) The company has not entered into any non cash transactions with the directors or persons connected with him and hence clause 3 (xv) of the order is not applicable to the company.

(xvi) According to the information and explanation provided by the management, the company is not required to be registered under section 45-IA o the Reserve Bank of India Act, 1934.

For G. D. Apte & Co.
Chartered Accountants
(Firm Registration No. 100515W)

G. D. APTE & CO. ★ Chartered Accountants ★

Chetan R. Sapre
(Partner)
ICAI Membership No. 116952
Place: Mumbai
Date: 24th April, 2017

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Annexure B to Independent Auditors' Report

(Referred to in paragraph II (f) under 'Report on Other Legal and Regulatory Requirements' section of our report)

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

To the Members of HCC Real Estate Limited

In conjunction with our audit of the standalone financial statements of **HCC Real Estate Limited** ("the Company") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **HCC Real Estate Limited** ("the Company") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the IND AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. D. Apte & Co.
Chartered Accountants
(Firm Registration No. 100515W)

G. D. APTE & CO. ★ Chartered Accountants ★

Chetan R. Sapre
(Partner)
ICAI Membership No. 116952
Place: Mumbai
Date: 24th April, 2017

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HCC REAL ESTATE LIMITED
CIN No:- U70100MH2005PLC154004
BALANCE SHEET as at 31st March 2017

	Note No.	As at 31 March 2017 (₹ in Lakhs)	As at 31 March 2016 (₹ in Lakhs)	As at 31 March 2015 (₹ in Lakhs)
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	2	2.11	2.66	0.48
Capital Work-in-progress	2	698.66	-	
Properties Held for Sale		-	-	
Goodwill on Consolidation		-	-	
Intangilble asset	2	-	18.38	48.38
Intangilble asset under development		-	-	
Financial Assets				
Investments	3	66,111.48	65,270.68	61,053.98
Trade Receivables		-	-	
Loans	4	11,122.53	7,912.03	7,369.36
Other Financial Assets	5	807.83	564.21	356.28
		78,041.84	**73,746.92**	**68,779.62**
Other Non-Current Assets	6	500.00	500.00	-
Income Tax Assets (Net)	7	1,690.27	1,156.32	818.11
Deferred tax assets		-	-	-
Total Non-Current Assets		**80,932.88**	**75,424.28**	**69,646.59**
CURRENT ASSETS				
Inventories	8	11,082.76	11,082.76	11,082.76
Financial Assets				
Investments	9	62.13	877.25	-
Trade Receivables		-	-	
Cash and cash equivalents	10	-	476.89	35.27
Other Bank balances				
Loans	11	19,852.94	19,677.94	16,243.13
Other Financial Assets	12	4,459.81	2,272.38	4,072.78
		24,374.88	**23,304.47**	**20,351.18**
Current Tax assets (net)		-	-	-
Other Current assets	13	489.52	370.18	1,159.46
Total Current Assets		**35,947.16**	**34,757.40**	**32,593.40**
TOTAL ASSETS		**116,880.04**	**110,181.68**	**102,239.99**

EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	14	6,619.32	6,619.32	6,619.32
Other Equity	14	44,750.14	44,753.44	44,548.01
		51,369.46	**51,372.76**	**51,167.33**
LIABILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	15	40,725.09	33,129.49	27,015.38
Other Financial Liabilities	16	10,505.60	11,970.48	9,892.75
		51,230.70	45,099.97	36,908.13
Provisions	17	11.33	9.96	10.31
Deferred Tax Liabilities (net)		-	-	-
Total Non-Current Liabilities		**51,242.03**	**45,109.92**	**36,918.44**
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		-	-	-
Trade Payables	18	10,970.45	10,970.45	10,970.45
Other Financial Liabilities	19	3,129.10	2,649.35	2,756.08
		14,099.55	**13,619.80**	**13,726.53**
Other current liabilities	20	161.91	72.33	398.75
Provisions	21	7.09	6.86	28.95
Total Current Liabilities		14,268.55	13,699.00	14,154.23
TOTAL EQUITY AND LIABILITIES		**116,880.04**	**110,181.68**	**102,239.99**
Significant Accounting Policies	1			
Notes to the Accounts	31 to 48			
The accompanying notes are integral part of the financial statements				

This is the Balance Sheet referred to in our
audit report of even date

For G. D. Apte & Co.
Chartered Accountants
Registration No. 100 515W

Chetan R. Sapre
Partner
Membership No.: 116952

Devendra Manchekar
Chief Executive Officer

Surendra Agarwal
Chief Finance Officer

S.V. Gurav

Sandeep Gurav
Company Secretary

For and on behalf of the Board of Directors

Ajit Gulabchand
Chairman
DIN No:- 00010827

Shalaka Gulabchand Dhawan
Director
DIN No:- 00011094

Subhash Dandekar
Director
DIN No:- 00167875

Arjun Dhawan
Director
DIN No:- 01778379

Rajas R. Doshi
Director
DIN No:- 00050594

Place: Mumbai
Date: 24 APR 2017

HCC REAL ESTATE LIMITED
CIN No:- U70100MH2005PLC154004
STATEMENT OF PROFIT AND LOSS for the period ended 31 March 2017

	Note No.	Period ended 31 March 2017 (₹ in Lakhs)	Year ended 31 March 2016 (₹ in Lakhs)
INCOME			
Revenue from operations	22	-	2,000.00
Other Income	23	6,179.07	5,531.11
TOTAL INCOME		**6,179.07**	**7,531.11**
EXPENSES			
Opening Balance of Project Work in Progress	24	11,082.76	11,082.76
Add: Expenditure during the Year		-	934.78
		11,082.76	**12,017.54**
Less: Balance transferred to Project Work in Progress		11,082.76	11,082.76
		-	**934.78**
Employee benefits expense	25	93.96	107.16
Finance costs	26	5,712.18	4,791.06
Depreciation and amortization expense	2.1	18.93	30.15
Administrative and Other Expenses	27	356.52	1,473.40
TOTAL EXPENSES		**6,181.59**	**7,336.56**
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		**(2.52)**	**194.55**
Exceptional items		-	-
PROFIT BEFORE TAX		**(2.52)**	**194.55**
TAX EXPENSE			
Current tax		-	-
Less : MAT credit entitlement		-	-
Tax expenses of earlier year		-	-
Deferred tax charge		-	-
TAX EXPENSE		-	-
PROFIT FOR THE PEROD/YEAR		**(2.52)**	**194.55**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(0.78)	10.88
(ii) Income tax relating to Items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to Items that will be reclassified to profit or loss		-	-
TOTAL COMPREHENSIVE INCOME		(3.30)	205.43
Earnings per equity share of nominal value ₹ 1 each			
Basic and diluted (in ₹)		(0.00)	0.28
Significant Accounting Policies	1		
Notes to the Accounts	31 to 48		
The accompanying notes are integral part of the financial statements			

This is the statement of Profit & Loss referred to in our audit report of even date

For G. D. Apte & Co.
Chartered Accountants
Registration No. 100 515W

For and on behalf of the Board of Directors

Chetan R. Sapre
Partner
Membership No.: 116952

Ajit Gulabchand
Chairman
DIN No:- 00010827

Shalaka Gulabchand Dhawan
Director
DIN No:- 00011094

Devendra Manchekar
Chief Executive Officer

Subhash Dandekar
Director
DIN No:- 00167875

Arjun Dhawan
Director
DIN No:- 01778379

Surendra Agarwal
Chief Finance Officer

Rajas R. Doshi
Director
DIN No:- 00050594

Sandeep Gurav
Company Secretary

Place: Mumbai
Date: 24 APR 2017

HCC REAL ESTATE LIMITED
CIN No:- U70100MH2005PLC154004
Cash Flow Statement For The Year Period 31st Mar, 2017

		Period ended 31 March 2017 Rs. in Lakhs	Year ended 31 March 2016 Rs. in Lakhs
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax and extraordinary items	(2.52)	194.55
	Adjustments for:		
	Depreciation	18.93	30.15
	Finance Cost (Including Fair Value Measurement)	5,712.18	4,791.06
	Interest Income	(3,992.84)	(3,628.66)
	Rent Received	(59.29)	(28.77)
	Dividend Received	(82.53)	(44.82)
	Financial Gurantee Income	(1,183.61)	(1,094.19)
	Diminution In Value of Investments	-	31.29
	Provision for doubtful advances to subsidiaries	-	1,281.76
	Other Comprehensive Income	(0.78)	10.88
	Operating Profit /(Loss) before working capital changes	409.53	1,543.25
	Adjustments for :		
	(Increase)/Decrease in Trade Receivables	-	-
	(Increase)/Decrease in Other Financial Assets	(2,431.05)	1,592.47
	(Increase)/Decrease in Other Non-Current Assets	-	(500.00)
	(Increase)/Decrease in Other Current Assets	(119.34)	789.28
	Increase/ (Decrease) in Other Financial Liabilities	(1,008.18)	1,971.00
	Increase/ (Decrease) in Provisions	1.60	(22.44)
	Increase/ (Decrease) in Trades Payables	-	-
	Increase/ (Decrease) in Other Current Liabilities	89.58	(326.41)
		(3,467.39)	3,503.91
	Income Tax Paid	(533.95)	(338.21)
	NET CASH FLOW FROM OPERATING ACTIVITIES	(3,591.81)	4,708.94
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	(Addition)/ Deletion of Tangible Assets	(717.04)	(32.33)
	(Addition)/ Deletion of Intangible Assets	18.38	30.00
	(Addition)/ Deletion of Investments	(25.67)	(5,125.24)
	(Increase)/Decrease in Loans & Advances (Assets)	(3,385.50)	(5,259.24)
	Interest Received	3,992.84	3,628.66
	Rent Received	59.29	28.77
	Dividend Received	82.53	44.82
		24.83	(6,684.56)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of Share Capital	-	-
	Proceeds/ (repayment) of Non-Current Borrowings	1,883.42	1,323.05
	Proceeds/ (repayment) of Current Borrowings	-	-
	Financial Guarantee Income	1,183.61	1,094.19
	NET CASH USED IN FINANCING ACTIVITIES	3,067.03	2,417.24
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(499.95)	441.62
	CASH AND CASH EQUIVALENTS- OPENING BALANCE	476.89	35.27
	CASH AND CASH EQUIVALENTS- CLOSING BALANCE	(23.05)	476.89
		(499.95)	441.62

As per our audit report of even date

For G. D. Apte & Co.
Chartered Accountants
Registration No. 100 515W

Chetan R. Sapre
Partner
Membership No.: 116952

Devendra Manchekar
Chief Executive Officer

S.V. Jadhav

Surendra Agarwal
Chief Finance Officer

Place: Mumbai
Date: 2 4 APR 2017

For and on behalf of the Board of Directors

Ajit Gulabchand
Chairman
DIN No:- 00010827

Shalaka Gulabchand Dhawan
Director
DIN No:- 00011094

Subhash Dandekar
Director
DIN No:- 00167875

Arjun Dhawan
Director
DIN No:- 01778379

Rajas R. Doshi
Director
DIN No:- 00050594

HCC REAL ESTATE LIMITED
CIN No:- U70100MH2005PLC154004
Note 1 Summary of significant accounting policies and other explanatory information to the financial statements as at and for the period ended 31st March, 2017

1.1 Basis of Preparation of Financial Statements

The financial statements of HCC Real Estate Limited Ltd have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified by the Companies (Accounting Standards) Rules, 2015 in respect of Section 133 of the Companies Act, 2013 ("the Act").

The financial statements upto year ended 31 March 2016 were prepared in accordance with the Accounting Standards notified by the Companies (Accounting Standards) rules, read with rule 7 to the Companies (Accounts) Rules, 2014 (as amended) in respect of Section 133 of the Act ("previous GAAP"). These financial statements are the first financial statements of the Company under Ind AS. Refer note no 1.3, for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities, share based payments and contingent consideration that are measured at fair values, on an accrual basis of accounting.

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.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act.

These financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Lakhs(INR 00,000)/rupees, except when otherwise indicated.

1.2 Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities.

1.3 First-time adoption of Ind-AS

These are the Company's First Financial Statements prepared in accordance with Ind AS.

The Company has adopted Ind AS with effect from 1 April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1 April 2015 and all the periods presented have been restated accordingly.

These financial statements of the Company for the financial year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101-First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes there to and accounting policies and principles.

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

1.4 Financial Instruments

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

(a) Financial Assets

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

i) 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. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through other comprehensive income ("OCI") 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. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at fair value through profit or loss.

iii) Impairment of Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

iv) De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes 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.

(b) Equity Instruments and Financial Liabilities

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

i) Equity Instruments and Financial Liabilities

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 which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

1 Borrowings

After initial recognition, interest-bearing loans and borrowings 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.

2 De-recognition of Financial Liabilities

Financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/ (losses).

3 Offsetting 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.

1.5 Inventory

(a) Land and construction / development expenses are accumulated under "Project work-in-progress" and the same are valued at cost or net realizable value, whichever is lower.

(b) Cost of land purchased / acquired by the Company includes purchase / acquisition price plus stamp duty and registration charges.

(c) Construction / development expenditure includes cost of development rights, all direct and indirect expenditure incurred on development of land/ construction, attributable interest and financial charges and overheads relating to site management and administration less incidental revenues arising from site operations.

1.6 Cash & Cash Equivalents

Cash and cash equivalents comprise of cash at bank and cash on hand. The Company considers all highly liquid investments with an original maturity of three month or less from date of purchase, to be cash equivalents.

1.7 Provisions, Contingent Liabilities and Contingent Assets

(a) A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. When appropriate, 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.These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

(b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

(c) Contingent assets are neither recognised nor disclosed in the financial statements.

1.8 Finance Cost

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which it is accrued. Also, the EIR amortisation is included in finance costs.

1.9 Revenue Recognition

(a) Revenue from operations

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Ind AS 11 and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.

(b) Project Management Consultancy Fee

Revenue from Project Management Consultancy Fees is recognized on accrual basis, as per the agreements.

(b) Interest and Other Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.
Dividend income is recognized when the company's right to receive dividend is estabished
Other income is accounted for on accrual basis. Where the receipt of income is uncertain it is accounted for on receipt basis.

1.10 Taxation

Tax on Income for the current year is computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit is recognized using the tax rates and tax laws that have been enacted on the Balance sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. At each balance sheet date, recognized and unrecognized deferred tax assets are reviewed.

1.11 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity shareholders and weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.12 Segment Reporting

The Company's operation is considered under one segment namely "Real Estate Development" for internal reporting provided to the chief operating decision maker. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.

1.13 Employees Benefits

(a) Defined Contribution Plans

Company's contributions paid/payable during the year to Provident Fund, Officer's Superannuation Fund, and Labour Welfare Fund are recognized in the statement of profit and loss.

(b) Defined Benefit Plan & other long term benefits

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of profit and loss as income or expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

1.14 Leases

Lease rentals in respect of assets acquired under operating lease are charged to Statement of Profit and Loss.

1.15 Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction

Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average rate approximate the actual rate at the date of the transactions.

Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

HCC REAL ESTATE LIMITED
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Notes Forming Part of Financial Statements As At 31st March, 2017

Note 2 Property, Plant and Equipment / Capital Work In Progress / Other Intangible Assets:

(₹ Lakhs)

Particulars	Tangible assets				Intangible Assets			CWIP
	Computers	Plant & Machinery And Office equipment	Total		Computer software	Total		Total
Gross block								
As at 1 April 2015	43.05	9.51	52.56		214.34	214.34		-
Additions	-	2.33	2.33		-	-		-
Deductions/ disposals	-	-	-		-	-		-
As at 31 March 2016	**43.05**	**11.84**	**54.89**		**214.34**	**214.34**		-
Additions	-	-	-		-	-		698.66
Deductions/ disposals	-	-	-		-	-		-
As at 31 March 2017	**43.05**	**11.84**	**54.89**		**214.34**	**214.34**		**698.66**
Accumulated depreciation / amortisation								
Balance as at 1 April 2015	43.05	9.04	52.09		165.95	165.95		-
Depreciation/ amortisation charge	-	0.15	0.15		30.00	30.00		-
Accumulated depreciation/ amortisation on disposals			-		-	-		-
Impairment losses recognised in the statement of P & L			-		-	-		-
As at 31 March 2016	**43.05**	**9.19**	**52.24**		**195.95**	**195.95**		-
Depreciation/ amortisation charge	-	0.55	0.55		18.38	18.38		-
Accumulated depreciation/ amortisation on disposals	-	-	-		-	-		-
As at 31 March 2017	**43.05**	**9.73**	**52.78**		**214.34**	**214.34**		-
Net block								
As at 1st April 2015	(0.00)	0.48	0.48		48.38	48.38		-
As at 31 March 2016	(0.00)	2.66	2.66		18.38	18.38		-
As at 31 March 2017	**(0.00)**	**2.11**	**2.11**		-	-		**698.66**

Note 2.1 Depreciation and amortisation expense

	Period ended 31 March 2017	Period ended 31 March 2016
	(₹ Lakhs)	(₹ Lakhs)
Depreciation of Tangible assets	**0.55**	0.15
Amortisation of Intangible assets	**18.38**	30.00
TOTAL	**18.93**	**30.15**

HCC REAL ESTATE LIMITED

CIN No:- U70100MH2005PLC154004

Notes Forming Part of Financial Statements As At 31st March, 2017

Note No 3 Current and Non Current Investments

		As at 31 March 2017 (₹ Lakhs)		As at 31 March 2016 (₹ Lakhs)		As at 31 March 2015 (₹ Lakhs)	
	Non Current Investments						
	Trade Investments, Unquoted, Long Term (at cost) :-						
A	**Equity investments In Subsidiary Companies**						
	Maan Township Developers Limited	**1,180.25**		1,180.25		1,180.25	
	1,00,000 Equity shares of ₹ 10 each fully paidup. (Previous year 1,00,000 Shares)						
	Less: Diminution In Value of Investments	(10.00)	**1,170.25**	(10.00)	1,170.25	-	1180.25
	HRL (Thane) Real Estate Limited	1,960.33		1,960.33		1,960.33	
	1,00,000 Equity shares of ₹ 10 each fully paidup. (Previous year 1,00,000 Shares)						
	Less: Diminution In Value of Investments	(10.00)	**1,950.33**	(10.00)	1,950.33	-	1960.33
	HRL Township Developers Limited	27.94		27.94		27.94	
	1,00,000 Equity shares of ₹ 10 each fully paidup. (Previous year 1,00,000 Shares)						
	Less: Diminution In Value of Investments	(10.00)	**17.94**	(10.00)	17.94	(10.00)	17.94
	Lavasa Corporation Limited		44,858.80		44,858.80		44858.80
	54,68,42,513 Equity shares of ₹ 10 each fully paid up (Previous year 54,68,42,513 Equity Shares of ₹ 10 each fully paid)						
	Nashik Township Developers Limited	90.71		90.71		90.71	
	1,00,000 Equity shares of ₹ 10 each fully paid up. (Previous year 1,00,000 Shares)						
	Less: Diminution In Value of Investments	(10.00)	**80.71**	(10.00)	80.71	(10.00)	80.71
	Charosa Wineries Limited		2,363.38		2,363.38		2363.38
	70,00,000 Equity shares of ₹ 10 each fully paid up. (Previous year 70,00,000 Shares)						
	Powai Real Estate Developers Limited.	5.00		5.00		5.00	
	50,000 Equity shares of ₹ 10 each fully paid up. (Previous year 50,000 Shares)						
	Less: Diminution In Value of Investments	(4.35)	0.65	(4.35)	0.65	-	5.00
	HCC Aviation Limited	5.00		5.00		5.00	
	50,000 Equity shares of ₹ 10 each fully paid up. (Previous year 50,000 Shares)						
	Less: Diminution In Value of Investments	(5.00)	-	(5.00)	-	-	5.00
	Pune-Paud Toll Road Company Limited		2,556.59		2,556.59		2556.59
	60,49,500 Equity shares of ₹ 10 each fully paid up. (Previous year 60,49,500 Shares)						
	HCC Realty Limited	5.00		5.00		5.00	
	50,000 Equity shares of ₹ 10 each fully paid up. (Previous year 50,000 Shares)						
	Less: Diminution In Value of Investments	(1.94)	**3.06**	(1.94)	3.06	-	5.00
			53,001.72		**53,001.72**		**53033.01**
B	**Investments - preference shares In Subsidiary Companies**						
	Lavasa Corporation Limited		6,639.37		5,798.58		5064.26
	(2,24,00,097 6% Cumulative Preference Shares of ₹ 10 each fully paid.)						
			6,639.37		**5,798.58**		**5064.26**
C	**Investments - In associates**						
	Panchkutir Developers Ltd		2.83		2.83		2.83
	Warasgaon Asset Maintenance Ltd.		3,513.67		3,513.67		0.00
			3,516.51		**3,516.51**		**2.83**
D	**Investment in Parent Company**						
	Hindustan construction company ltd		2,953.88		2,953.88		2953.88
			2,953.88		**2,953.88**		**2953.88**
			66,111.48	-	**65,270.68**		**61053.98**
	Other Information						
	-Cost of quoted investments			-			
	-Market Value of quoted investments						
	-Cost of unquoted investments		**66,111.48**	-	**65,270.68**		**61053.98**
	Aggregate Provision For Diminution in Value of Investment ₹ 51.29 Lakhs (Previous Year ₹ 31.29 Lakhs)						

Current Investments - Quoted

HCC Real Estate Limited
CIN No:- U70100MH2005PLC154004

Notes forming part of financial statements as on 31st March, 2017

		As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹
	NON-CURRENT ASSETS			
	FINANCIAL ASSETS			
4	**Long Term Loans and Advances**			
	Given to			
	- Subsidiaries & their subsidiaries	12,624.33	7,392.02	6,640.62
	Less : Provision for doubtful advances	(1,501.80)	(1,501.80)	(1,460.23)
	- Fellow Subsidiaries		2,021.81	2,053.21
	- Related Parties	-	-	135.75
		11,122.53	7,912.03	7,369.36
5	**Other Financial Assets**			
	Security Deposits	269.26	241.85	37.42
	Interest receivable from			
	- Subsidiary	165.62	4.65	
	- Related parties	270.85	180.80	318.86
	Deffered Lease Assets	102.10	136.91	-
		807.83	564.21	356.28
6	**Other Non Current Assets**			
	Advance for Purchase of Bungalow in Lavasa	500.00	500.00	-
		500.00	500.00	-
7	**Income Tax Assets (Net)**			
	Balance with Govt Authorities/ Advance Tax Paid	1,690.27	1,156.32	818.11
		1,690.27	1,156.32	818.11
	CURRENT ASSETS			
8	**Inventories**			
	Project Work in Progress - Land	11,082.76	11,082.76	11,082.76
	(Valued at cost or NRV, whichever is lower)			
		11,082.76	11,082.76	11,082.76
	Financial Assets			
9	**Current Investments - Quoted**			
	Birla Sunlife Treasury Optimizer Plan- Growth Current Year NIL (Previous Year 87,573.202 units @ 188.6779 each)	-	165.23	-
	Reliance Medium term -Growth Plan Current Year NIL (Previous Year 22,68,696.03 units @ 31.3846 each	-	712.02	-
	Reliance Banking & PSU Debt fund Current Year 5,25,118.903 units @ 11.8319 each (Previous Year NIL)	62.13	-	-
	Total	62.13	877.25	-
	Other Information			
	-Cost of quoted investments	-	-	-
	-Market Value of quoted investments	62.13	877.25	-
	-Cost of unquoted investments	-	-	-
10	***Cash & Cash Equivalents***			
	Cash in hand	-	-	
	Cheques/Drafts in hand			
	Balances with Banks	(23.05)	476.89	35.27
	Less:Book Overdraft (Classifed as Other Financial Liability)	23.05		
	On Deposit Accounts			
		-	476.89	35.27

Details of Specified Bank Notes held and transacted during the period 08/11/2016 to 30/12/16 :

Particulars	SBNs	Other denomination Notes	Total
Closing Cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(- Amount deposited in Banks	-	-	-
Closing Cash in hand as on 31.12.2016	-	-	-

	Financial Assets			
11	**Short Term Loans and advances**			
	Given to subsidiaries	21,093.13	20,918.13	16,243.13
	Less : Provision for doubtful advances	(1,240.19)	(1,240.19)	-
		19,852.94	19,677.94	16,243.13
12	**Other Financial Assets**			
	Interest receivable from			
	- Associate company	-	-	2,097.23
	- Related parties	4,459.81	2,272.38	1,975.55
		4,459.81	2,272.38	4,072.78
13	**Other current assets**			
	Advance for land purchases	15.50	20.50	819.82
	Balance with service tax authorities	140.21	89.45	61.70
	Other current assets	353.81	280.23	297.93
	Less : Provision for doubtful debts	(20.00)	(20.00)	(20.00)
		489.52	370.18	1,159.46

HCC REAL ESTATE LIMITED
CIN No:- U70100MH2005PLC154004

Note No. 14 (a) : Statement of Changes in Equity As On 31st March, 2017

A) Equity Share Capital

For the period ended 31 March 2017

Balance as at 1 April 2016 ₹ lakhs	Changes in Equity Share Capital during the period ₹ lakhs	Balance as at 31 Mar. 2017 ₹ lakhs
6,619.32	-	6,619.32

For the year ended 31 March 2016

Balance as at 1 April 2015 ₹ lakhs	Changes in Equity Share Capital during the period ₹ lakhs	Balance as at 31 March 16 ₹ lakhs
6,619.32	-	6,619.32

Note No 14 (b) : Other Equity

Particulars	Reserve and surplus			Capital Contribution	Other items of Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings			
Balance at the beginning of the reporting period 01.04.2016	40,816.99	-	(9,878.35)	13,803.92	10.88	44,753.44
Addition during the year			(2.52)			(2.52)
Restated balance at the 01.04.2016	**40,816.99**	**-**	**(9,880.87)**	**13,803.92**	**10.88**	**44,750.92**
Other Comprehensive Income					(0.78)	(0.78)
Remeasurement gain/(loss) on defined benefit plans						-
Fair value on FVOCI financial assets						-
Items that will reclassify to profit and loss account						-
Any other change (to be specified) (ref note)				-		-
Balance at the end of 31.03.2017	**40,816.99**	**-**	**(9,880.87)**	**13,803.92**	**10.10**	**44,750.14**
as per sap				-		-
	-			13,803.92	10.10	
as per IGAAP-2016	-		-	-	-	-
Balance at the beginning of the reporting period 01.04.2015	**40,816.99**	**-**	**(5,403.46)**	**-**	**-**	**35,413.53**
IND AS Impacts			**(4,669.44)**	**13,803.92**		**9,134.48**
Restated balance at the beginning of the reporting period	**40,816.99**	**-**	**(10,072.90)**	**13,803.92**	**-**	**44,548.01**
Addition during the year			194.55			**194.55**
	40,816.99	-	(9,878.35)	13,803.92	-	44,742.56
Other Comprehensive Income					10.88	10.88
Remeasurement gain/(loss) on defined benefit plans						-
Fair value on FVOCI financial assets						-
Items that will reclassify to profit and loss account						-
Any other change (to be specified) (ref note)						-
Balance at the end of 31.03.2016	40,816.99	-	(9,878.35)	13,803.92	10.88	44,753.44

HCC Real Estate Limited
CIN No:- U70100MH2005PLC154004

Notes forming part of financial statements as on 31st March, 2017

		As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹
	NON-CURRENT LIABILITIES			
	Financial Liabilities			
15	***Borrowings***			
	Long term borrowings			
	Term Loan From Bank - Secured	**2,241.73**	2,241.73	2,250.00
	Less: Classified as other current liability due to maturity within next 12	**(2,241.73)**	(2,241.73)	(2,250.00)
	(Secured by Mortgage (1st Charge) of Unencumbered Land of Lavasa Corporation Limited)	-	-	-
	(Carries interest rate @ 14% p.a.) Repayable in 4 Quarterly installments after the end of 18 months from 30th September,2012 i.e. moratorium period as per the following schedule:-At the end of 27th month Rs.375.00 Lakhs,At the end of 30th month Rs.375.00 Lakhs,At the end of 33rd month Rs.750.00 Lakhs,At the end of 36th month Rs.750.00 Lakhs.			
	Company has defaulted in principle repayment of ₹ 750.00 Lakhs by 549 days,₹ 750.00 Lakhs by 641 days, ₹ 375.00 Lakhs by 732 days and ₹ 366.73 Lakhs by 822 days and Interest of ₹ 27.18 Lakhs by 791 days, ₹ 24.91 Lakhs by 763 days, ₹ 26.83 Lakhs by 732 day,₹ 26.30 Lakhs by 702 days,₹ 27.47 Lakhs by 671 days, ₹ 26.83 Lakhs by 641 days, ₹ 27.23 Lakhs by 610 days ₹ 27.53 Lakhs by 579 days ₹ 26.95 Lakhs by 549 days ₹ 27.53 Lakhs by 518 days ₹ 26.95 Lakhs by 488 days ₹ 27.51 Lakhs by 457 days ₹ 28.32 Lakhs by 426 days ₹ 26.79 Lakhs by 397 days and ₹ 28.93 Lakhs by 366 days and ₹ 28.31 Lakhs by 336 days and ₹ 29.56 Lakhs by 305 days and ₹ 28.93 Lakhs by 275 days and ₹ 30.21 Lakhs by 244 days and ₹ 30.54 Lakhs by 213 days and ₹ 29.88 Lakhs by 183 days and ₹ 31.21 Lakhs by 152 days and ₹ 30.54 Lakhs by 122 days and ₹ 31.89 Lakhs by 91 days and ₹ 32.24 Lakhs by 60 days and ₹ 29.45 Lakhs by 32 days and ₹ 33.29 Lakhs by 1 day and ₹ 91.00 Lakhs by 1 day as on 31st March, 2017.			
	Loans From Related Parties - Unsecured			
	Inter Corporate Deposit from Holding Company	**38,086.37**	32,701.05	26,602.11
	Inter Company Deposit From Other Related Parties	**2,638.72**	428.44	413.28
		40,725.09	33,129.49	27,015.38
16	***Other Financial Liabilities***			
	Interest Payable on ICD- Holding Company	**2,166.22**	2,449.67	2,843.99
	Interest Payable on ICD- Other Related party	**5.69**		
	Security Deposit	**687.38**	687.38	650.00
	Deferred Lease Liability	**11.69**	15.19	-
	Financial Liability on Account of Guarantee	**7,634.62**	8,818.24	6,398.75
		10,505.60	11,970.48	9,892.75
17	**Long term provisions**			
	Provision For Employee Benefits			
	Provision for Gratuity	**9.90**	7.75	8.13
	Provision for Leave Benefits	**1.43**	2.21	2.18
		11.33	9.96	10.31
	CURRENT LIABILITIES			
18	**Trade Payables**			
	Due to Related Parties -	**10,970.45**	10,970.45	10,970.45
		10,970.45	10,970.45	10,970.45
19	**Other Financial Liabilities**			
	Current Maturities of Long-term Debt			
	- From Bank	**2,241.73**	2,241.73	2,250.00
	Book Overdraft	**23.05**		
	Interest accrued and due on secured borrowings	**864.32**	407.62	77.00
	Interest accrued and due on unsecured borrowings	-	-	429.09
	Security Deposit			-
		3,129.10	2,649.35	2,756.08
20	**Other Current Liabilities**			
	Payable to Employees	**14.40**	19.77	32.33
	Statutory Dues Payable	**76.06**	7.76	21.37
	Other Payables	**71.46**	44.80	345.05
		161.91	72.33	398.75
21	**Short-Term Provisions**			
	Provision For Employee Benefits			
	Provision For Gratuity	**0.50**	0.39	14.50
	Provision For Leave Benefits	**3.51**	2.82	10.84
	Provision For Leave travel allowance	**3.08**	3.66	3.60
		7.09	6.86	28.95

HCC Real Estate Limited
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Notes forming part of financial statements as on 31st March, 2017

		For the Period Ended 31.03.2017 ₹	For the Year Ended 31.03.2016 ₹
22	**Revenue From Operation**	-	-
	Sale of Land Development Rights	-	2,000.00
	Project Management Consultancy		-
		-	2,000.00
23	**Other Income**		
	Interest Income	3,992.84	3,628.66
	Rent received	59.29	28.77
	Dividend on current investments	82.53	44.82
	Financial Guarantee Income	1,183.61	1,094.19
	Other non operating income	860.79	734.67
		6,179.07	5,531.11
24	**Construction/Development Expenses**		
	Balance of Project Work in Progress Brought Forward- Land	11,082.76	11,082.76
	Add: Expenditure during the Year		
	Fencing Work	-	55.06
	Project Expenses Dholera	-	-
	Land	-	799.32
	Legal, Professional and Consultancy Charges	-	80.40
		-	934.78
	Sub total	11,082.76	12,017.54
	Less: Balance of Project Work in Progress Carried Forward - Land	(11,082.76)	(11,082.76)
		-	934.78
25	**Employee Benefits Expenses**		
	Salaries,Wages,Bonus, & Allowances	89.29	103.16
	Contribution to Provident & Superannuation Fund, Gratuity & Leave Encashment	3.34	2.92
	Staff Welfare Expenses	1.33	1.08
		93.96	107.16
26	**Finance Cost**		
	Interest Expense on Term Loans	456.70	328.71
	Interest on debenture accrued earlier now no longer receivable	-	266.22
	Interest Expense on Lease Deposit	2.92	1.79
	Interest on Inter Corporate Deposits	5,252.16	4,188.33
	Other Borrowing Costs	0.41	6.02
	Less: Interest Income	-	-
	Others	-	-
		5,712.18	4,791.06
27	**Administrative and Other Expenses**		
	Rent	34.81	56.63
	Power & Fuel	-	7.66
	Rates & Taxes	0.12	0.31
	Insurance	0.18	0.12
	Travelling & Other Incidental Expenses	4.44	4.50
	Office Maintenance	3.73	16.84
	Vehicle Running & Maintenance	1.68	1.66
	Printing & Stationery	0.34	0.73
	Communication Expenses	0.73	0.68
	Allocated Revenue / Manpower Expenses	-	-
	Auditors Remuneration - For Statutory Audit	5.17	3.00
	For Tax Audit		
	For Other Services		2.43
	Out of Pocket Expenses		0.03
	Legal,Professional & Consultancy Charges	17.64	57.01
	Brokerage & Commission Charges	274.80	4.67
	Director's Sitting Fees	2.01	2.60
	Diminution In Value of Investments	-	31.29
	Provision for doubtful advances to subsidiaries	-	1,281.76
	Miscellaneous Expenses	10.86	1.48
		356.52	1,473.40

HCC Real Estate Limited
CIN No:- U70100MH2005PLC154004
Disclosure as required by IND AS 101 First time adoption of Indian Accounting standards
Note 28
I. Reconciliation of Equity as at March 31, 2016

₹ in Lakhs

PARTICULARS	Note No.	31st March 2016	Adjustment	31st March 2016	31st March 2015	Adjustment	1st April 2015
		IGAAP		IND AS	IGAAP		IND AS
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS							
NON CURRENT ASSETS							
Property, Plant and Equipment	2	2.66	-	2.66	0.48	-	0.48
Capital Work-in-progress							
Properties Held for Sale							
Goodwill on Consolidation							
Intangilble asset	2	18.38	-	18.38	48.38	-	48.38
Intangilble asset under development							
Financial Assets							
Investments	3	53,423.16	11,847.52	65,270.68	53,454.45	7,599.53	61,053.98
Trade Receivables							
Loans	4	13,389.97	(5,477.95)	7,912.03	13,239.58	(5,870.22)	7,369.36
Other Financial Assets	5	-	564.21	564.21	-	356.28	356.28
Other Non-Current Assets	6	371.10	128.90	500.00	37.42	(37.42)	-
Income Tax Assets (Net)	7	-	1,156.32	1,156.32	-	818.11	818.11
Deferred tax assets							
CURRENT ASSETS							
Inventories	8	11,082.76	-	11,082.76	11,082.76	-	11,082.76
Financial Assets							
Investments	9	877.25	-	877.25	-	-	
Trade Receivables							
Cash and cash equivalents	10	476.89	-	476.89	35.27	-	35.27
Other Bank balances							
Loans	11	23,657.62	(3,979.68)	19,677.94	22,612.35	(6,369.22)	16,243.13
Other Financial Assets	12	-	2,272.38	2,272.38		4,072.78	4,072.78
Current Tax assets (net)							
Other Current assets	13	0	370.18	370.18		1,159.46	1,159.46
Total Current Assets							
		103,299.80	6,881.88	110,181.68	100,510.68	1,729.32	102,239.99
EQUITY AND LIABILITIES							
EQUITY							
Equity Share capital	14	6,619.32	-	6,619.32	6,619.32	-	6,619.32
Other Equity	14	35,010.19	9,743.25	44,753.44	35,413.53	9,134.48	44,548.01
LIABILITIES							
NON CURRENT LIABILITIES							
Financial Liabilities							
Borrowings	15	44,824.29	(11,694.80)	33,129.49	40,819.30	(13,803.92)	27,015.38
Other Financial Liabilities	16	-	11,970.48	11,970.48	-	9,892.75	9,892.75
Provisions	17	9.96	-	9.96	10.31	-	10.31
Deferred Tax Liabilities (net)							
Total Non-Current Liabilities							
CURRENT LIABILITIES							
Financial Liabilities							
Borrowings		-	-	-	-	-	-
Trade Payables	18	10,970.45	-	10,970.45	10,970.45	-	10,970.45
Other Financial Liabilities	19	-	2,649.35	2,649.35	-	2,756.08	2,756.08
Other current liabilities	20	5,862.39	(5,790.06)	72.33	6,652.43	(6,253.68)	398.75
Provisions	21	3.20	3.66	6.86	25.34	3.60	28.95
		103,299.80	6,881.88	110,181.68	100,510.68	1,729.31	102,239.99

III. Reconciliation of Statement of Profit & Loss for the year ended March 31, 2016

	Note No.	IGAAP Year ended 31 March 2016 ₹ in Lakhs	Adjustment	IND AS Year ended 31 March 2016 ₹ in Lakhs
INCOME				
Revenue from operations	22	2,000.00	-	2,000.00
Other income	23	2,776.62	2,754.49	5,531.11
TOTAL INCOME		**4,776.62**	**2,754.49**	**7,531.11**
EXPENSES				
Opening Balance of Project Work in Progress	24	11,082.76	-	11,082.76
Add: Expenditure during the Year		934.78	-	934.78
		12,017.54	-	**12,017.54**
Less: Balance transferred to Project Work in Progress		11,082.76	-	11,082.76
		934.78	-	**934.78**
Employee benefit expenses	25	96.28	10.88	107.16
Finance costs	26	2,413.94	2,377.12	4,791.06
Depreciation and amortisation expense	2.1	30.15	-	30.15
Administrative and Other Expenses	27	1,704.81	(231.41)	1,473.40
TOTAL EXPENSES		**5,179.97**	**2,156.59**	**7,336.56**
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		**(403.35)**	**597.90**	**194.55**
Exceptional items		-	-	-
PROFIT BEFORE TAX		**(403.35)**	**597.90**	**194.55**
TAX EXPENSE				
Current tax				
Less : MAT credit entitlement				
Net current tax				
Deferred tax charge				
TAX EXPENSE				-
PROFIT FOR THE PEROD/YEAR		**(403.35)**	597.90	**194.55**
OTHER COMPREHENSIVE INCOME				
A (i) Items that will not be reclassified to profit or loss		-	10.88	10.88
(ii) Income tax relating to Items that will not be reclassified to profit or loss				
B (i) Items that will be reclassified to profit or loss				
(ii) Income tax relating to Items that will be reclassified to profit or loss				
TOTAL COMPREHENSIVE INCOME		(403.35)	608.78	205.43

HCC Real Estate Limited

CIN No:- U70100MH2005PLC154004

Note No.29.

Related Party Disclosure

A) Names of Related Parties and Nature of Relationship

a) Parent Company and Fellow Subsidiaries

1 Hindustan Construction Co. Ltd. (HCC Ltd.)
2 Panchkutir Developers Ltd.
3 Highbar Technologies Ltd.
4 HCC Infrastructure Company Ltd.
5 Steiner India Ltd
6 Western Securities Ltd

c) Other Related Parties:

1 Hincon Finance Ltd.

d) Subsidiary of subsidiary :

1 Rhapsody Commerical Space Ltd.

b) Subsidiaries :

1.Pune Paud Toll Road Company Ltd.
2.HCC Aviation Ltd.
3.HRL Township Developers Ltd.
4.HRL (Thane) Real Estate Ltd.
5.Nashik Township Developers Ltd.
6.Maan Township Developers Ltd.
7.Charosa Wineries Ltd.
8.Powai Real Estate Developers Ltd.
9.HCC Realty Ltd.
10.Lavasa Corporation Ltd.

B) Key Management Personnel

Mr. Surendra Agarwal	Chief Finance Officer
Mr. Devendra Manchekar	Chief Executive Officer
Ms. Sandeep Gurav	Company Secretary

C)	Transactions with Related Parties:				
	Nature of Transactions	**Relationship**	**2016-17**	**2015-16**	**2014-15**
	Interest on ICD				
	Lavasa Corporation Limited	Subsidiary Company	2,297.45	2,288.84	1,465.16
	Charosa Wineries Limited	Subsidiary Company	326.60	111.58	-
	HCC Infrastructure Company Ltd.	Other Related Party	101.75	267.86	314.48
	Hincon Finance Limited	Other Related Party	-	-	82.49
	Rhapsody Commercial Space Ltd	Other Related Party	133.03	141.03	79.51
	HRL (Thane) Real Estate Ltd	Subsidiary Company	415.50	298.27	-
	HRL Township Developers Ltd	Subsidiary Company	3.93	2.79	-
	Nashik Township Developers Ltd	Subsidiary Company	17.44	12.43	-
	Maan Township Developers Ltd	Subsidiary Company	251.21	179.17	-
	Pune Paud Toll Road Company Ltd	Subsidiary Company	415.00	298.19	-
	Panchkutir Developers Ltd	Other Related Party	0.60	1.78	-
	Total		**3,962.51**	**3,601.94**	**1,941.64**
	Project Management Consultancy / Others				
	Western Securities Limited	Other Related Party			16.00
	Charosa Wineries Limited	Subsidiary Company			0.92
	Lavasa Corporation Limited	Subsidiary Company	840.79	734.32	
			840.79	**734.32**	**16.92**
	Interest on Lease Deposit				
	Hincon Finance Limited	Other Related Party	27.15	23.92	-
	Vikhroli Corporate Park Private Limited	Other Related Party	3.19	2.81	
	Total		**30.33**	**26.73**	**-**
	Financial Guarantee Income				
	Lavasa Corporation Limited	Subsidiary Company	509.16	506.62	-
	Hindustan Construction Co. Ltd.	Holding Company	453.65	453.20	
	Charosa Wineries Limited	Subsidiary Company	48.38	48.14	-
	Warasgaon Asset Maintainance Limited	Subsidiary Company	172.43	86.23	
	Total		**1,183.61**	**1,094.19**	**-**
	Income Total		**6,017.25**	**5,457.17**	**1,958.56**
	Interest Expenses on ICD				
	HCC Infrastructure Company Ltd.	Other Related Party	3.34	-	-
	Highbar Technologies Limited	Other Related Party	128.45	132.28	112.03
	Western Securities Limited	Other Related Party	-	3.89	7.65
	Panchkutir Developers Ltd	Other Related Party	7.67	-	
	Hindustan Construction Co. Ltd.	Holding Company	5,112.70	4,052.16	1,116.81
	Total		**5,252.16**	**4,188.33**	**1,236.48**
	Rent Expenses / Allocable expenses				
	Hincon Finance Limited	Other Related Party	31.31	31.31	
	Vikhroli Corporate Park Private Limited	Other Related Party	3.51	25.32	65.45
	Highbar Technologies Limited	Other Related Party	0.47	0.44	3.73
	Hindustan Construction Co. Ltd.	Holding Company	-	-	214.26
	Total		**35.28**	**57.07**	**283.44**

Expenses Total		5,287.44	4,245.39	1,519.92
Inter Corporate Deposit Given during period				
Charosa Wineries Limited	Subsidiary Company	4,091.32	199.70	53.71
HRL Township Developers Ltd	Subsidiary Company	0.37	0.76	0.08
Maan Township Developers Ltd	Subsidiary Company	101.76	5.45	0.33
HRL (Thane) Real Estate Ltd	Subsidiary Company	4.05	4.14	1.61
Nashik Township Developers Ltd	Subsidiary Company	11.96	1.54	0.38
Lavasa Corporation Limited	Subsidiary Company	775.00	4,675.00	3,630.00
Panchkutir Developers Ltd	Other Related Party	12.70	28.16	6.04
Powai Real Estate Developers Ltd	Subsidiary Company	0.37	0.33	0.24
HCC Infrastructure Company Ltd.	Other Related Party	-	98.14	
Rhapsody Commercial Space Ltd	Other Related Party		-	1,064.25
HCC Realty Ltd	Subsidiary Company	0.35	0.35	0.22
Hincon Finance Limited	Other Related Party			
Vikhroli Corporate Park Private Limited	Other Related Party		1,000.00	177.25
Total		**4,997.88**	**6,013.56**	**4,934.12**
Inter Corporate Deposit received back				
Charosa Wineries Limited	Subsidiary Company	107.73	1.37	1.52
HRL Township Developers Ltd	Subsidiary Company	-	-	0.04
Nashik Township Developers Ltd	Subsidiary Company	-	0.34	-
Panchkutir Developers Ltd	Other Related Party	46.91		
HCC Realty Ltd	Subsidiary Company	0.35	0.35	0.22
Powai Real Estate Developers Ltd	Subsidiary Company	0.37	0.33	0.25
Maan Township Developers Ltd	Subsidiary Company	117.00	342.69	165.00
HCC Infrastructure Company Ltd.	Other Related Party	1,990.00	158.14	1,000.00
Lavasa Corporation Limited	Subsidiary Company	600.00		7.00
Hincon Finance Limited	Other Related Party	-	135.75	1,064.25
Vikhroli Corporate Park Private Limited	Other Related Party		3,097.23	505.42
Total		**2,862.36**	**638.98**	**2,238.28**
Inter Corporate Deposit taken during period				
HCC Infrastructure Company Ltd.	Other Related Party	2,100.00	-	-
Highbar Technologies Limited	Other Related Party	125.88	131.17	147.28
Panchkutir Developers Ltd	Other Related Party	142.59		
Hindustan Construction Co. Ltd.	Holding Company		4,989.83	2,929.25
Total		**2,368.48**	**131.17**	**147.28**
Inter Corporate Deposit repaid				
Highbar Technologies Limited	Other Related Party	10.00	-	-
Western Securities Limited	Other Related Party	-	-	116.00
HCC Infrastructure Company Ltd.	Other Related Party	150.00		
Panchkutir Developers Ltd	Other Related Party	-	-	-
Hindustan Construction Co. Ltd.	Holding Company		1,000.00	
Total		**160.00**	**1,000.00**	**116.00**
Security Deposit Given (Towards Leased Premises)				
Hincon Finance Limited	Other Related Party	-	333.69	-
Total		-	**333.69**	-
Investment made during the year				
Advance for Purchase of Bunglow in Lavasa Corporation Ltd		-	500.00	-
Total		-	**500.00**	-
Outstanding Receivables Loans & Advances				
Charosa Wineries Limited	Subsidiary Company	5,212.40	1,080.70	788.30
HRL Township Developers Ltd	Subsidiary Company	27.99	23.81	20.31
Maan Township Developers Ltd	Subsidiary Company	1,399.65	1,166.04	1,324.48
HRL (Thane) Real Estate Ltd	Subsidiary Company	2,928.27	2,509.49	2,207.36
Nashik Township Developers Ltd	Subsidiary Company	133.99	104.87	91.34
Lavasa Corporation Limited	Subsidiary Company	18,444.64	18,269.64	13,594.64
Panchkutir Developers Ltd	Other Related Party		31.81	3.21
Hincon Finance Limited	Other Related Party	-	-	135.75
Pune Paud Toll Road Company Ltd	Subsidiary Company	2,922.03	2,507.03	2,208.84
HCC Aviation Ltd.	Subsidiary Company	1,584.24	1,584.24	1,584.24
Rhapsody Commercial Space Ltd	Other Related Party	1,064.25	1,064.25	1,064.25
HCC Infrastructure Company Ltd.	Other Related Party	-	1,990.00	2,050.01
Vikhroli Corporate Park Private Limited	Other Related Party	-	-	2,097.23
Total		**33,717.46**	**30,331.87**	**27,169.95**
Outstanding Balance in Unsecured Loan payables				
Hindustan Construction Co. Ltd.	Holding Company	38,086.37	32,701.05	26,602.11
Highbar Technologies Limited	Other Related Party	544.32	428.44	297.28
Panchkutir Developers Ltd	Other Related Party	138.95		
HCC Infrastructure Company Ltd.	Other Related Party	1,950.00		
Western Securities Limited	Other Related Party	-	-	116.00
Total		**40,719.65**	**33,129.49**	**27,015.38**
Outstanding Balance in Security Deposit taken				
Highbar Technologies Limited	Other Related Party	650.00	650.00	650.00
Total		**650.00**	**650.00**	**650.00**
Outstanding Balance in Security Deposit given				
Hincon Finance Limited	Other Related Party	333.69	333.69	-
Total		**333.69**	**333.69**	-
Outstanding Interest Receivable				
Charosa Wineries Limited	Subsidiary Company	165.29	4.65	-

	HRL Township Developers Ltd	Subsidiary Company	0.10	0.05	-
	Maan Township Developers Ltd	Subsidiary Company	2.13	0.32	-
	HRL (Thane) Real Estate Ltd	Subsidiary Company	0.94	0.25	-
	Nashik Township Developers Ltd	Subsidiary Company	0.15	0.05	-
	Lavasa Corporation Limited	Subsidiary Company	4,141.59	2,073.89	1,724.09
	Panchkutir Developers Ltd	Other Related Party		1.21	-
	Hincon Finance Limited	Other Related Party	-	-	179.89
	Highbar Technologies Limited	Other Related Party			
	HCC Infrastructure Company Ltd.	Other Related Party	270.31	178.97	318.86
	Rhapsody Commercial Space Ltd	Other Related Party	318.21	198.49	71.56
	Vikhroli Corporate Park Private Limited	Other Related Party	281.15	281.15	281.15
	Total		**5,179.87**	**2,739.02**	**2,575.56**
	Outstanding Payables Current Liability				
	Lavasa Corporation Limited	Subsidiary Company	10,970.45	10,970.45	10,970.45
	Hindustan Construction Co. Ltd.	Holding Company	2,166.22	2,449.67	2,843.99
	Steiner India Ltd.	Other Related Party	3.64	3.64	3.64
	Highbar Technologies Limited	Other Related Party	19.19	18.70	18.22
	Panchkutir Developers Ltd	Other Related Party	5.69		
	Total		**13,159.51**	**13,442.47**	**13,836.31**
	Corporate Guarantees given and outstanding.				
	Hindustan Construction Co. Ltd.	Holding Company	2,953.88	2,953.88	2,953.88
	Charosa Wineries Limited	Subsidiary Company	366.87	366.87	366.87
	Lavasa Corporation Limited	Subsidiary Company	3,078.00	3,078.00	3,078.00
	Warasgaon Asset Maintainance Limited	Subsidiary Company	3,513.67	3,513.67	
	Total		**9,912.43**	**9,912.43**	**6,398.75**
	Investment in Holding Company/Subsidiary/Fellow subsidiary				
	Hindustan Construction Co. Ltd.	Holding Company	2,953.88	2,953.88	2,953.88
	Charosa Wineries Limited	Subsidiary Company	366.87	366.87	366.87
	Lavasa Corporation Limited	Subsidiary Company	3,078.00	3,078.00	3,078.00
	Warasgaon Asset Maintainance Limited	Subsidiary Company	3,513.67	3,513.67	-
	Total		**9,912.43**	**9,912.43**	**6,398.75**
	Deemed Equity Investment by				
	Hindustan Construction Co. Ltd.	Holding Company	13803.92	13803.92	13,803.92
	Total		**13,803.92**	**13,803.92**	**13,803.92**
	Investment in Preference Shares outstanding				
	Lavasa Corporation Limited	Subsidiary Company	6,639.37	5,798.58	-
	Total		**6,639.37**	**5,798.58**	**-**
	Share Capital Outstanding at Face Value				
	Hindustan Construction Co. Ltd.	Holding Company	6,619.32	6,619.32	6,619.32
	Total		**6,619.32**	**6,619.32**	**6,619.32**

D Investments in shares of companies pledged in favour of banks :

Companies	In favour of	Numbers of Shares	To availed Loan to
Charosa Wineries Ltd	Yes Bank Ltd.	21,00,000	Charosa Wineries Ltd
HRL (Thane) Real Estate Ltd	ICICI Bank Ltd.	30,000	Highbar Technologies Ltd.

E) Details of transactions relating to persons referred to in item (B) above :

₹ in Lakhs

Nature of Transactions	31st March, 2017	31st March, 2016	31st March, 2015
Remuneration Paid			
Mr. Devendra Manchekar	25.68	46.37	57.73
Mr Narendra Negandhi (Upto 27th June 2014)	-	-	21.24
Ms. Pooja Oak (Upto 31st December 2014)	-	-	11.71
Total	**25.68**	**46.37**	**57.73**

HCC Real Estate Limited

CIN No:- U70100MH2005PLC154004

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

30 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

	Year ended 31 March 2017 ₹ Lakhs	Year ended 31 March 2016 ` Lakhs
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year	**8.13**	22.63
Interest cost	0.65	1.50
Current service cost	0.84	1.80
Remeasurements - Net actuarial (gains)/ losses	0.78	(10.88)
Benefits paid	-	
	10.40	15.05
Add: Provision for separated employees	-	(6.92)
Present value of obligation as at the end of the year	**10.40**	8.13
b) Expenses recognised in the Statement of Profit and Loss		
Interest cost	0.65	1.50
Current service cost	0.84	1.80
Total	**1.49**	3.29
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in Gain / Loss	0.50	(10.72)
Experience adjustments	0.28	(0.16)
Total	**0.78**	(10.88)

d) Actuarial assumptions	**31 March 2017**	31 March 2016	1 April 2015
Discount rate	**7.70% p.a.**	8.00%p.a.	
Salary escalation rate - over a long-term	**7.50% p.a.**	**7.50% p.a.**	
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Average future working lifetime	10.90 years	10.93 years	10.49 years

The attrition rate varies from 2% to 8% (31 March 2016: 2% to 8%) for various age groups

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) Sensitivity Analysis

Particulars	31 March 2017	31 March 2016
Discount Rate		
Increase by 1%	9.52	7.39386
Decrease by 1%	11.39	8.97201
	-	-
Salary Increment Rate	-	-
Increase by 1%	10.70	8.46
Decrease by 1%	9.94	7.45
	-	-
Withdrawal Rate	-	-
Increase by 1%	10.46	8.16
Decrease by 1%	10.33	8.11

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

f) **Maturity analysis of defined benefit obligation**

Within the next 12 months	**0.50**	0.39
Between 2 and 5 years	**2.43**	2.09
Between 6 and 10 years	**9.39**	6.92
Total expected payments	**12.32**	9.40

B **Defined contribution plans**

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(i) Contribution to provident fund	-	
(ii) Contribution to super annuation fund	-	
	-	-

b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ₹ 4.94 Lakhs has been made as at 31 March 2017. (31 March 2016: ₹ 5.02 Lakhs; 1 April 2015: ₹ 13.02 Lakhs

	31 March 2017 ₹ Lakhs	31 March 2016 ₹ Lakhs	1 April 2015 ₹ Lakhs
C **Current/ non-current classification**			
Gratuity			
Current	**0.50**	0.39	14.50
Non-current	**9.90**	7.75	8.13
	10.40	8.13	22.63
Leave entitlement (including sick leave)			
Current	3.51	2.82	10.84
Non-current	1.43	2.21	2.18
	4.94	5.02	13.02

HCC Real Estate Limited

CIN No:- U70100MH2005PLC154004

(All amounts are in INR in Lakhs, unless stated otherwise)

31 **Fair value measurements**

(a) Significance of financial instruments :

Classification of financial instruments

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets			
At Amortised Cost			
Investments	66,111.48	65,270.68	61,053.98
Trade Receivables	-	-	-
Loans	30,975.47	27,589.97	23,612.49
Other Financial Assets	5,267.64	2,836.59	4,429.06
Cash and cash equivalents	-	476.89	35.27
	102,354.59	**96,174.13**	**89,130.80**
At Fair Value through Profit & Loss			
Investment in Mutual Funds	62.13	877.25	
	62.13	**877.25**	**-**
Total of Financial Assets	**102,416.72**	**97,051.38**	**89,130.80**
Financial Liabilities			
At Amortised Cost			
Borrowings	40,725.09	33,129.49	27,015.38
Other Financial Liabilities	13,634.71	14,619.83	12,648.83
Trade Payables	10,970.45	10,970.45	10,970.45
Total of Financial Liabilities	**65,330.25**	**58,719.77**	**50,634.66**

Fair Value Hierarchy :

(a) Fair value hierarchy - Recurring fair value measurements

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets			
At Fair Value through Profit & Loss			
Level - 1			
Investment in Mutual Funds	62.13	877.25	-
Total of Financial Assets	62.13	877.25	-

(b) Fair value hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets			
Level - 3	-	-	-
Investments	66,111.48	65,270.68	61,053.98
Trade Receivables	-	-	-
Loans	30,975.47	27,589.97	23,612.49
Other Financial Assets	5,267.64	2,836.59	4,429.06
Cash and cash equivalents	-	476.89	35.27
Total of Financial Assets	**102,416.72**	**97,051.38**	**89,130.80**
Financial Liabilities			
Level - 3			
Borrowings	40,725.09	33,129.49	27,015.38
Other Financial Liabilities	13,634.71	14,619.83	12,648.83
Trade Payables	10,970.45	10,970.45	10,970.45
Total of Financial Liabilities	**65,330.25**	**58,719.77**	**50,634.66**

Recognised fair value measurements

Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2:

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3:

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

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

• the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(All amounts are in lakhs, unless stated otherwise)

32 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) 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 and commodity risk. Major Financial instruments affected by market risk includes loans and borrowings.

Quantities sensitivity analysis for significant assumption is as below:

	31 March 2017 In Lakhs	31 March 2016 In Lakhs
	0.50% increase	
Finance Cost will increase by	313.84	313.84
PBT (decrease in profit)	22.42	22.42
	0.50% decrease	
Finance Cost will decrease by	269.01	269.01
PBT (increase in profit)	22.42	22.42

(ii) Foreign currency risk
The Company does not ahve any balances in foreign currency and consequently the Company is not exposed to foreign exchange risk.

(iii) Credit Risk

The Gross carrying amount of financial assets, net of any impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2017 and 2016 was as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Investments	66,173.61	66,147.93	61,053.98
Trade Receivables (Net of Allowance of dobutful debts)	-	-	-
Cash and Cash Equivalents and other bank balances	-	476.89	35.27
Other Financial Assets	5,267.64	2,836.59	4,429.06
Loans	30,975.47	27,589.97	23,612.49
Total	**36,243.11**	**30,903.45**	**28,076.82**

(iii) Liquidity risk
The tables below analyse the Company`s financial liabilities into relevant maturity groupings based on their contractual maturities for:

As At March-2017

	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings			40,725.09		40,725.09
Other Financials liabilities			10,505.60		10,505.60
Trade and other payables	10,970.45				10970.45
Other Financial liabilities	864.32	2,264.78			3,129.10
Total non-derivatives	**11,834.77**	**2,264.78**	**51,230.70**	**-**	**65,330.25**
Derivatives (N.A)					
-	**11,834.77**	**2,264.78**	**51,230.70**	**-**	**65,330.25**

As At March-2016

	On demand	Less than 1 year	1 - 5 years	More than 5 years	**Total**
Non-derivatives					
Borrowings			33,129.49		33,129.49
Other Financials liabilities			11,970.48		11,970.48
Trade and other payables	10,970.45				10,970.45
Other Financial liabilities	407.62	2,241.73			2,649.35
Total non-derivatives	**11,378.07**	**2,241.73**	**45,099.97**	**-**	**58,719.77**
Derivatives (N.A)					
-	**11,378.07**	**2,241.73**	**45,099.97**	**-**	**58,719.77**

As At April-2015

	On demand	Less than 1 year	1 - 5 years	More than 5 years	**Total**
Non-derivatives					
Borrowings			27,015.38		27,015.38
Other Financials liabilities			9,892.75		9,892.75
Trade and other payables	10,970.45				10,970.45
Other Financial liabilities	506.08	2,250.00			2,756.08
Total non-derivatives	**11,476.53**	**2,250.00**	**36,908.13**	**-**	**50,634.66**
Derivatives (N.A)					
-	11,476.53	**2,250.00**	**36,908.13**	**-**	**50,634.66**

HCC Real Estate Limited

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Notes forming part of financial statements as on 31st March, 2017

33 **Contingent Liabilities not provided for**

₹ in Lakhs

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1	Contingent Liabilities w.r.t. disputed income tax matters*	2,759.76	1,322.40	1,322.40
2	Corporate Bank Gaurantees**	1,110,738.69	1,084,842.05	970,145.00

Note:

1) The Contingent liabilities pertaining to Tax Deducted at Source is disclosed fom the Traces Websites.

2) The Company has created first exclusive charge on all movable and immovable fixed and current assets of the Company in favour of lenders of HCC Infrastructure Company Limited and also provided Corporate Guarantees. The said loan is fully repaid during 2016-17. (March 2016 Rs. 7500 Lakhs & March 2015 Rs. 16500 Lakhs)

3) Corporate guaratee mentioned above include a put option given to Axis bank against the issue of Preference shares by Lavasa Corporation

4) IFCI has filed Winding Up Petition against Lavasa Corporation Limited and HCC Real Estate Ltd and invoked Corporate Guarantee given by HCC Real Estate Ltd to Lavasa Corporation Limited for Rs 30 Crs.

5) Bank of Baroda has filed recovery proceedings against Lavasa Corporation Limited and has invoked corporate guarantee given by HCC Real Estate Ltd to Lavasa Corporation Limited for Rs 15 Crs.

34 The estimated amount of contracts remaining to be executed on capital account and not provided for is NIL (Previous year NIL).

35 A Company holds 100% equity shares in Pune Paud Toll Road Company Limited (PPTRCL),Net worth of the PPTRCL is negative as on 31st March, 2017 as the accumulated losses of the company at ₹ 3,271.03 Lakhs (Previous Year ₹ 2,900.22 Lakhs) has exceeded the paid up share capital of the company amounting to ₹ 605.00 Lakhs, by ₹ 2,666.03 Lakhs (Previous Year ₹ 2,295.22 Lakhs). PPTRCL had preferred a claim for compensation aggregating to Rs.14,048.00 (including interest) - on account of delay in granting permission to collect the toll and change in location of Toll Plaza which resulted in drastic reduction in revenue collection, and towards refund of cost of land acquisition of Bhugaon bypass among other claims. Since the PWD rejected claims, the PPTRCL had referred the disputes for resolution through Arbitration, as per Contract. Consequently, the Arbitration proceedings had began from Feb-2015. Company has received an Arbitration Award amounting to ` 28,02,00,000 (includes interest of ` 2,15,00,000) on 08.01.2017 against various claims filed by the Company to the PWD for compensation. The award is unanimous and the amount of ` 28,02,00,000 Crore has to be paid by the PWD to the Company on or before 31.03.2017. In case of failure, the PWD shall be liable to pay interest @12% per annum to the Company with effect from 08.01.2017 till the date of payment. As per the terms of the contract, the period to operate the project has expired on 12th Feb-2014, and thereafter the project stands transferred to the PWD.

The Board at its meeting held on 27.03.2017 approved the proposal for merger of Pune Paud Toll Road Company Limited with the Company HCC Infrastructure Company Limited in accordance with the provisions of section 230 to 232 of the Companies Act 2013 and rules made thereon .Appointed date for the scheme is 1st April,2016.The application has been filed with National Company Law Tribunal(NCLT) on 31.03.2017.The transaction is subject to customary closing conditions ,including regulatory approvals.

B (i) Company has invested in Various Subsidaries Namely Maan Township Developers Ltd, Charosa Wineries Ltd,HRL (Thane) Real Estate Ltd,Nashik Township Developers Ltd, HRL Township Developers Limited and HCC Aviation Limited,HCC Realty Ltd, Powai Real Estat Dev LTd. by way of equity contribution ₹ 8142.91.00 Lakhs (Previous Year ₹ 8142.91.00 Lakhs) and Advances ₹ 14208.57 Lakhs (Previous Year ₹ 8976.18 Lakhs) and Networth of those subsidaries is negative as on 31st March, 2017.Company has also invested in equity/preference shares of Lavasa Corporation Ltd to the extent of ₹ 51498.17 Lakhs(Previous Year ₹ 50657.38 Lakhs) & have given advances of ₹ 18444.64 Lakhs (Previous Year ₹ 18269.64 Lakhs), Company also has current liability to the extent of '10970.45 Lakhs (Previous Year ₹ 10970.45 Lakhs). Hence, the net investment in Lavasa Corporation Ltd is ₹ 51498.17 Lakhs (Previous Year ₹ 50657.38 Lakhs). Company's share of networth in Lavasa Corporation Limited on a consolidated basis has gone down below the investments made by Company.

B (i) Company holds 100% equity shares in Maan Township Developers Ltd, Charosa Wineries Ltd, HRL (Thane) Real Estate Ltd, Nashik Township Developers Ltd ,HRL Township Developers Ltd and HCC Aviation Limited. The accumulated losses of all above companies has exceeded its Equity as on 31st March by ` 47.65 Lakhs ( previous Year ` 13.39 Lakhs), ` 6258.93 Lakhs ( previous Year ` 4485.08 Lakhs) , ` 1264.95 Lakhs ( previous Year ` 1263.83 Lakhs) ` 173.03 Lakhs ( previous Year ` 172.37 Lakhs), ` 38.86 Lakhs (Previous Year ` 38.43 Lakhs) and ` 1240.45 Lakhs (Previous Year ` 1240.12 Lakhs) respectively. Due to Stagnancy in the business of the Company it has provided for its investment in companies which is ` 10.00 Lakhs, ` 1300.00 Lakhs, ` 10.00 Lakhs, ` 10.00 Lakhs, ` 10.00 Lakhs and ` 5.00 Lakhs respectively.

Considering the Long term business outlook and future growth plans, Management is of the opinion that losses in these subsidary companies are temporary in nature and going concern of the business is not adversely affected. In view of the above, no diminution in the value of Investment is required and advances given are fully recoverable.

36 **Earning Per Share**

₹ in Lakh except EPS

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Net Profit / (Loss) available for Equity Shareholders	205	(1,836)
2	Weighted Average Number of Equity Shares	70,000,000	70,000,000
3	Earnings Per Share (Basic & Diluted)	0.29	(2.62)

37 Technical Sureys/estimates are involved in respect of Physical vertification procedures / Determination of Project Work In Progress / related costs. These estimates made by the Company and certified to auditors, have been relied upon by them, as these are of a technical nature.

38 Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006.

As per requirement of Section of 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed:

₹ in Lakhs

S.No	Particulars	31st Mar, 2017	31st Mar, 2016	01st April, 2015
1	Principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil	Nil
2	Interest due on (i) above remaining unpaid	Nil	Nil	Nil
3	Amounts paid beyond the appointed day during the accounting year	Nil	Nil	Nil
4	Interest paid on (iii) above	Nil	Nil	Nil
5	Interest due and payable on (iii) above	Nil	Nil	Nil
6	Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil	Nil
7	Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax	Nil	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors

39 OPERATING LEASE

The Company has taken various under non-cancellable operating leases. The future minimum lease payments in respect of these as at 31 March 2017 are as follows:

(Rs. in Lakhs)

The future minimum lease	31.03.2017	31.03.2016	31.03.2015
Payable not later than One Year	238.65	56.06	49.91
Payable more than One year but not later than five years	946.84	1,185.49	1,069.76
Payable later than five years	-	-	171.79
Lease payment recognised during the year/ year	56.06	49.91	65.45

General description of the leasing arrangement

i) Leased Assets: lease of Office Premises

ii) Future lease rental payments are determined on the basis of lease payable as per the agreement.

40 Ajustments to Statement of Cash Flows

There were no material differences between the Statement of Cash Flow, presented under Ind AS and the previous GAAP.

I. Summary of Equity :

₹ in Lakhs

Sr. No	Particulars	As at 31.03.2016	As at 01.04.2015
1	Equity Share Capital	6,619.32	6,619.32
2	(+) Securities Premium	40,816.99	40,816.99
3	(+) Retained Earning	(5,806.80)	(5,403.46)
4	Share Application Money	-	-
5	Capital Subsidy		
6	**Total Equity under local GAAP (1+2+3+4)**	**41,629.51**	**42,032.85**
	Retained Earnings	(4,669.44)	(4,669.44)
	Capital Contribution	13,803.92	13,803.92
	Guarantee/Interest Income Recognised	2,752.15	-
	Rent Expenses recognised (Net)	(32.47)	
	Interest on Term Loans/Finnance Cost	(2,110.90)	
9	**Total Ind AS Adjustments (6+7)**	**9,743.25**	**9,134.48**
10	**Total Equity under Ind AS (5+8)**	**51,372.76**	**51,167.33**
11	**Total Equity under Ind AS (As Per Financials)**	**51,372.76**	**51,167.33**
12	**Difference (9-10)**	-	-

II. Profit Before Tax :

Sr. No	Particulars	As at 31.03.2016
1	PBT as per I-GAAP	(403.34)
	Guarantee/Interest Income Recognised	2,752.15
	Rent Expenses recognised (Net)	(32.47)
	Interest on Term Loans/Finnance Cost	(2,110.90)
3	**PBT under Ind AS**	**205.43**
4	**PBT under Ind AS (As Per Finacials)**	**205.43**
5	**Difference (3-4)**	-

41 Disclosure on Specified Bank Notes (SBN) :
W.r.t. to the notification issued by the Ministry of Corporate Affairs, dated 30th March, 2017, The company did not have any holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

42 The estimated amount of balance commitment remaining to be executed on project for is NIL (Previous year NIL).

43 **Taxes on Income**
No provision for current tax is made, as the profit for the year can be adjused in full against the losses of previous years as per Income Tax Provisions.

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

45 Other additional information pursuant to the provisions of paragraph 5 of Schedule III to the Companies Act, 2013 is either nil or not applicable.

46 Advances given to various parties are subject to confirmation.

47 In the opinion of the Board, any of the assets other than fixed assets and non-current investments do not have a value on realization in ordinary course of business lower than at least equal to the amount at which they are stated.

48 Previous year figures have been regrouped / re-classified wherever necessary.

As per our report of even date

For G. D. Apte & Co.
Chartered Accountants
Registration No. 100 515W

For and on behalf of the Board of Directors

Chetan R. Sapre
Partner
Membership No.: 116952

Devendra Manchekar
Chief Executive Officer

Ajit Gulabchand
Chairman
DIN No:- 00010827

Surendra Agarwal
Chief Finance Officer

Subhash Dandekar
Director
DIN No:- 00167875

Shalaka Gulabchand Dhawan
Director
DIN No:- 00011094

S.V. Gurav

Sandeep Gurav
Company Secretary

Rajas R. Doshi
Director
DIN No:- 00050594

Arjun Dhawan
Director
DIN No:- 01778379

Place: Mumbai
Date: 2 4 APR 2017

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
HCC Real Estate Limited

Report on the Financial Statements (Consolidated)

We have audited the accompanying consolidated financial statements of **HCC Real Estate Limited** (hereinafter referred to as "the Holding Company"), and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2017, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the consolidated 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 (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Financial Statements

The Holding 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 Consolidated IND AS financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and consolidated cash flows of the Group including its associates, in accordance with accounting principles generally accepted in India, including the 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 of the assets of the Group 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 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 Consolidated 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 there under. We conducted our audit 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 Consolidated 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 Consolidated IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's

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preparation of the Consolidated IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the Consolidated 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 Consolidated IND AS financial statements.

Basis for Qualified opinion

1) The liability, if any, in respect of the compliance of the terms and conditions laid down by the Ministry of Environment and Forests granting the Environment Clearance for Development of the Hill Station Township vide its Order dated November 9, 2011 to the subsidiary Lavasa Corporation Limited cannot be ascertained.
2) The impairment testing carried out by the subsidiary Lavasa Corporation Limited during the year 2015-16 did not indicate any impairment and according to the contentions of the company, since there is no change in the business conditions, no impairment testing is carried out during the year 2016-17. In our opinion, the company may not be able to achieve the business plans based on which the impairment testing has been carried out. The consequent impairment losses, if any, cannot be ascertained.
3) Current and Non-Current Borrowings including finance charges, disclosure in respect of defaults and terms of repayment of borrowings, Maturity Analysis of Financial Instruments, trade payables, trade receivables, advances to suppliers and certain balances with banks are subject to confirmation, reconciliation and consequential adjustments, if any.
4) Accounting impact in respect of provision for Expected Credit loss, have not been ascertained and accounted for by subsidiary Charosa Wineries Limited.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the Basis for Qualified opinion paragraph above, the Consolidated 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 Group and its associates as at 31st March, 2017, and their Consolidated profit/loss (financial performance including other comprehensive income), and their Consolidated cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

1) We draw attention to Note 33 in the Consolidated IND AS Financial Statements. Goodwill arising on the consolidation in respect of Lavasa Corporation Limited and Pune Paud Toll Road Limited of Rs. 13,102.70 Lakhs, which in the opinion of the management does not require impairment.

2) We draw attention to Note 40 in the Consolidated IND AS Financial Statements. The Group has accumulated losses amounting to Rs. 1,08,334.13 Lakhs and its net worth is completely eroded. The Group has incurred a net loss of Rs. 53,391.84 Lakhs during the current year end and Rs. 21,037.78 Lakhs during previous year end and, the Group's liability and minority interests in its subsidiaries exceeded its total assets as at the balance sheet date by Rs. 1,01,714.80 Lakhs. These conditions, along with other matters as set forth in Note 40, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However the financial statements of the company have been prepared in a going concern basis for the reasons stated in the note.

Our opinion is not qualified in respect of these matters.

Other Matters

1) The comparative financial information of the Group for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 26th April, 2016 and 27th April 2015 respectively expressed an modified opinion on those Consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

   The modifications for financial statements for year ended 31st March 2015 were as under:

   a) In respect of the matters relating to the Order of the Ministry of Environment and Forests according environment clearance (EC) which are subject to compliance of terms and conditions vide Order dated November 09, 2011, the liability if any, in respect of conditions set therein, is unascertainable.

   The modifications for financial statements for year ended 31st March 2016 were as under:

   a) In respect of the matters relating to the Order of the Ministry of Environment and Forests according environment clearance (EC) which are subject to compliance of terms and conditions vide Order dated November 09, 2011, the liability if any, in respect of conditions set therein, is unascertainable.

   b) In view of the liquidity constraints faced, and in the event that such constraints continue, Lavasa Corporation Limited – a subsidiary may not be able to realize the aggressive projections made by it per its business plan. These plans also serve as the basis for the expert report obtained on impairment of carrying value of the above mentioned subsidiary's assets. Given this uncertain situation, the consequential impairment of the carrying value of various assets, if any, is not ascertainable.

2) We did not audit the financial statements of a subsidiary and four joint venture entities as at and for the year ended on March 31, 2017, whose financial statements reflect groups share in total assets of Rs. 5279.22 lakhs, total revenue of Rs. 85.01 lakhs and investments of Rs. 3,161.18 lakhs. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these companies, is based solely on such unaudited financial statements.

3) The consolidated financial statements include a provision for estimated share of loss of an associate of Rs. 104.99 lakhs as the financial statements for the year ended March 31, 2017 of an associate are unavailable. We are informed by the management that the consequential impacts of the same are not expected to be material.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

I. As required by section 143(3) of the Act, based on our audit, as noted in the "Other Matters" paragraph, we report to the extent applicable, 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 of the aforesaid consolidated financial statements;

b) In our opinion proper books of account as required by law relating to have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors.

c) The Consolidated Balance Sheet, consolidated Statement of Profit and Loss, consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, except for the impacts of the certain matters specified under the 'Basis for Qualified Opinion' paragraph, 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 written representations received from the directors and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary companies, associate companies and Joint venture none of the directors of the Group companies, its associates and joint venture is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its Subsidiaries, Associates, and Joint Ventures, refer to our separate Report in "Annexure A" to this Report.

a) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures Refer Note 30.1 to the consolidated financial statements.

ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2017.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures during the year ended March 31, 2017.

iv. These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the group. Based on the audit procedures performed and taking into consideration the information and explanations given to us, these are in accordance with the books of account maintained by the respective companies. Refer Note 36 to the consolidated financial statements.

For G. D. Apte & Co.
Chartered Accountants
(Firm Registration No. 100515W)

G. D. APTE & CO. ★ Chartered Accountants ★

Chetan R. Sapre
(Partner)
ICAI Membership No. 116952
Place: Mumbai
Date: 24th April, 2017

Annexure A to Independent Auditors' Report

(Referred to in paragraph I (f) under 'Report on Other Legal and Regulatory Requirements' section of our report)

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

To the Members of HCC Real Estate Limited

In conjunction with our audit of the consolidated financial statements of HCC Real Estate Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of HCC Real Estate Limited (hereinafter referred to as the "Holding Company") and its subsidiaries, associates and joint ventures as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the

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assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

1) Pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the IND AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiaries, associates and joint ventures have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

We did not audit the financial statements of a subsidiary and four joint venture entities as at and for the year ended on March 31, 2017. These financial statements are unaudited and have been furnished to us by the Management. The consolidated financial statements include a provision for estimated share of loss of an associate whose financial statements for the year ended March 31, 2017 of are unavailable. The above companies have not been covered in this report.

Our report is not modified for the above matter.

For G. D. Apte & Co.
Chartered Accountants
(Firm Registration No. 100515W)

G. D. APTE & CO. Chartered Accountants

Chetan R. Sapre
(Partner)
ICAI Membership No. 116952
Place: Mumbai
Date: 24th April, 2017

AUDITED consolidated

BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED

31st March, 2017

HCC REAL-ESTATE LIMITED

HCC REAL-ESTATE LIMITED

CONSOLIDATED BALANCE SHEET as at 31st March, 2017

	Note No.	As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	3	90,176.01	94,278.75	105,125.80
Capital Work-in-progress		170,323.64	169,481.39	153,330.12
Properties Held for Sale		200.18	200.18	200.18
Goodwill on Consolidation		13,102.70	13,102.70	14,301.23
Intangilble asset	3	51.34	71.34	121.65
Intangilble asset under development		-	-	-
Financial Assets	4			
Investments	4 (a)	9,557.08	10,292.00	11,883.61
Trade Receivables	4 (b)	-	-	-
Loans	4 (c)	(0.00)	2,021.89	2,188.96
Other Financial Assets	4 (d)	3,054.16	2,921.89	3,301.99
Other Non-Current assets	5	68.43	74.10	71.22
Income Tax Assets (Net)	6	11,401.47	11,172.98	10,662.90
Deferred tax assets	7	-	-	-
Total Non-Current Assets		**297,935.01**	303,617.23	301,187.65
CURRENT ASSETS				
Inventories	8	177,052.28	174,142.61	135,144.83
Financial Assets	9			
Investments	9 (a)	62.13	877.25	-
Trade Receivables	9 (b)	13,440.06	4,598.37	6,582.46
Cash and cash equivalents	9 (c)	708.05	1,026.08	789.37
Other Bank balances	9 (d)	-	-	-
Loans	9 (e)	5,346.27	7,973.05	11,013.63
Other Financial Assets	9 (f)	19,973.07	20,326.41	23,985.48
Current Tax assets (net)	10	0.00	1.71	1.53
Other Current assets	11	20,464.82	20,082.41	22,727.86
Total Current Assets		**237,046.68**	229,027.90	200,245.15
TOTAL ASSETS		**534,981.69**	532,645.12	501,432.81
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	12 (a)	6,619.32	6,619.32	6,619.32
Other Equity	12 (b)	(108,349.69)	(54,943.22)	(33,905.09)
		(101,730.36)	(48,323.89)	(27,285.76)
Minority Interest liability		(20,737.13)	1,722.81	10,483.92
LIABILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities	13			
Borrowings	13 (a)	259,333.18	273,429.42	314,364.75
Other Financial Liabilities	13 (b)	57,099.68	52,718.35	18,090.74
Provisions	14	109.53	244.25	335.58
Deferred Tax Liabilities (net)	15	26,047.34	34,760.03	16,249.91
Total Non-Current Liabilities		**342,589.74**	361,152.04	349,040.97
CURRENT LIABILITIES				
Financial Liabilities	16			
Borrowings	16 (a)	13,823.32	11,663.32	597.74
Trade Payables	16 (b)	20,297.81	25,861.90	25,941.73
Other Financial Liabilities	16 (c)	235,597.09	146,190.16	104,322.98

Other current liabilities	17	45,057.63	34,195.77	38,079.13
Provisions	18	83.60	183.02	252.10
Total Current Liabilities		**314,859.45**	218,094.17	169,193.68
TOTAL EQUITY AND LIABILITIES		**534,981.69**	532,645.12	501,432.81

Notes 1 to 45 form an integral part of the standalone financial statements

This is the Balance Sheet referred to in our audit report of even date

For G.D.Apte & Co.
Chartered Accountants
Registration No. 100 515W

Chetan R. Sapre
Partner
Membership No. 116952

Devendra Manchekar
Chief Executive Officer

Surendra Agarwal
Chief Finance Officer

Sandeep Gurav
Company Secretary

Place: Mumbai
Date: 24th April, 2017

For and on behalf of the Board of Directors

Ajit Gulabchand
Chairman
DIN No.: 00010827

Shalaka Gulabchand Dhawan
Director
DIN No.: 00011094

Subhash Dandekar
Director
DIN No.: 0167875

Arjun Dhawan
Director
DIN No.: 01778379

Rajas R. Doshi
Director
DIN No.: 00050594

HCC REAL-ESTATE LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the period ended 31st March, 2017

	Note No.	Period ended 31 March 2017 ₹ in Lakhs	Period ended 31 March 2016 ₹ in Lakhs
INCOME			
Revenue from operations	19	10,315.41	11,196.77
Other Income	20	3,590.05	22,961.75
TOTAL INCOME		**13,905.46**	34,158.52
EXPENSES			
Cost of construction materials consumed	21	168.21	194.69
Changes in inventories of finished goods, Stock-in-Trade and Work-in-progress		(2,529.11)	(39,812.09)
Construction expenses	22	6,006.62	10,430.45
Employee benefit expenses	23	2,157.04	3,853.26
Finance costs	24	77,598.69	50,651.77
Depreciation and amortisation expense		6,659.34	7,758.77
Other expenses	25	10,069.96	12,136.83
TOTAL EXPENSES		**100,130.74**	45,213.68
PROFIT BEFORE TAX		**(86,225.29)**	(11,055.16)
TAX EXPENSE			
Current tax		-	4.74
Deferred tax charge		**(10,655.11)**	18,494.64
TAX EXPENSE		**(10,655.11)**	18,499.38
PROFIT AFTER TAX		**(75,570.18)**	(29,554.54)
Less : Minority adjustments		22,458.00	8,762.46
Add : Profit / (Loss) on Sale of Stake in Associate		-	-
Add: Share in Profit / (Loss) of Associates (Incl discontinued operations)		(284.33)	(283.57)
Less : Reclassification from subsidiary to JV		-	-
PROFIT FOR THE YEAR (A)		**(53,396.51)**	(21,075.65)
Other Comprehensive Income			
(a) Items that will not be reclassified sunsequently to profit or loss			
- Re-measurement gains on defined benefit plans		9.54	54.24
- Re-measurement gains on equity instruments		(1.20)	(2.97)
- Income tax effect		(3.68)	(13.40)
(b) Items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax (B)		4.66	37.87
Total Comprehensive Income for the year, net of tax (A+B)		**(53,391.84)**	(21,037.78)
Earnings per equity share of nominal value ` 1 each	31		
Basic EPS (in `)		**(83.12)**	(33.82)
Diluted EPS (in `)		**(83.12)**	(33.82)

Notes 1 to 45 form an integral part of the standalone financial statements

This is the statement of Profit & Loss referred to in our audit report of even date

For G.D.Apte & Co.
Chartered Accountants
Registration No. 100 515W

Chetan R. Sapre
Partner
Membership No. 116952

Devendra Manchekar
Chief Executive Officer

Surendra Agarwal
Chief Finance Officer

S.V.Gurav

Sandeep Gurav
Company Secretary

Place: Mumbai
Date: 24th April, 2017

For and on behalf of the Board of Directors

Ajit Gulabchand
Chairman
DIN No.: 00010827

Shalaka

Shalaka Gulabchand Dhawan
Director
DIN No.: 00011094

Subhash Dandekar
Director
DIN No.: 0167875

Arjun Dhawan
Director
DIN No.: 01778379

Rajas R. Doshi
Director
DIN No.: 00050594

HCC Real Estate Limited

CIN No:- U70100MH2005PLC154004

Consolidated Cash Flow Statement For The Year Ended 31st March, 2017

	For The Year Ended 31.03.2017	For The Year Ended 31.03.2016
	₹ in Lakhs	₹ in Lakhs
A. Cash Flow From Operating Activities		
Net-Profit Before Tax from Statement of Profit & Loss		
- Continuing Operations	(86,225.29)	(11,055.16)
- Discontinued Operations	-	-
Net Profit/(Loss) before tax (Incl discontinued operations)	(86,225.29)	(11,055.16)
Adjustments for :		
Depreciation	6,659.34	7,758.77
Interest Expenses	70,613.07	63,039.42
Foreign Exchange (Gain) / Loss (Net)	2.85	3.54
Provision for Doubtful Advances / Debt	253.28	0.00
(Gain)/Loss on disposal of interest in former associate (Net-off)	128.03	-
(Profit) / Loss on Sale/Disposal of Assets (Net)	-	(8.21)
(Profit) / Loss on Sale/Disposal of Investment (Net)	120.55	
Financial Gurantee Income	(536.35)	(560.31)
Interest Received	(241.18)	(286.71)
Dividend Income	(112.50)	(85.42)
Fair Value Loss / (Gain) - Ind AS Impact	(4.85)	(18,947.66)
Deferred Tax Charge	10,655.11	(18,494.64)
Other Comprehensive Income	4.66	37.87
Share in Profit / (Loss) of Associates	(284.33)	(283.57)
Minority Adjustment	22,458.00	8,762.46
Operating Profit / (Loss) before working capital changes	23,490.40	29,880.38
Adjustments For :		
Changes in Non-Current Assets		
(Increase) / Decrease in Loans	1,768.61	167.07
(Increase) / Decrease in Other Financial Assets	(132.26)	380.09
(Increase) / Decrease in Other Non-Current Assets	5.67	(2.88)
(Increase) / Decrease in Income Tax Assets (Net)	(228.50)	(510.08)
Changes in Current Assets		
(Increase) / Decrease in Inventories	(2,909.66)	(38,997.79)
(Increase) / Decrease in Trade Receivables	(8,841.69)	1,984.09
(Increase) / Decrease in Loans	2,626.78	3,040.58
(Increase) / Decrease in Other Financial Assets	353.35	3,659.07
(Increase) / Decrease in Other Current Assets	(382.42)	2,645.46
Changes in Non-Current Liabilities		
Increase / (Decrease) in Other Financial Liability	4,381.34	34,627.61
Increase/ (Decrease) in Provisions	(134.71)	(91.33)
Increase/ (Decrease) in Deferred Tax Liabilities (Net)	(8,712.68)	18,510.12
Changes in Current Liabilities		
Increase/ (Decrease) in Trade Payables	(5,564.09)	(79.83)
Increase/ (Decrease) in Other Financial Liability	89,406.93	41,867.18
Increase/ (Decrease) in Other Current Liabilities	10,861.87	(3,883.36)
Increase/ (Decrease) in Provisions	(99.43)	(69.08)
	-	-
	82,399.10	63,246.91
Current Tax Assets (Net)	1.71	(4.92)
Net Cash Flow From Operating Activities	105,891.21	93,122.37
B. Cash Flow From Investing Activities		
(Purchase)/ Proceeds from Sale of fixed assets	(2,536.60)	3,146.79
(Increase) / Decrease in capital work in progress	(842.25)	(16,151.27)
Changes in Goodwill on Consolidation	-	1,198.53
(Purchase)/ Sale of Investments	1,429.49	714.36
Increase / (Decrease) in Minority Interest	(22,459.94)	(8,761.11)

Foreign Exchange (Gain) / Loss (Net)	**(2.85)**	(3.54)
Financial Gurantee Income	**536.35**	560.31
Dividend Income	**112.50**	85.42
Interest Received	**241.18**	286.71
Fair Value Loss / (Gain) - Ind As Impact	**4.85**	18,947.66
Loss on disposal of interest in former associate (Warasgaon Lakeview Hotel)	**(128.03)**	
Net Cash Used In Investing Activities	**(23,645.30)**	23.86
C. <u>Cash Flow From Financing Activities</u>		
Increase in Reserves and Surplus	**(8.97)**	36.51
Increase in Share Application Money	**(1.00)**	1.00
Increase in Deemed Equity Investment by Holding Company	**-**	0.01
Proceeds from Other Comprehensive Income	**(4.66)**	(37.87)
Interest paid	**(70,613.07)**	(63,039.42)
Proceeds / (Repayment) of Non-Current borrowings	**(14,096.24)**	(40,935.33)
Proceeds / (Repayment) of Current borrowings	**2,160.00**	11,065.58
Net Cash Used In Financing Activities	**(82,563.94)**	(92,909.52)
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	**(318.03)**	236.71
Cash And Cash Equivalents at the beginning of the financial year	**1,026.08**	789.37
Cash And Cash Equivalents at the end of the financial year	**708.05**	1,026.08
	(318.04)	236.71

Reconciliation of Cash & Cash Equivalents as per the cash flow

Cash & cash equivalents as per above comprise of the following

	31.03.2017	31.03.2016
Cash & cash eqvivalents (Note No. 8 (c))	**708.05**	1,026.08
Other Bank Balance (Note No. 8 (d))	-	-
Balances as per Statement of Cash Flows	**708.05**	1,026.08

As per our report of even date

For G.D.Apte & Co.
Chartered Accountants
Registration No. 100 515W

Chetan R. Sapre
Partner
Membership No. 116952

Devendra Manchekar
Chief Executive Officer

Surendra Agarwal
Chief Finance Officer

S.V. Gurav

Sandeep Gurav
Company Secretary

Place: Mumbai
Date: 24th April, 2017

For and on behalf of the Board of Directors

Ajit Gulabchand
Chairman
DIN No.: 00010827

Shalaka Gulabchand Dhawan
Director
DIN No.: 00011094

Subhash Dandekar
Director
DIN No.: 0167875

Arjun Dhawan
Director
DIN No.: 01778379

Rajas R. Doshi
Director
DIN No.: 00050594

1 Corporate Information

HCC Real-Estate Lmited ("the Company" or "HREL") has prepared the consolidated financial statements to provide the financial information of its activities alongwith the subsidiaries and asssociates as a single entity. They are collectively referred as "Group" herein. Where seperate disclosures of interest in subsidiary and associate companies are required to be made, the HREL reference excludes the amount pertaining to the subsidiaries and associates. The Consolidated Financial Statements are prepared by consolidating its accounts with financial statements of its subsidiaries,

The consolidated financial statements ("the financial statements") of the Company for the year ended 31 March 2017 were authorised for issue in accordance with resolution of the Board of Directors on 24 April 2017.

2 Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements for all periods upto and including year ended 31 March 2016 were prepared in accordance with the Accounting Standards notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended 31 March 2017 are the first financial statements prepared by the Company in accordance with Ind AS. Refer to Note 27 for information on how the Company adopted Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities, share based payments and contingent consideration which have been measured at fair value, on an accrual basis of accounting.

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.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

2.2 Principles of Consolidation

The financial statements have been prepared on the following basis:

a. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The acquisition method of accounting is used to account for business combination by the Group.

The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

b. Associates

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

c. Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

d. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income ("OCI"). Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses is an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of entity accounted investees have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy described in Note____

e. Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests or reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are reclassified to profit or loss as if the Group had directly disposed of the related assets and liabilities.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate.

The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

2.3 Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities.

Estimates & Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Contract estimates

The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Valuation of investment in/ loans to subsidiaries

The Company has performed valuation for its investments in equity of certain subsidiaries for assessing whether there is any impairment in the fair value. When the fair value of investments in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans and interest receivable thereon. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

Deferred tax assets

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.4 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised 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. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress represents expenditure incurred in respect of assets under development and not ready for its intended use are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Property, Plant and Equipment and use that carrying value as the deemed cost of the Property, Plant and Equipment on the date of transition i.e. 1 April 2015.

2.5 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon, initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Any gain or loss on disposal of an investment property is recognised in the Statement of Profit and Loss.

Investment property are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on the technical evaluation performed by the management's expert.

On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its investment properties and used that carrying value as the deemed cost of the investment properties on the date of transition i.e. 1 April 2015.

2.6 Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognitions of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible assets is measured at cost, less any accumulated amortisations and accumulated impairment losses.

2.7 Intangible Assets

Intangible assets comprise of license fees, implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition i.e. 1 April 2015.

2.8 Depreciation/ Amortisation

a. Depreciation/ amortisation is provided:

i) In respect of buildings and sheds, on the written down value basis considering the useful lives prescribed in Schedule II to the Act.

ii) In respect of furniture and fixtures, office equipment, computers, plant and machinery, heavy vehicles, light vehicles and speed boat on straight line basis at rates determined on the basis of useful lives prescribed in Schedule II to the Act, on a pro-rata basis. However, certain class of plant and machinery used in construction projects are depreciated on a straight line basis considering the useful life determined based on the technical evaluation and the management's experience of use of the assets, that is a period of three to twelve years, as against the period of nine to twenty years as prescribed in Schedule II.

iii) In respect of helicopter and aircraft, on straight line basis considering the useful life, that is a period of eighteen years and fourteen years, respectively, determined based on the technical evaluation and the management's experience of use of the assets, as against the period of twenty years as prescribed in Schedule II.

iv) Leasehold improvements are amortised over the useful lives prescribed in Schedule II to the Act or the period of lease, whichever is lower.

v) Software and implementation costs including users license fees and other application software costs are amortised on a straight line basis, from the date they are available for use, over their estimated useful lives that is a period of three to five years.

b. Impairment on Goodwill

Goodwill is tested for impairment on an annual basis and wherever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operation results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating unit is determined based on higher of value-in-use and fair value less cost to sell.

2.9 Government Grants & Subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented with other income.

In case of Charosa Wineries Limited, Grants and Subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

Capital subsidy received from the government is credited to capital reserve and treated as a shareholder's fund.

2.10 Financial Instruments

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

a Financial Assets

i) Initial Recognition

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

ii) **Subsequent Measurement**

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

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. Interest income from these financial assets is included in finance income using the effective rate interest ("EIR") method. Impairment gains or losses arising on these assets are recognised in Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through other comprehensive income ("OCI") 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. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

Financial asset not measured at amortised cost or at fair value through OCI is carried at fair value through profit or loss.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its investments in subsidiaries and associates and use that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2015.

iii) **Impairment of Financial Assets**

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

iv) **De-recognition of Financial Assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes 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.

b **Equity Instruments and Financial Liabilities**

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.

i) **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 which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii) **Financial Liabilities**

1) **Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) **Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR 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.

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

Where the Company issues optionally convertible debenture, the fair value of the liability portion of an such debentures is determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently re-measured.

Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. 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 de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

b Offsetting 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.

2.11 Employee Benefits

a Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b Defined Benefit Plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. The Company also provides for gratuity and compensated absences which are defined benefit plans the liabilities of which are determined based on valuations, as at the balance sheet date, made by independent actuaries using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI and in respect of compensated leaves are recognised in the Statement of Profit and Loss, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report. Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit.

c Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

2.12 Inventories

a. Raw Materials, Stores ,Spares & Consumables Stocks are valued at lower of cost and net realizable value.

b. Work-in-process and Finished Goods are valued at lower of cost and net realizable value after providing for obsolescence, if any. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

c. Borrowing cost attributable to production of inventory are capitalized as part of such inventory till the time the inventory is ready for its intended use or sale.

d. Land and Floor Space Index (FSI) Development Right

i) Cost of Land and FSI are determined on a weighted average basis and include along with related purchase / acquisition price plus all direct and indirect expenditure incurred in connection with the purchase of land. Borrowing costs and overhead expenditure on sectorial / nodal / city level infrastructure, in respect of FSI under development are treated as an element of cost in view of substantial period of time required for development. Land and FSI are valued at the lower of cost and NRV. Land or FSI utilized for own construction is transferred to fixed assets at cost.

ii) Inventory in Real Estate projects

Real estate projects are valued based on the lower of the construction cost and the sale price until the project is handed over to the purchaser by means of the transfer of title or the transfer of material risks and rewards. Construction / development expenditure includes all direct and indirect expenditure incurred on development of land and/or construction at site, overheads relating to site management and administration, less incidental revenues arising from site operations. Indirect expenses will be allocated to the respective items at the time of their completion or capitalization into fixed assets. Borrowing costs relating to qualifying real estate projects are capitalized over the entire duration of the project. Undeveloped land (including development costs) and finished units which are held for sale are valued at the lower of cost and NRV.

1.32 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

1.33 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company by four segments, namely "Real-Estate Development", "Comprehensive Urban Development & Management", 'Agro Products' & 'Others'. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under these operational segments and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss statement.

The Company is primarily operating in India, which is considered to be as a single geographical segment.

1.34 Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the period in which they occur.

1.35 Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction

a Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average rate approximate the actual rate at the date of the transactions.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

d Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. assets and liabilities are translated at the closing rate at the date of the balance sheet
2. income, expenses and cash flow items are translated at average exchange rates for the respective periods; and
3. All resulting exchange differences are recognised in OCI.

When a subsidiary is disposed off, in full, the relevant amount is transferred to the Statement of Profit and Loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and borrowings and other financial instrument designated as hedges of such investment, are recognised in OCI. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

1.36 Revenue Recognition

a Accounting of Construction Contracts

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Ind AS 11 and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.

Revenue is recognised as follows:
- In case of item rate contracts on the basis of physical measurement of work actually completed, at the Balance Sheet date.
- In case of Lump sum contracts, revenue is recognised on the completion of milestones as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

b Accounting of Supply Contracts-Sale of Goods

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on dispatch, and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

c Accounting for Claims

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating income on receipt of favourable arbitration award.

d Dividend Income

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

e Interest and Other Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

f Revenue from sale of land and FSI

Income from sale of land (including on a long-term lease basis) is recognised on the transfer of all significant risks and rewards of ownership to the buyer and a reasonable expectation of collection of the sale consideration from the buyer exists.

g Revenue from sales of constructed units

Revenue from sales of constructed units is recognised when the substantial risk and reward is transferred to the buyer, which is generally on execution of sale agreement, and the collectability is reasonably measured.

h Revenue from Real Estate Development

Revenue from the sale of real estate projects is realised on the transfer of title or the transfer of material risks and rewards to the purchaser. Real estate investor projects are accounted for as construction contracts based on POC. Accordingly, revenue and the gains of development is recognised along the construction of the project.

The separate sale of project development rights and plans is accounted for as sale and gains are realised at the time of the transfer of risks and rewards. Revenue from sale of real estate development projects with multiple buyers (i.e. condominium projects) is recognised if the POC is above 25%.

i Project management consultancy fees

Revenue from project management consultancy fees is recognised on accrual basis, as per terms of the agreement with the customer.

j Revenue from rent

Rent is recognised on time proportionate basis.

k Other Miscellaneous Incomes

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

1.37 Interest in Joint Arrangements

As per Ind AS 111 - Joint Arrangements, investment in Joint Arrangement is classified as either Joint Operation or Joint Venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the Joint Arrangement. The Company classifies its Joint Arrangements as Joint Operations.

The Company recognises its direct right to assets, liabilities, revenue and expenses of Joint Operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

1.38 Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions 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.

b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

1.39 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

1.40 Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual assets, at the higher of fair value of less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value of less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction 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 taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amount are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

1.41 Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

1.42 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects 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. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

1.43 Share Issue Expenses

Share issue expenses are charged off against available balance in the Securities Premium Account.

HCC Real-Estate Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the period ended 31st Mar, 2017

Note 3 Fixed Assets :

Particulars	Tangible assets										Intangible Assets		(₹ in lakhs)	Capital Work-In-Progress	(₹ in Lakhs)
	Vehicles	Speed boat	Building and sheds	Computers	Furniture and fixtures	Land	Plant & Machinery And Office equipment	Biological Assets		Total	Computer software	Trademarks	Total	CWIP	Total
Gross block															
As at 1 April 2015	358.56	4.70	102,000.30	781.90	2,511.54	2,990.46	27,297.39	251.52	-	136,196.38	526.87	75.42	602.28	153,330.12	153,330.12
Additions	-	-	-	2.47	-	112.91	229.65	-	-	345.03	5.35	71.24	76.59	16,321.29	16,321.29
Deductions/ disposals	4.78	-	383.60	-	13.64	-	25.00	-	-	427.02	-	-	-	-	-
As at 31 March 2016	353.78	4.70	101,616.70	784.37	2,497.90	3,103.37	27,502.04	251.52	-	136,114.38	532.21	146.66	678.87	169,651.41	169,651.41
Additions	-	-	2,223.38	3.43	-	-	11.18	-	-	2,237.99	0.52	12.67	13.19	933.01	933.01
Deductions/ disposals	0.03	-	-	-	-	131.28	-	-	-	131.31	-	-	-	-	-
As at 31 March 2017	353.75	4.70	103,840.08	787.80	2,497.90	2,972.09	27,513.22	251.52	-	138,221.05	532.74	159.33	692.06	170,584.42	170,584.42
Accumulated depreciation / amortisation															
Balance as at 1 April 2015	270.12	4.28	18,980.29	711.61	1,675.16	19.53	9,344.62	64.97	-	31,070.58	407.33	73.31	480.64	-	-
Depreciation/ amortisation charge	24.41	0.07	4,799.03	30.54	172.06	3.04	2,634.05	12.57	-	7,675.77	52.29	71.92	124.21	-	-
Accumulated depreciation/ amortisation on disposals	1.24	-	36.44	-	3.53	-	-	-	-	41.21	-	-	-	-	-
Impairment losses recognised in the statement of P & L	-	-	1,335.97	-	81.10	-	1,713.42	-	-	3,130.49	2.60	0.08	2.68	170.02	170.02
As at 31 March 2016	293.30	4.35	25,078.84	742.16	1,924.79	22.57	13,692.09	77.54	-	41,835.63	462.21	145.32	607.53	170.02	170.02
Depreciation/ amortisation charge	15.68	0.05	4,522.48	16.03	92.93	5.38	1,959.78	12.58	-	6,624.92	34.42	-	34.42	-	-
Accumulated depreciation/ amortisation on disposals	-	-	-	-	-	18.14	-	-	-	18.14	-	-	-	-	-
Impairment losses recognised in the statement of P & L	-	-	(249.52)	(0.82)	(15.43)	-	(131.59)	-	-	(397.37)	(1.18)	(0.05)	(1.23)	90.76	90.76
As at 31 March 2017	308.98	4.40	29,351.80	757.37	2,002.29	9.82	15,520.28	90.12	-	48,045.05	495.45	145.27	640.72	260.78	260.78
Net block															
As at 1 April 2015	88.44	0.42	83,020.02	70.29	836.38	2,970.94	17,952.77	186.55	-	105,125.80	119.54	2.10	121.65	153,330.12	153,330.12
As at 31 March 2016	60.48	0.36	76,537.86	42.21	573.11	3,080.80	13,809.95	173.98	-	94,278.75	70.00	1.34	71.34	169,481.39	169,481.39
As at 31 March 2017	44.77	0.30	74,488.28	30.44	495.61	2,962.27	11,992.94	161.40	-	90,176.01	37.28	14.06	51.34	170,323.64	170,323.64

Note 3.1 Depreciation and amortisation expense

	Period ended 31 March 2017	Year ended 31 March 2016
	₹ in lakhs	₹ in lakhs
Depreciation of Tangible assets	6,624.92	7,675.77
Amortisation of Intangible assets	34.42	124.21
TOTAL	6,659.34	7,799.98

HCC REAL ESTATE LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the period ended 31st March 2017

		As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
	NON CURRENT ASSETS			
Note 4	**FINANCIAL ASSETS**			
Note 4 (a)	**Investment**			
	Trade Investment - Quoted			
	- Equity Investment in Associates Companies in India			
	Knowledge Vistas Limited (KVL) 3,10,481 (Previous year - 3,10,481) Equity shares of ₹ 10/- each Fully Paid up	**1,344.95**	1,449.95	925.41
	Ecomotel Hotel Limited (effective from 15th July 2015) 1,01,32,240 (Previous year - 86,32,300) Equity shares of ` 10/- each Fully Paid up	**622.70**	517.15	
	Starlit Resort Limited (effective from 14th may 2015) 49,400 (Previous year - 49,400) Equity shares of ` 10/- each Fully Paid up	**393.34**	382.31	-
	Andromeda Hotels Limited 61,470 (Previous year - 61,470) Equity shares of ` 10/- each Fully Paid up	**294.81**	296.92	296.23
	Whistling Thrush Facilities Services Limited 27,540 (Previous year - 27,540) Equity shares of ` 10/- each Fully Paid up	-	32.27	56.93
	Apollo Lavasa Health Corporation Limited (effective from 16th November,2015 6,26,808 (Previous year - 6,26,808) Equity shares of ` 10/- each Fully Paid up	**2,767.85**	2,884.38	5,854.52
	Warasgaon Lakeview Hotels Limited 1,09,646 (Previous year - 1,40,957) Equity shares of ₹ 10/- each Fully Paid up These shares were pledged against loan taken by the former Associate from L & T Infrastructure Finance Co. Ltd.(L&T) During the year, 31,311 number of shares valued at ` 313.11 lakhs have been transferred to L& T in part settlement of loan, which is disclosed as Inter Corporate Deposit to Warasgaon Lake View Hotels Limited. The resultant loss of ` 76.51 lakhs has been charged off and consequently the classification of this investment has been changed from Associate to other investment.	**900.33**	1,267.89	1,269.23
	Osprey Hospitality Limited 60 (Previous year - 50,000) Equity shares of ₹ 10/- each Fully Paid up	**0.01**	-	-
	Less: Fair value Loss through Other comprehensive income			
		6,323.99	6,830.87	8,402.32
	Deemed Equity investment in Associate/Fellow Subsidiaries/Parent Company			
	- in Joint Ventures through LCL	33.81	33.81	33.81
	- in Associates through LCL	-	218.97	218.97
	- in the Parent Company	2,953.88	2,953.88	2,953.88
	- Warasgaon Asset Maintenance Ltd.	-	-	-
	- Panchkutir Developers Ltd.	2.83	2.83	2.83
	- Highbar Technologies Ltd.	24.09	24.09	24.09
	- HCC Infrastructure Company Ltd.	**173.81**	173.81	173.81
	- Investment In Shares: Non-trade			
	Space Theme Park India Limited 50000 (Previous Year - 50000) Equity Share of ₹ 10/- each fully Paid up	-	4.40	4.40
	Investment in Preference Shares in Subsidiaries Lavasa Corporation Limited 22,400,097 6% Cumulative Preference Shares of ₹ 10 each fully paid	-	-	-
	- Other Non-Current Investments			
	Punjab National Bank Limited 4715 (Previous year - 4715) Equity Shares of ₹ 2/- each	**3.68**	3.68	3.68
	Hubtown Limited (Formerly Akruti City Limited) 10 (Previous year - 10) Equity Shares of ₹ 10/- each	**0.08**	0.08	0.08
	Ansal Housing & Construction Limited 30 (Previous year - 30) Equity Shares of ₹ 10/- each	**0.02**	0.02	0.02
	Ansal Properties & Infra Limited 10 (Previous year - 10) Equity Shares of ` 5/- each	**0.03**	0.03	0.03
	Ashiana Housing Limited 175 (Previous year - 175) Equity Shares of ₹ 2/- each	**0.03**	0.03	0.03
	DLF Limited 10 (Previous year - 10) Equity Shares of ₹ 2/- each	**0.09**	0.09	0.09
	D S Kulkarni Developers Limited 10 (Previous year - 10) Equity Shares of ₹ 10/- each	**3.23**	0.02	2.99
	HDIL 12 (Previous year - 12) Equity Shares of ₹ 10/- each	**0.08**	0.08	0.08
	Indiabulls Real Estate Limited 10 (Previous year - 10) Equity Shares of ₹ 10/- each (Company received 29 shares of India Bulls Infra & Power Limited pursuant to demerger of Indiabulls Real-Estate Limited)	**0.07**	0.07	0.07
	Mahindra Lifestyle Limited 10 (Previous year - 10) Equity Shares of ₹ 10/- each	**0.06**	0.06	0.06

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the period ended 31st March 2017

		As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
	Orbit Corporation Limited 20 (Previous year - 20) Equity Shares of ₹ 10/- each	**0.06**	0.06	0.06
	Parshwanath Developers Limited 20 (Previous year - 20) Equity Shares of ₹ 10/- each	**0.04**	0.04	0.04
	Peninsula Land Limited 50 (Previous year - 50) Equity Shares of ₹ 2/- each	**0.06**	0.06	0.06
	Shoba Developers Limited 10 (Previous year - 10) Equity Shares of ₹ 10/- each	**0.09**	0.09	0.09
	Unitech Limited 10 (Previous year - 10) Equity Shares of ₹ 2/- each	**0.03**	0.03	0.03
	Investment in Mutual Fund			
	Birla Sun Life cash Plus - Daily Div. (SIP) (36944.723 @NAV 100.1950 each)	**37.02**	44.90	62.09
	TOTAL	**9,557.08**	10,292.00	11,883.61
Note 4 (b)	**Trade Receivables**			
	Unsecured, Considered Good			
	- From Others	-	-	-
	- From Related Parties	-	-	-
	TOTAL	-	-	-
Note 4 (c)	**Loans**			
	Loans and advances to related parties# (Refer notes __)	**(0.00)**	2,021.89	2,188.96
	Loans and advances to employees	-	-	-
	TOTAL	**(0.00)**	2,021.89	2,188.96

Loans and advances to related parties represent inter corporate deposits placed with subsidiaries.

Note 4 (d)	**Other Financial Assets**			
	Margin Money Deposit	**739.76**	634.10	1,045.97
	Security and other deposits			
	- related party	-	-	-
	- others	**658.71**	462.91	256.86
	Others	-	-	-
	Interest Receivables on ICD	**271.95**	180.10	318.86
	Deferred Lease Assets	**102.10**	136.91	-
	Financial Guarantee Assets	**1,281.63**	1,507.87	1,680.30
	TOTAL	**3,054.16**	2,921.89	3,301.99
Note 5	**OTHER NON-CURRENT ASSETS**			
	Advances recoverable in cash or in kind	**6.69**	12.36	9.48
	Capital Advances	**61.74**	61.74	61.74
	TOTAL	**68.43**	74.10	71.22
Note 6	**INCOME TAX ASSETS (NET)**			
	IT Paid on assessment/Advance Taxes	**11,440.39**	11,195.17	10,699.51
	Less: Current Tax Liabilities	**38.92**	22.19	36.61
	TOTAL	**11,401.47**	**11,172.98**	**10,662.90**
Note 7	**DEFERRED TAX ASSETS (net)**			
	Deferred tax assets			
	Business Loss	-	-	-
	Others	-	-	-
	Deferred tax liability			
	Depreciation and amortisation	-	-	-
	Claims\arbitration awards	-	-	-
	TOTAL	-	-	-
	CURRENT ASSETS			
Note 8	**INVENTORIES**			
	Raw materials;			
	Land at cost or NRV whichever is lower:			
	Land	**4,447.47**	4,030.96	4,279.65
	Land - FSI	**170,710.05**	167,962.01	129,002.88
	Work in Progress (Valued at lower of Cost or Net Realizable Value)	**996.90**	1,223.93	1,000.58
	Land and development rights	**640.33**	640.33	640.33
	Stock-in-trade			
	Stores, spares and embedded goods	**257.53**	285.38	221.38
	TOTAL	**177,052.28**	174,142.61	135,144.83

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the period ended 31st March 2017

		As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
Note 9	**CURRENT ASSETS : FINANCIAL ASSETS**			
Note 9 (a)	**Investment**			
	Investment in Equity Instruments	-	-	-
	Investment in Mutual Fund			
	Birla Sunlife Cash Plus Growth	-	165.23	-
	Current Year - Nil (Previous Year - 211764.088 units @ 237.9856 each)			
	Reliance Medium term -Growth Plan	-	712.02	-
	Current Year Nil (Previous Year - 2268696.03 units @ 31.3846 each)			
	RelianceBanking & PSU Debt fund	62.13	-	-
	TOTAL	62.13	877.25	-
Note 9 (b)	**Trade Receivables**			
	Unsecured, Considered Good			
	- From Others	13,440.06	4,598.37	6,582.46
	- From Related Parties	335.14	-	-
	Less: Provision for doubtful debt	(335.14)	-	-
	TOTAL	13,440.06	4,598.37	6,582.46
Note 9 (c)	**Cash & Cash Equivalents**			
	Balances with banks			
	Current accounts in Indian rupees	704.04	1,004.51	742.70
	Current accounts in foreign currency	-	-	-
	Deposit less than 3 months	-	-	-
	Cash on hand	3.54	17.68	9.75
	Cheques on hand	0.47	3.89	36.92
	TOTAL	708.05	1,026.08	789.37
Note 9 (d)	**Other Bank Balances**			
	Margin money deposits	-	-	-
	TOTAL	-	-	-
Note 9 (e)	**Loans**			
	Inter Corporate Deposits to Subsidiaries/Fellow Subsidiaries	0.00	0.00	0.00
	Unsecured ,considered doubtful	4,243.45	1,575.49	787.74
	Less: Provision for Doubtful Investment	(4,243.45)	(1,575.49)	(787.74)
	Inter Corporate Deposits to other Related Parties	69.50	2,796.96	3,648.71
	Inter Corporate Deposits to Associates	7,410.81	5,176.09	7,364.92
	Less: Provision for Doubtful Advances	(2,134.04)	-	-
	Share Application Money Pending Allotment	-	-	-
	TOTAL	5,346.27	7,973.05	11,013.63

Loans and advances to related parties represent inter corporate deposits placed with subsidiaries.

		As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
Note 9 (f)	**Other Financial Assets**			
	Work-in-progress:			
	Uncompleted contracts and value of work done	19,168.34	19,151.63	20,783.91
	Security Deposit			
	Loans and advances to related parties#	-	-	-
	Others	382.44	221.93	222.10
	Interest Receivables on ICD	422.29	292.86	2,417.46
	Others -			
	Unsecured ,considered doubtful	562.00	660.00	562.00
	Less: Prov for Doubtful Investment	(562.00)	-	-
	TOTAL	19,973.07	20,326.41	23,985.48
Note 10	**CURRENT TAX ASSETS (NET)**			
	Receivables under Refund Order	0.00	1.71	1.53
	MAT credit entitlement	-	-	-
	TOTAL	0.00	1.71	1.53
Note 11	**OTHER CURRENT ASSETS**			
	Advances to Staff	9.89	11.82	49.08
	Advance recoverable in cash or kind	2,731.88	4,263.05	5,284.94
	Balance with Govt Authorities	2,308.08	2,684.59	2,308.17
	Advances to Suppliers			
	Unsecured, considered good	9,993.41	6,988.71	7,535.47
	Unsecured, considered doubtful	1,218.55	3.63	33.66
	Less: Impairment Loss on Doubtful Investment	(1,218.55)	(3.63)	(33.66)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the period ended 31st March 2017

	As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
Advances for Land Purchases	6,768.28	7,231.81	8,025.93
Less: Prov for Doubtful Advances	(1,520.00)	(1,270.00)	(1,270.00)
Prepaid Guarantee Expenses	173.29	172.43	260.35
Misc Expenses (to the extent not written off)	-	-	533.91
TOTAL	20,464.82	20,082.41	22,727.86

Note 12 (a) SHARE CAPITAL

Authorised Share Capital

70000000 Equity shares of ₹ 10/- each	7,000.00	7,000.00	7,000.00
TOTAL	7,000.00	7,000.00	7,000.00

Issued, Subscribed and Paid-up Equity Share Capital:

66,193,185 Equity shares of ₹ 10/- each fully paid up (Previous year 66,193,185 Equity Shares of ₹ 10/- each)			
Balance as per last Account	6,619.32	6,619.32	6,619.32
Add: Additions during the year	-	-	-
TOTAL	6,619.32	6,619.32	6,619.32

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
	Number	₹ in Lakhs	Number	₹ in Lakhs	Number	₹ in Lakhs
Balance at the beginning of the year	66,193,185	6,619.32	66,193,185	6,619.32	66,193,185	6,619.32
Add: Issued during the year [Refer note (h)]	-	-	-	-	-	-
Balance at the end of the year	66,193,185	6,619.32	66,193,185	6,619.32	66,193,185	6,619.32

b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any. In the event of liquidation of the Company, the holders of equity shares will 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 shareholders.

c) Share holding more than 5% of the Shares on the company:

Hindustan Construction Co. Limited, Holding Company & it's nominees hold all the Shares of the Company.

Note 12 (b) Other Equity

Securities Premium Account	36,102.61	36,102.61	36,102.61
Capital Redemption Reserve	3,006.83	3,006.83	3,006.83
Debenture Redemption Reserve	3,046.42	3,046.42	3,046.42
Capital Reserve on Consolidation	3.16	3.16	3.16
Amalgamation Reserves	-	-	-
Capital Subsidy from Government	-	-	-
Share Application Money Pending Allotment	-	1.00	-
Deemed Equity investment by Holding Company	15,744.58	15,744.58	15,744.57
Other items of Other Comprehensive Income	45.72	41.36	4.84
Surplus/(Deficit)	(166,299.01)	(112,889.17)	(91,813.52)
TOTAL	(108,349.69)	(54,943.22)	(33,905.09)

NON-CURRENT LIABILITIES

Note 13 FINANCIAL LIABILITIES

Note 13 (a) Borrowings

A) Non-Convertible Debentures - Secured

150 (One Hundred Fifty) (Previous Year 150) 14% Non Convertible Debentures having total face value of ` 15,00,00,000 (Previous year 15,00,00,000) Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 30 acres. Corporate guarantee to the extent 100% of outstanding balance have been given by holding company ((Note 2.14 (E) (a) (1))	4,489.79	3,931.87	3,420.07
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (a))	4,489.79	-	-
	-	3,931.87	3,420.07

	As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
1020 (One Thousand and Twenty) (Previous Year 1020) 14% Non Convertible Debentures having total face value of ` 99,45,00,000 (Previous year ` 99,45,00,000) Secured by first pari passu Charge created by English Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 Acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets. Corporate guarantee to the extent 50% of outstanding balance have been given by promoters and other shareholders. ((Note 2.3 (E) (a) (2))	**9,945.00**	9,945.00	9,945.00
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (a))	**9,945.00**	2,805.00	765.00
	-	7,140.00	9,180.00
1 (One) (Previous Year 1) 10.75% Non Convertible Debenture having face value of ` 1,00,00,00,000 (Previous year ` 1,00,00,00,000) Secured By Exclusive Charge Created by English Mortgage Deed on Land situated at village Dhamanhol Taluka Mulshi admeasuring 1 Acre. ((Note 2.3 (E) (a) (3)) Secured by Second Charge on Land of Lavasa Project admeasuring 6,806.69 Acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets.(Pending)	**13,121.35**	11,633.81	10,476.03
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (a))	**13,121.35**	11,633.81	10,476.03
	-	-	-
16% Non Convertible Debentures having total face value of Nil (Previous year ` 2,50,00,00,000) Secured By Charge Created by English Mortgage Deed on 747 acres of land of the Company.	**46,730.20**	38,722.86	33,767.20
Less: Classified as other financial liability (Note No 2.25 (a)	**46,730.20**	38,722.86	33,767.20
	-	-	-
B) Term Loan - Secured			
From Banks			
Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets. Corporate guarantee to the extent 50% of outstanding balance have been given by promoters and other shareholders to the extent of their equity share in the Company	**146,689.54**	131,785.62	184,781.65
Less: Classified as other financial liability (Note No 2.25 (a)	**15,244.00**	-	-
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**58,105.95**	48,919.62	38,889.64
	73,339.59	82,866.00	145,892.02
Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 100% of outstanding balance have been given by promoter.	**22,500.00**	22,500.00	22,500.00
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**15,000.00**	7,500.00	-
	7,500.00	15,000.00	22,500.00
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 135 acres. Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 100% of outstanding balance have been given by promoter.	**9,758.85**	9,752.24	9,037.67
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**-**	-	-
	9,758.85	9,752.24	9,037.67
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 56 acres. Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 50% of outstanding balance have been given by shareholders.	**6,500.50**	6,493.31	5,646.11
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**-**	-	-
	6,500.50	6,493.31	5,646.11

	As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 46 acres. Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 100% of outstanding balance have been given by promoters.	**4,400.00**	4,400.00	2,389.03
Less: Classified as other financial liability (Note No 2.25 (a)	**4,400.00**	-	-
	-	4,400.00	2,389.03
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 188 acres. First pari passu charged over 649 acres on pari passu charge basis together with loans taken by its subsidiary. Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 50% of outstanding balance have been given by promoters and other shareholders to the extent of their equity share in the Company.	**14,799.00**	14,799.00	-
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**-**	-	-
	14,799.00	14,799.00	-
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 19 acres. Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 100% of outstanding balance have been given by promoters.	**1,200.00**	1,200.00	662.00
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**-**	-	-
	1,200.00	1,200.00	662.00
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 43 acres. Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 100% of outstanding balance have been given by promoters.	**3,690.00**	3,690.00	3,553.52
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**-**	-	-
	3,690.00	3,690.00	3,553.52
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 99 acres. Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 100% of outstanding balance have been given by promoters.	**5,876.00**	5,876.00	4,001.00
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**-**	-	-
	5,876.00	5,876.00	4,001.00
1. First pari-passu charge on Immovable & Movable Fixed Assets, Current Assets, Receivables, Investments, & all Bank accounts including Escrow of WAML, Assignment of Rights over concession agreement in favour of lenders 2. Corporate Guarantee for 100% of loan o/s by both HREL and LCL 3. Pledge of entire shareholding of HREL and VMM in LCL 4. Pledge of entire shareholding of LCL in WAML 5. Pledge of entire shareholding of LCL in SCML Following security is pending as on date: 1. Pledge of entire shareholding of VHPL and ARL in LCL 2. Second pari-passu charge over 3366.18 Ha Land owned by LCL, Immovable & Movable Fixed Assets, Current Assets, Receivables, Fixed Assets, Investments, & all Bank accounts including TRA of LCL .	**26,430.19**	22,586.71	20,686.80
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**66.08**	1,237.47	613.85
	26,364.11	21,349.24	20,072.95

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the period ended 31st March 2017

	As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
Secured by exclusive registered mortgage of All that piece and parcel of the Land admeasuring 6 acres or thereabout being Lot No. 202 situated on Thicket Street, Survey No. 113, Hissa No. 1, Survey No. 103, Hissa No. 1, of Village Dasve, Talula Mulshi, District Pune, Maharashtra, and the said twenty two (22) Buildings admeasuring not more than 160000 sq ft built up area equivalent to 14869.88 sq mtrs or thereabout to be constructed on the said Land. Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 100% of outstanding balance have been given by promoters.	**12,117.15**	10,111.00	9,065.82
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**3,368.67**	2,686.00	671.00
	8,748.49	7,425.00	8,394.82
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 17 acres. Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 100% of outstanding balance have been given by promoter.	**1,020.00**	1,020.00	-
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**1,020.00**	-	-
	-	1,020.00	-
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 5 acres. Second Created by English Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets. Corporate guarantee to the extent 100% of outstanding balance have been given by promoter.	**69.02**	69.02	-
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**69.02**	-	-
	-	69.02	-
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 6 acres. Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 50% of outstanding balance have been given by shareholders.	**496.68**	496.68	245.00
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (b))	**496.68**	0.00	-
	-	496.68	245.00
Secured By :- (a) All the Fixed & Current Asstes including future assets of Company (b) Pledge of 21,00,000 numbers of shares held by holding Company HCC Real Estate Limited. (c) 100% Corporate Gurantee given by Holding Company, HCC Real Estate Limited	**7,068.48**	8,696.97	8,812.20
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.6)	**799.55**	-	-
	6,268.93	8,696.97	8,812.20

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the period ended 31st March 2017

	As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
Secured By :- - Mortagage (first charge) of Unencumbered Land of Lavasa Corporation Limited			
Repayable in 4 Quarterly installments after the end of 18 months from 30th September,2012 i.e. moratorium period as per the following schedule:-At the end of 27th month Rs.375.00 Lakhs,At the end of 30th month Rs.375.00 Lakhs,At the end of 33rd month Rs.750.00 Lakhs,At the end of 36th month Rs.750.00 Lakhs.			
Company has defaulted in principle repayment of ` 750.00 Lakhs by 549 days,` 750.00 Lakhs by 641 days, ` 375.00 Lakhs by 732 days and ` 368.65 Lakhs by 822 days and Interest of ` 27.18 Lakhs by 791 days, ` 24.91 Lakhs by 763 days, ` 26.83 Lakhs by 732 day,` 26.30 Lakhs by 702 days,` 27.47 Lakhs by 671 days, ` 26.83 Lakhs by 641 days, ` 27.23 Lakhs by 610 days ` 27.53 Lakhs by 579 days ` 26.95 Lakhs by 549 days ` 27.53 Lakhs by 518 days ` 26.95 Lakhs by 488 days ` 27.51 Lakhs by 457 days ` 28.32 Lakhs by 426 days ` 26.79 Lakhs by 397 days and ` 28.93 Lakhs by 366 day as on 31st March, 2017.	**2,241.73**	2,241.73	2,250.00
Less: Classified as other current liability due to maturity within next 12 months	**2,241.73**	2,241.73	2,250.00
	-	-	-
From Financial Institutions			
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 26 acres. Second Created by English Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets. Corporate guarantee to the extent 100% of outstanding balance have been given by shareholders.	**2,045.00**	2,045.00	1,120.00
Less: Classified as other financial liability (Note No 2.25 (a)	**2,045.00**	-	-
	-	2,045.00	1,120.00
First parri passu charged by way of registered mortgage of Land of Lavasa Project admeasuring 26 acres. Put option to the extent of 100% of outstanding balalnce have been given by shareholders	**8,975.38**	8,975.38	9,007.00
Less: Classified as other financial liability (Note No 2.25 (a)	**8,975.38**	5,975.00	3,000.00
	-	3,000.38	6,007.00
Secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 143 acres. Second Charge by way of Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present & future moveable assets(Pending). Corporate guarantee to the extent 100% of outstanding balance have been given by shareholders.	**53,302.73**	46,086.36	40,466.67
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.19 (c))	**1,286.33**	5,653.13	5,504.17
	52,016.40	40,433.23	34,962.50
Unsecured :			
From Banks	**-**	-	-
From Financial Institutions	**-**	-	-
Fully Convertiable Debentures			
1 (One) (Previous year 1) 0% Fully Convertible Debenture having face value of ₹ 12,00,00,000 (Previous year ₹ 12,00,00,000)	**1,907.12**	1,661.74	1,447.44
Less: *Classified as other current liability due to maturity within next 12 months*	**-**	1,661.74	-
	1,907.12	-	1,447.44
Share Warrant			
Bennett, Coleman & Company Limited	**703.44**	609.02	703.44
Less: *Classified as other current liability due to maturity within next 12 months*	**-**	-	703.44
	703.44	609.02	-
Redkite Limited	**8.06**	6.97	6.04
Less: *Classified as other current liability due to maturity within next 12 months*	**-**	-	-
	8.06	6.97	6.04
ICD from Holding Company	**38,013.96**	32,701.05	26,602.11
ICD from Fellow Subsidiary	**2,638.72**	428.44	413.28
From Others	**-**	-	-
	259,333.18	273,429.42	314,364.75

Note 13 (b) **Other Financial Liabilities**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the period ended 31st March 2017

	As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
Cumulative Redeemable Preference Shares 3,72,49,997 (Previous Year 3,72,49,997) 6% Cumulative Redeemable Preference Shares of ` 10/- each fully paid up	**11,766.66**	11,271.94	10,837.09
Compulsory Convertible Preference Shares 52,50,00,000 (Previous Year 52,50,00,000) 0.001% Compulsorily Convertible Preference Shares of ` 10/- each fully paid up.	**40,391.15**	35,276.12	-
Interest accrued but not due on secured borrowings	**-**	167.54	259.27
Interest accrued but not due on unsecured borrowings	**2,171.96**	2,449.70	2,899.64
Security and other deposits	**687.38**	727.74	690.18
Financial Liability on Account of Guarantee	**2,070.84**	2,810.12	3,404.56
Deferred Lease Liability	**11.69**	15.19	-
	57,099.68	52,718.35	18,090.74

a) Reconciliation of the redeemable preference shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
	Number	₹ in Lakhs	Number	₹ in Lakhs	Number	₹ in Lakhs
Balance at the beginning of the year	37,249,997	**3,725.00**	37,249,997	**3,725.00**	37,249,997	**3,725.00**
Add: Issued during the year	-	-	-	-	-	-
Balance at the end of the year	37,249,997	3,725.00	37,249,997	3,725.00	37,249,997	3,725.00

b) Reconciliation of the compulsory convertible preference shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
	Number	₹ in Lakhs	Number	₹ in Lakhs	Number	₹ in Lakhs
Balance at the beginning of the year	525,000,000	**52,500.00**	525,000,000	**52,500.00**	-	-
Add: Issued during the year	-	-	-	-	-	-
Balance at the end of the year	525,000,000	52,500.00	525,000,000	52,500.00	-	-

c) Details of shareholder's holding more than 5% of shares of the company and shares held by holding & ultimate holding company.

Redeemable Preference Shares of Rs.10/- each	31st March 2017		31st March 2016		01st April 2015	
	Number	₹ in Lakhs	Number	₹ in Lakhs	Number	₹ in Lakhs
HCC Real Estate Limited - Holding Company	22,400,097	**60.13%**	22,400,097	**60.13%**	22,400,097	**60.13%**
Avantha Realty Limited	5,600,422	**15.04%**	5,600,422	**15.04%**	5,600,422	**15.04%**
Venkateshwara HatcheriwesPrivate Limited	5,152,697	**13.83%**	5,152,697	**13.83%**	5,152,697	**13.83%**
Vinay V Maniyar	4,094,646	**10.99%**	4,094,646	**10.99%**	4,094,646	**10.99%**
Hindustan Construction Co. Limited (HCC), Ultimate Holding Company	28	**0.00%**	2,135	**0.00%**	2,135	**0.00%**

Compulsory Convertible Preference Shares of Rs.10/- each fully paid	As At 31st March 2017		As At 31st March 2016		As At 01st April 2015	
	Number	₹ in Lakhs	Number	₹ in Lakhs	Number	₹ in Lakhs
Axis Bank Limited	525,000,000	**100.00%**	525,000,000	**100.00%**	-	-

d) Other Explaintory -

- 2,70,00,000 cumulative redeemable preference shares will be redeemed in 3 installments on 30/01/2020, 30/01/2021 and 30/01/2022 (extended w.e.f 25/11/2014 for 5 years from 30/1/2015, 30/1/2016 and 30/1/2017) in proportion of 20%, 40% and 40% of the paid up amount together with premium of `10/- each respectively.

- 2,50,000 cumulative redeemable preference shares will be redeemed in 3 installments on 05/06/2021, 05/06/2022 and 05/06/2023 (extended w.e.f 25/11/2014 for 5 years from 05/06/2016, 05/06/2017 and 05/6/2018) in proportion of 20%, 40% and 40% of the paid up amount together with premium of `10/- each respectively.

- 99,99,997 cumulative redeemable preference shares allotted on 2nd May 2011, will be redeemed in 3 installments at the end of 7th, 8th and 9th year (i.e. 01/05/2018, 01/05/2019 and 01/05/2020 respectively) from the date of allotment in proportion of 20%, 40% and 40% of the paid up amount together with premium of ` 90/- each in the same proportion respectively.

e) Rights & restriction attached to Preference shareholders

Dividend on cumulative redeemable preference shares proposed by Board of Directors is subject to approval of the shareholders in the Annual General Meeting. Each holder of preference share is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to preference shares. Cumulative preference shareholders are entitled to vote on every resolution if preference dividend remains unpaid for 2 years. As per the Common Loan Agreement with Consortium Lenders, the Company has to satisfy the conditions set therein before declaring preference dividend.

f) Rights & restriction attached to Compulsorily Convertible Preference Shares

(i) In case of equity raising other than IPO – the investor will have an option to convert at 20% discount to the last available price at which such issuance happens.

		As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs

(ii) In case of equity raising by way of IPO – the investor will mandatory convert at 20% discount to the proposed IPO price band.
(iii) The CCPS with accrued YTM of 12% p.a. will be mandatorily converted into equity shares at the end of the 20years. The conversion will happen at higher of price at which last equity raised or at book value as per latest audited balance sheet prior to the date of conversion.
(iv) The instrument holder has a put option on holding company w.e.f. September 30, 2017 while holding company has a call option on the instrument holder.

		As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
Note 14	**NON CURRENT PROVISIONS**			
	Provision for employee benefits (Refer note ____)			
	Gratuity	73.26	170.95	222.49
	Leave entitlement	36.28	73.30	113.09
	Other Provisions (specify)	-	-	-
	TOTAL	109.53	244.25	335.58
Note 15	**DEFERRED TAX LIABILITIES (net)**			
	Components of deferred tax assets and liabilities arising on account of timing differences are:			
	Deferred Tax Liability			
	Property, Plant & Equipment	12,449.73	68,179.75	54,797.88
	Deemed Equity investment	35,303.97	34,379.21	9,028.45
	Impacts of Recognition of Financial Instruments measured initially at fair value and subsequently at amortised cost	104,249.80	38,219.06	25,228.75
	Others	17,138.01	17,313.05	7,652.53
	Deferred Tax Asset			
	Provision for Impairment of Doubtful Trade receivables	(3.20)	(0.74)	(1.09)
	Carry forward losses	(69,637.37)	(52,351.37)	(46,358.60)
	Deemed Equity investment by holding company	(16.24)	(12.26)	(16.24)
	Impacts of Recognition of Financial Instruments measured initially at fair value and subsequently at amortised cost	(43,742.05)	(41,461.24)	(22,363.12)
	Others	(29,695.30)	(29,505.44)	(11,718.65)
	TOTAL	26,047.34	34,760.03	16,249.91
	CURRENT LIABILITIES			
Note 16	**FINANCIAL LIABILITIES**			
Note 16 (a)	**Borrowings**			
	I. Secured			
	Rupee Loan from Banks :			
	Cash credit facilities (Repayable on demand)	-	-	-
	Working capital demand loan (Repayable on demand)	-	-	-
	Buyer's credit	-	-	-
	From Others			
	NBFC	-	-	-
		-	-	-
	II. Unsecured (Repayable on demand)			
	From Banks			
	Commercial Paper	-	-	-
	Rupee Term Loans	-	-	-
	Buyer Credit	-	-	-
	From Others			
	Inter Corporate Deposits from related parties(repayable on demand)	13,798.32	11,663.32	597.74
	Inter Corporate Deposit from Western Securities Limited	25.00	-	-
		13,823.32	11,663.32	597.74
	TOTAL	13,823.32	11,663.32	597.74
Note 16 (b)	**Trade Payables**			
	- Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-
	- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20,291.24	25,854.58	25,941.73
	- Total outstanding due to related parties	6.57	7.32	(0.00)
	TOTAL	20,297.81	25,861.90	25,941.73
Note 16 (c)	**Other Financial Liabilities**			
	Deposits	495.27	704.70	485.65
	Others	0.03	8.84	3.81
	Current Maturities of Long-Term debts			
	- Bonds & Debentures (Secured)	-	-	-
	- Term loan from Banks (Secured)	79,581.97	63,284.43	42,924.21

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the period ended 31st March 2017

		As at 31 March 2017 ₹ in Lakhs	As at 31 March 2016 ₹ in Lakhs	As at 1 April 2015 ₹ in Lakhs
	- Term Loan from Other Parties (Secured)	1,286.33	5,653.13	8,504.17
	- Share Warrant	-	-	703.44
	Unpaid Debentures & loans			
	- Bonds & Debentures (Secured)	74,286.34	54,823.41	45,008.23
	- Term loan from Banks (Secured)	21,229.70	-	-
	- Term Loan from Other Parties (Secured)	11,020.38	5,975.00	-
	Balances with banks (Overdraft)	23.05	-	-
	Financial Liability on Account of Guarantee	-	-	-
	Interest accrued & due on borrowings (Secured)	45,622.67	14,368.40	5,072.37
	Interest accrued & due on borrowings (Unsecured) on:	-	-	-
	ICD from Holding & Ultimate Holding Company	2,051.35	1,372.25	1,621.10
	Others loans	-	-	-
	TOTAL	235,597.09	146,190.16	104,322.98
Note 17	OTHER CURRENT LIABILITIES			
	Other Payables	9,542.65	9,360.78	10,347.29
	Retention Deposit Payable	2,884.64	3,237.35	3,501.21
	Booking Advance	25,870.10	15,936.08	18,433.25
	Advance recoverable in cash or kind	-	-	-
	Employees Dues Payable	37.05	43.14	50.31
	Other Creditors	4,039.22	3,700.32	3,566.59
	Statutory Dues Payable	2,470.37	1,811.49	2,015.48
	Advance Against Land Sale	213.60	106.60	165.00
	TOTAL	45,057.63	34,195.77	38,079.13
Note 18	SHORT-TERM PROVISIONS			
	Provision for employee benefits			
	- Gratuity	14.02	28.53	29.83
	- Leave entitlement	69.58	154.50	222.27
	Provision for Impairment on Investment	-	-	-
	TOTAL	83.60	183.02	252.10

Note 18.1 The Company has adequately recognized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

HCC Real Estate Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the period ended 31st March 2017

Statement of Change in Equity for the year ended 31 March 2017

Note No.12 (a) Equity share capital

Particulars	Number	₹ in Lakhs
Equity shares of ₹ 10 each issued, subscribed and paid		
As at 1 April 2015	66,193,185	6,619.32
Issue of equity shares (Refer note)	-	-
As at 31 March 2016	66,193,185	6,619.32
Issue of equity shares (Refer note)	-	-
As at 31 March 2017	66,193,185	6,619.32

Note No.12 (b) Other Equity

Particulars	Deemed Equity in Subsidiaries	Share Application Money Pending Allotment	Reserves and surplus: Securities Premium	Capital Redemption Reserve	Debenture redemption reserve	Capital Reserve on Consolidation	Amalgamation Reserve	Capital Subsidy from Govt	Retained earnings	Other items of Other Comprehensive Income	Total equity attributable to equity holders
As at 1 April 2015	26,689.70	-	41,416.99	2,161.14	3,046.42	3.16	2,010.73	-	(134,169.91)	4.84	(58,836.93)
Add: Opening Balance of Permanant JVs	-	-	(5,314.38)	845.69	-	-	(2,010.73)	-	42,356.39	-	35,876.97
Less: Eliminations during the year	10,945.13	-	-	-	-	-	-	-	-	-	10,945.13
As at 1 April 2015 (Restated)	15,744.57	-	36,102.61	3,006.83	3,046.42	3.16	-	-	(91,813.52)	4.84	(33,905.09)
Addition during the Year/ Profit for the Year	3,513.68	1.00	-	-	-	-	-	-	(21,091.21)	-	(17,576.53)
Disposal of Interest in Subsidiary	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	36.52	36.52
Total comprehensive income	19,258.25	1.00	36,102.61	3,006.83	3,046.42	3.16	-	-	(112,904.73)	41.36	(51,445.10)
- Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
- Share issue expenses	-	-	-	-	-	-	-	-	-	-	-
- Transfer to debenture redemption reserve	-	-	-	-	-	-	-	-	-	-	-
- Restatement of foreign currency monetary translation items	-	-	-	-	-	-	-	-	-	-	-
- Amortization of foreign currency monetary translation items	-	-	-	-	-	-	-	-	-	-	-
Less: Eliminations	3,513.67	-	-	-	-	-	-	-	(15.56)	-	3,498.11
As at 31 March 2016	15,744.58	1.00	36,102.61	3,006.83	3,046.42	3.16	-	-	(112,889.17)	41.36	(54,943.22)
Profit for the year	-	(1.00)	-	-	-	-	-	-	(53,409.53)	-	(53,410.53)
Disposal of Interest in Subsidiary	-	-	-	-	-	-	-	-	2.23	-	2.23
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	4.36	4.36
Total comprehensive income	15,744.58	-	36,102.61	3,006.83	3,046.42	3.16	-	-	(166,296.47)	45.72	(108,347.15)
- Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
- Share issue expenses	-	-	-	-	-	-	-	-	-	-	-
- Transfer to debenture redemption reserve	-	-	-	-	-	-	-	-	-	-	-
- Restatement of foreign currency monetary translation items	-	-	-	-	-	-	-	-	-	-	-
- Amortization of foreign currency monetary translation items	-	-	-	-	-	-	-	-	-	-	-
Less: Eliminations	-	-	-	-	-	-	-	-	2.54	-	2.54
As at 31 March 2017	15,744.58	-	36,102.61	3,006.83	3,046.42	3.16	-	-	(166,299.01)	45.72	(108,349.69)

HCC REAL ESTATE LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the period ended 31st March 2017

		Period ended 31 March 2017 ₹ in Lakhs	Period ended 31 March 2016 ₹ in Lakhs
Note 19	**REVENUE FROM OPERATION**		
	Land Sales	**4,280.26**	3,073.71
	Progress Billing	**2,153.21**	3,778.28
	Income from PMC Services	**-**	178.91
	Other Income from Subsidiaries	**3,775.16**	3,840.86
	Other Operating income	**106.78**	325.00
	TOTAL	**10,315.41**	11,196.77
Note 20	**OTHER INCOME**		
	Interest Income	**241.18**	286.71
	Dividend Income	**112.50**	85.42
	Sale of Scrap	**1.42**	9.36
	Profit on Sale of Asset (Net)	**-**	8.21
	Profit on Sale of Investment	**120.55**	0.22
	Gain recognised on disposal of interest in former associates	**2.93**	1,067.83
	Rent Received	**60.75**	31.10
	Net gain on foreign currency difference	**-**	-
	Financial Gurantee Income	**536.35**	560.31
	Reversal of Previous Year Provision/ Old Cr Bal Written Off	**12.26**	0.59
	Miscellaneous/Other Income	**2,497.26**	1,964.34
	Fair Value Gain/Loss (Net)	**4.85**	18,947.66
	TOTAL	**3,590.05**	22,961.75
Note 21	**COST OF CONSTRUCTION MATERIALS CONSUMED**		
	Raw & Process Materials Consumed	**40.44**	22.38
	Power & Fuel	**38.80**	32.12
	Stores,Spares,Chemicals & Packing Materials:		
	Stock at beginning of the year	**39.30**	58.79
	Add: Purchases	**164.84**	120.71
		283.37	233.99
	Less: Scrap and unserviceable sold	**-**	-
		283.37	233.99
	Less: Stock at the end of the year	**115.16**	39.30
	TOTAL	**168.21**	194.69
Note 22	**CONSTRUCTION EXPENSES**		
	Land Purchased	**152.06**	1,427.86
	Civil Work & Contract Charges (net of recoveries)	**4,444.82**	7,599.70
	Power, Fuel & Water Charges	**646.54**	730.59
	Insurance	**-**	-
	Rates & Taxes	**333.17**	304.27
	Rent & Hire Charges	**326.34**	417.94
	Transportation Charges	**-**	-
	Repairs & Maintainance Exps.	**117.14**	133.57
	Others	**-**	-
		6,020.07	10,613.93
	Less: Capitalised	**13.45**	183.48
	TOTAL	**6,006.62**	10,430.45
Note 23	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and wages	**1,849.94**	3,336.60
	Contribution to provident and other funds	**59.63**	263.62
	Staff welfare	**247.47**	326.32
		2,157.04	3,926.54

	Period ended 31 March 2017	Period ended 31 March 2016
	₹ in Lakhs	₹ in Lakhs
Less: Capitalised	-	73.28
	2,157.04	3,853.26

Note 24 FINANCE COST

		Period ended 31 March 2017	Period ended 31 March 2016
a)	Interest		
	(i) On debentures	12,156.31	9,121.58
	(ii) On others	58,456.76	53,917.84
b)	Guarantee commission and other charges	7,012.21	3,416.40
		77,625.28	66,455.82
	Less: Capitalised	26.59	15,804.05
		77,598.69	50,651.77

Note 25 OTHER EXPENSES

	Period ended 31 March 2017	Period ended 31 March 2016
Office & Other General Expenses	2,499.09	3,118.30
Finance Charges	-	-
Power & Fuel	-	7.66
Vehicle Running & Maintenance	9.27	5.74
Printing & Stationery	0.96	1.49
Communication Expenses	3.43	3.99
Rent, Rates & Taxes	71.27	102.14
Travelling & Other Incidental Exps.	22.16	25.38
Brokerage & Commission Charges	275.80	8.67
Director's Sitting Fees	2.01	2.60
Allocated Revenue/ Manpower Expenses	21.83	24.11
Provision for Doubtful Advances / Debt	253.28	0.00
Provision for Impairment of Doubtful Trade receivables (P&L Ac	-	-
Provision for Doubtful Investment	-	-
Legal, Professional & Consultation Charges	1,307.88	709.88
Insurance	58.73	122.90
Selling and Marketing Expenses	576.39	1,255.27
Miscellaneous Expenses –Written off	-	533.91
Loss on Sale of Asset	-	-
Diminution in value of Investments	-	-
Impairment loss on financial / non financial assets	4,780.37	6,252.26
Event Management Expenses	5.30	4.08
Film Shooting Expenses	10.29	8.76
Net loss on foreign currency transactions and translation	2.85	3.54
Loss on disposal of interest in former associate (Warasgaon Lakeview Hotels Limited)	130.96	-
Payment to Auditor	-	-
for Statutory Audit	37.66	49.79
for Other Services	0.05	2.61
for reimbursement of expenses;	0.40	0.75
	10,069.96	12,243.84
Less : Transferred to Fixed Asset / Capital Work in Progress	-	107.01
	10,069.96	12,136.83

The Company is not liable to incur any expenses on CSR as per section 135 of the Companies Act, 2013.

Note No 27 Disclosures as required by Indian Accounting standard (Ind AS) 101 First time adoption of Indian accounting standard

The Company has adopted Ind AS with effect from 1 April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1 April 2015 and all the periods presented have been restated accordingly.

(i) Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

a. Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

b. Since, there is no change in the functional currency of the Company, it has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment and intangible assets on the date of transition.

c. The Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in subsidiaries, associates and joint ventures on the date of transition to Ind AS.

d. The Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign currency monetary translation account" and amortised over the remaining life of the concerned monetary item.

e. Fair value measurement of financial assets or liabilities at initial recognition: The Company has not applied the provision of Ind AS 109, Financial Instruments, upon the initial recognition of the financial instruments where there is no active market.

f. Designation of previously recognised financial instruments: The Company does not have any financial assets or liabilities as of the transition dates which were required to be designated, and which met the required criteria given in Ind AS 101, as a financial asset or financial liability at FVPL.

(ii) Exemptions availed on first time adoption of Ind AS 101:

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

a. Estimates

The estimates as at 1 April 2015 and 31 March 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:
(i) Impairment of financial assets based on the expected credit loss model; and
(ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Company to present the amounts in accordance with the Ind AS reflect conditions that existed at the date on transition to Ind AS.

b. De-recognisation of Financial Assets

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c. Classification and movement of financial assets and liabilities

The Company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.

(iii) a. Reconciliation of equity as previously reported as at March 31, 2015 under previous GAAP to Ind AS:

	Refer Note	IGAAP As at 01 April 2015 ₹ in Lakhs	Adjustment	IND-AS As at 01 April 2015 ₹ in Lakhs
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	2.3 (iii) 12	109,500.19	(4,374.39)	105,125.80
Capital Work-in-progress	-	153,779.80	(449.68)	153,330.12
Properties Held for Sale	-	-	200.18	200.18
Goodwill on Consolidation	-	14,301.23	-	14,301.23
Intangilble asset	-	201.47	(79.82)	121.65
Intangilble asset under development	-	-	-	-
Financial Assets				
Investments	2.3 (iii) 1, 2 and 6	2,499.71	9,383.90	11,883.61
Trade Receivables	-	-	-	-
Loans	2.3 (iii) 2 and 12	3,512.11	(1,323.15)	2,188.96
Other Financial Assets	2.3 (iii) 3 and 4	516.80	2,785.19	3,301.99
Other Non-Current assets	2.3 (iii) 12	-	71.22	71.22
Income Tax Assets (Net)	-	-	10,662.90	10,662.90
Deferred tax assets	2.3 (iii) 9	-	-	-
Total Non-Current Assets		**284,311.31**	**16,876.34**	**301,187.65**
CURRENT ASSETS				
Inventories	2.3 (iii) 12	155,928.76	(20,783.93)	135,144.83
Financial Assets			-	-
Investments	-	171.75	(171.75)	-
Trade Receivables	2.3 (iii) 12	7,761.97	(1,179.51)	6,582.46
Cash and cash equivalents	2.3 (iii) 12	1,267.58	(478.21)	789.37
Other Bank balances	2.3 (iii) 12	-	-	-
Loans	-	42,909.65	(31,896.02)	11,013.63
Other Financial Assets	2.3 (iii) 4 and 12	-	23,985.48	23,985.48
Current Tax assets (net)	-	-	1.53	1.53
Other Current assets	-	533.91	22,193.95	22,727.86
Total Current Assets		**208,573.62**	**(8,328.47)**	**200,245.15**
TOTAL ASSETS		**492,884.93**	**8,547.88**	**501,432.81**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	-	6,619.32	0.00	6,619.32
Other Equity	2.3 (iii) 4 and 11	(22,891.32)	(11,013.77)	(33,905.09)
		(16,272.00)	**(11,013.76)**	**(27,285.76)**
Minority Interest liability		4,661.24	5,822.68	10,483.92
LIABILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	2.3 (iii) 5	327,351.42	(12,986.67)	314,364.75
Other Financial Liabilities	2.3 (iii) 6	1,637.50	16,453.24	18,090.74
Provisions	2.3 (iii) 8	343.58	(8.00)	335.58
Deferred Tax Liabilities (net)	2.3 (iii) 9	1,938.53	14,311.38	16,249.91
Total Non-Current Liabilities		**331,271.03**	**17,769.94**	**349,040.97**
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	2.3 (iii) 12	-	597.74	597.74
Trade Payables	2.3 (iii) 12	41,767.01	(15,825.28)	25,941.73
Other Financial Liabilities	2.3 (iii) 6 and 12	-	104,322.98	104,322.98
Other current liabilities	2.3 (iii) 12	131,246.97	(93,167.84)	38,079.13
Provisions	2.3 (iii) 12	210.68	41.42	252.10
Total Current Liabilities		**173,224.66**	**(4,030.98)**	**169,193.68**
TOTAL EQUITY AND LIABILITIES		**492,884.93**	**8,547.88**	**501,432.81**

b. Reconciliation of equity as previously reported as at March 31, 2015 under previous GAAP to Ind AS:

	Refer Note	IGAAP As at 31 MarchApril 2016 ₹ in Lakhs	Adjustment	IND-AS As at 31 March 2016 ₹ in Lakhs
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	2.3 (iii) 12	97,779.55	(3,500.80)	94,278.75
Capital Work-in-progress	-	169,862.41	(381.02)	169,481.39
Properties Held for Sale	-	-	200.18	200.18
Goodwill on Consolidation	-	14,265.65	(1,162.95)	13,102.70
Intangilble asset	-	76.80	(5.46)	71.34
Intangilble asset under development	-		-	-
Financial Assets				
Investments	2.3 (iii) 1, 2 and 6	6,290.29	4,001.71	10,292.00
Trade Receivables	-	-	-	-
Loans	2.3 (iii) 2 and 12	3,867.93	(1,846.04)	2,021.89
Other Financial Assets	2.3 (iii) 3 and 4	380.75	2,541.14	2,921.89
Other Non-Current assets	2.3 (iii) 12	-	74.10	74.10
Income Tax Assets (Net)	-	-	11,172.98	11,172.98
Deferred tax assets	2.3 (iii) 9	54.15	(54.15)	-
Total Non-Current Assets		**292,577.53**	**11,039.70**	**303,617.23**
CURRENT ASSETS				
Inventories	2.3 (iii) 12	193,324.36	(19,181.75)	174,142.61
Financial Assets			-	-
Investments	-	922.16	(44.91)	877.25
Trade Receivables	2.3 (iii) 12	6,486.78	(1,888.41)	4,598.37
Cash and cash equivalents	2.3 (iii) 12	1,773.80	(747.72)	1,026.08
Other Bank balances	2.3 (iii) 12	-	-	-
Loans	-	36,109.94	(28,136.89)	7,973.05
Other Financial Assets	2.3 (iii) 4 and 12	-	20,326.41	20,326.41
Current Tax assets (net)	-	-	1.71	1.71
Other Current assets	-	-	20,082.41	20,082.41
Total Current Assets		**238,617.04**	**(9,589.14)**	**229,027.90**
TOTAL ASSETS		**531,194.57**	**1,450.55**	**532,645.12**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	-	6,619.32	0.00	6,619.32
Other Equity	2.3 (iii) 4 and 11	(40,998.40)	(13,944.82)	(54,943.22)
		(34,379.08)	**(13,944.81)**	**(48,323.89)**
Minority Interest liability		54,750.96	(53,028.15)	1,722.81
LIABILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	2.3 (iii) 5	285,522.34	(12,092.92)	273,429.42
Other Financial Liabilities	2.3 (iii) 6	503.97	52,214.38	52,718.35
Provisions	2.3 (iii) 8	254.22	(9.97)	244.25
Deferred Tax Liabilities (net)	2.3 (iii) 9	-	34,760.03	34,760.03
Total Non-Current Liabilities		**286,280.53**	**74,871.51**	**361,152.04**
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	2.3 (iii) 12	11,021.30	642.02	11,663.32
Trade Payables	2.3 (iii) 12	23,564.37	2,297.53	25,861.90
Other Financial Liabilities	2.3 (iii) 6 and 12	-	146,190.16	146,190.16
Other current liabilities	2.3 (iii) 12	189,800.90	(155,605.13)	34,195.77
Provisions	2.3 (iii) 12	155.59	27.43	183.02
Total Current Liabilities		**224,542.16**	**(6,447.99)**	**218,094.17**
TOTAL EQUITY AND LIABILITIES		**531,194.57**	**1,450.55**	**532,645.12**

c. Reconciliation of net profit as previously reported under previous GAAP to Ind AS for the year ended March 31, 201

	Refer Note	Year ended 31 March 2016 ₹ in Lakhs	Adjustment	Year ended 31 March 2016 ₹ in Lakhs
INCOME				
Revenue from operations	2.3 (iii) 12	12,151.28	(954.51)	**11,196.77**
Other Income	2.3 (iii) 1, 2, 3, 6 and 12	1,863.84	21,097.91	**22,961.75**
TOTAL INCOME		**14,015.12**	**20,143.40**	**34,158.52**
EXPENSES				
Cost of construction materials consumed	2.3 (iii) 12		194.69	**194.69**
Purchase of traded goods	-		-	**-**
Changes in inventories of finished goods, Stock-in-Trade and Work-in-progress	2.3 (iii) 12	(39,812.09)	0.00	**(39,812.09)**
Construction expenses	2.3 (iii) 12	10,931.05	(500.60)	**10,430.45**
Employee benefit expenses	2.3 (iii) 7 and 12	4,143.52	(290.26)	**3,853.26**
Finance costs	2.3 (iii) 3, 4, 5 and 12	45,950.94	4,700.83	**50,651.77**
Depreciation and amortisation expense	2.3 (iii) 12	8,092.69	(333.92)	**7,758.77**
Other expenses	2.3 (iii) 12	11,392.62	744.21	**12,136.83**
TOTAL EXPENSES		**40,698.73**	**4,514.95**	**45,213.68**
PROFIT BEFORE TAX		**(26,683.61)**	**15,628.45**	**(11,055.16)**
TAX EXPENSE				
Current tax	2.3 (iii) 9 and 12	**6.83**	(2.09)	**4.74**
Less : MAT credit entitlement			-	**-**
Tax expenses of earlier year			-	**-**
Deferred tax charge	2.3 (iii) 9	**(1,954.21)**	20,448.85	**18,494.64**
TAX EXPENSE		**(1,947.38)**	**20,446.76**	**18,499.38**
PROFIT AFTER TAX		**(24,736.23)**	**(4,818.31)**	**(29,554.54)**
Less : Minority adjustments		(106.96)	8,869.42	**8,762.46**
Add : Profit / (Loss) on Sale of Stake in Associate		6,238.09	(6,238.09)	**-**
Add: Share in Profit / (Loss) of Associates		(283.57)	-	**(283.57)**
Less : Reclassification from subsidiary to JV		-	-	**-**
PROFIT FOR THE YEAR (A)		**(18,888.68)**	**(2,186.98)**	**(21,075.65)**
Other Comprehensive Income	2.3 (iii) 10			
(a) Items that will not be reclassified sunsequently to profit or loss		-	-	**-**
- Re-measurement gains on defined benefit plans	2.3 (iii) 7	-	54.24	**54.24**
- Income tax effect	2.3 (iii) 9	-	-	**-**
- Re-measurement gains on equity instruments	2.3 (iii) 1	-	(2.97)	**(2.97)**
- Income tax effect	2.3 (iii) 9	-	(13.40)	**(13.40)**
(b) Items that will be reclassified subsequently to profit or loss		-	-	**-**
Other comprehensive income for the year, net of tax (B)		-	37.87	**37.87**
Total Comprehensive Income for the year, net of tax (A+B)		(18,888.68)	(2,149.11)	(21,037.78)

Explanation for reconciliation

1. Investment

Under Ind AS, investments in debentures and certain equity instruments (other than of subsidiaries, associates and joint ventures) are carried at fair value through OCI as compared to being carried at cost under previous GAAP. The adjustment represents the difference in the fair value and the cost of investments in debenture/ equity instruments.

2. Loans

Under Ind AS, loans are valued at present value as compared to being carried at cost in the previous GAAP. This adjustment includes the difference between the book value and the present value of an interest free loan or loan below market rate given to a subsidiary, which is treated as investment in that subsidiary. The interest on the present value of this loan is recognised over the tenure of the loan using the EIR method.

3. Other financial assets - Security deposits

Under Ind AS, interest free lease deposits are valued at present value as compared to being carried at transaction value in the previous GAAP. The adjustment includes the difference between the book value and present value of interest free security deposits which has been recognised as deferred rent expense. This amount is subsequently charged to the Statement of Profit and Loss on a straight line basis as an interest expense. Further, interest income computed on the present value of the security deposit is recognised over the tenure of the security deposit using the EIR method.

4. Other financial assets - Financial guarantees

Under Ind AS, the financial guarantee given by a subsidiary company to the lender of the Company for its borrowings are recognised initially as an asset at fair value which is subsequently amortised as an interest expense to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

5. Borrowings

Ind AS 109 requires transaction cost incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the EIR method.

As stated in note 16, the Company had restructured its debt in 2012 which was determined to be a substantial modification. This resulted into extinguishment of the old liabilities and recognition of new liabilities as on the transition date. For the loans which were not substantially modified, the loans were carried at book value less transaction costs, if any. Under Ind AS, loans are valued at present value as against cost in the previous GAAP. The difference between the present value and cost is recognised in the opening retained earnings.

6. Other financial liabilities - Financial guarantees

Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

7. Defined benefits obligations

Under Ind AS, actuarial gains and losses are recognised in the OCI as compared to being recognised in the Statement of Profit and Loss under the previous GAAP.

8. Provisions

Under the previous GAAP, discounting of provisions was not permitted. Under Ind AS, provisions are measured at discounted amounts if the effect of time value is material. As the effect of time value is not material, provisions have not been discounted.

9. Income tax

Current income tax

Tax component on the gain/ (loss) on fair value of defined benefit plans and equity instruments have been transferred to the OCI under Ind AS.

Deferred income tax (including MAT)

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

10. Other comprehensive income

Under the previous GAAP, the Company has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

11. Other equity

Adjustments to retained earnings and OCI have been made in accordance with Ind AS, for the above mentioned transition items.

12. Jointly controlled entities

Under Ind-AS, the Company recognises its direct right to assets, liabilities, revenue and expenses and its share of any jointly held or incurred assets, liabilities, revenues and expenses in relation to joint operations which require unanimous consent from all the parties for all relevant activities.

HCC Real-Estate Limited

Notes to the consolidated financial statements for the year ended March 31, 2017

Note 28 Disclosure in accordance with Ind-AS 24 Related Party Transactions

A. Names of related parties and nature of relationship

a) Parent Company & Fellow Subsidiaries

Hindustan Construction Company (HCC) Ltd	- Parent Company
Panchkutir Developers Ltd.	- Fellow Subsidiary
Highbar Technologies Ltd.	- Fellow Subsidiary
HCC Infrastructure Company Ltd.	- Fellow Subsidiary
Steiner India Ltd	- Fellow Subsidiary
Western Securities Ltd	- Fellow Subsidiary
HCC Concession Ltd.	- Fellow Subsidiary
HCC Operations & Maintenance Ltd	- Subsidiary of Fellow Subsidiary

	Country of incorporation	Company's holding as at (%) ^ 31 March 2017	31 March 2016	1 April 2015	Subsidiaries of
b) Subsidiaries					
Lavasa Corporation Limited	India	68.70	68.70	68.70	HCC Real Estate Limited
HRL (Thane) Real Estate Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
HRL Township Developers Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Nashik Township Developers Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Maan Township Developers Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Charosa Wineries Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Powai Real Estate Developer Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
HCC Realty Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Pune Paud Toll Road Company Limited ^	India	100.00	100.00	100.00	HCC Real Estate Limited
HCC Aviation Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Dasve Business Hotel Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Dasve Hospitality Institutes Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Dasve Convention Center Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Dasve Retail Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Full Spectrum Adventure Limited	India	90.91	90.91	90.91	Lavasa Corporation Limited
Future City Multiservices SEZ Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Hill City Service Apartments Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Hill View Parking Services Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Kart Racers Limited	India	90.00	100.00	100.00	Lavasa Corporation Limited
Lakeshore Watersports Company Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Lakeview Clubs Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Lavasa Bamboocrafts Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Lavasa Hotel Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Mugaon Luxury Hotels Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
My City Technology Limited	India	63.00	63.00	63.00	Lavasa Corporation Limited
Nature Lovers Retail Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Our Home Service Apartments Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Reasonable Housing Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Rhapsody Commercial Space Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Rosebay Hotels Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Sahyadri City Management Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Valley View Entertainment Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Verzon Hospitality Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Warasgaon Assets Maintenance Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Warasgaon Infrastructure Providers Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Warasgaon Power Supply Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Warasgaon Tourism Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Warasgaon Valley Hotels Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Osprey Hospitality Limited (upto 20 July 2016)	India	-	100.00	100.00	Lavasa Corporation Limited
Sirrah Palace Hotels Limited (upto 6 November 2015	India	-	-	100.00	Lavasa Corporation Limited
Starlit Resort Limited (upto 12 May 2015)	India	26.00	26.00	100.00	Lavasa Corporation Limited
Apollo Lavasa Health Corporation Limited (upto 30 S	India	-	-	62.50	Lavasa Corporation Limited

^ *merger petition with HCC Infrastructure Company Limited filed during the year ended 31 March 2017.*

c) Other Related Parties

- Hincon Finance Ltd.
- Vikroli Corporate Park Private Ltd.
- Andromeda Hotels Limited
- Bona Sera Hotels Limited
- Ecomotal Hotel Limited
- Knowledge Vistas Limited
- Starlit Resorts Limited
- Whistling Thrush Facilities Services Limited
- Spotless Laundry Service Limited
- Apollo Lavasa Health Corporation Limited
- Warasgaon Lakeview Hotel Limited
- Green Hills Residences Limited
- Starlit India Limited

d) Key Management Personnel and Relative of Key Management Personnel

Mr Surendra Agarwal	Chief Financial Officer
Mr Devendra Manchekar	Chief Executive Officer
Mr Sandeep Gurav	Company Secretary

HCC Real-Estate Limited
Notes to the consolidated financial statements for the year ended March 31, 2017

Note 28 Disclosure in accordance with Ind AS 24 Related Party Transactions

B. Nature of Transactions

₹ Lakhs

(i) Transactions with Related Parties:	Relationship	As At March 31, 2017	As At March 31, 2016	As At 01 April, 2015
Rendering of services / finance income				
Highbar Technologies Limited	Fellow Subsidiary	8.03	7.99	-
HCC Infrastructure Company Limited	Fellow Subsidiary	187.20	395.51	371.83
Hincon Finance Limited	Other Related Party	27.15	23.92	82.49
Panchkutir Developers Limited	Fellow Subsidiary	0.60	1.78	-
Western Securities Limited	Fellow Subsidiary	-	-	16.00
Vikhroli Corporate Park Private Limited	Other Related Party	3.19	2.81	-
Hindustan Construction Company Limited	Holding Company	453.81	453.45	0.52
Steiner India Limited	Fellow Subsidiary	8.93	40.76	518.71
Andromeda Hotels Limited	Other Related Party	3.93	9.34	220.21
Bona Sera Hotels Limited	Other Related Party	229.74	142.78	223.48
Ecomotal Hotel Limited	Other Related Party	82.88	95.98	228.41
Knowledge Vistas Limited	Other Related Party	26.74	26.70	26.64
Starlit Resorts Limited	Other Related Party	17.87	15.97	-
Apollo Lavasa Health Corpn Ltd	Other Related Party	257.96	20.07	-
Spotless Laundry Services Limited	Other Related Party	311.41	232.60	-
HCC Concession Limited	Other Related Party	0.04	-	-
Whistling Thrush Facilities Services Limited	Other Related Party	6.11	-	-
Total		1,625.58	1,469.65	1,688.29
Receiving of services / interest expense				
Vikhroli Corporate Park Private Limited	Other Related Party	3.51	43.85	74.42
Highbar Technologies Limited	Fellow Subsidiary	152.32	206.85	183.76
HCC Infrastructure Company Ltd.	Fellow Subsidiary	3.34	-	-
Western Securities Limited	Fellow Subsidiary	-	3.89	7.65
Panchkutir Developers Ltd	Fellow Subsidiary	7.67	-	
Hindustan Construction Company Limited	Holding Company	7,175.09	5,411.19	3,619.91
Hincon Finance Limited	Other Related Party	31.31	31.31	-
Steiner India Limited	Fellow Subsidiary	4,543.86	4,389.29	11,931.75
Western Securities Limited	Fellow Subsidiary	2.98	-	-
Whistling Thrush Facilities Services Limited	Other Related Party	0.71	1,006.52	-
Starlit Resorts Limited	Other Related Party	4.89	5.72	22.72
Bona Sera Hotels Limited	Other Related Party	0.14	-	98.02
Ecomotal Hotel Limited	Other Related Party	17.07	32.68	-
Appollo Lavasa Health Corpn Ltd	Other Related Party	3.90	21.75	-
Spotless Laundry Services Limited	Other Related Party	0.16	1.23	-
Total		11,946.95	11,154.27	15,938.23
Land Purchased				
Hincon Finance Limited	Other Related Party	-	1,075.00	-
		-	1,075.00	-
Inter corporate deposit given during year				
Panchkutir Developers Ltd	Fellow Subsidiary	12.70	28.16	6.04
HCC Infrastructure Company Ltd.	Fellow Subsidiary	-	98.14	-
Vikhroli Corporate Park Private Limited	Other Related Party	-	1,000.00	177.25
Spotless Laundry Service Limited	Other Related Party	693.65	28.50	-
Apollo Lavasa Health Corporation Limited	Other Related Party	622.18	-	-
Bonasera Hotel Limited	Other Related Party	509.96	-	-
Knowledge Vistas Limited	Other Related Party	-	73.90	61.50
Andromeda Hotels Limited	Other Related Party	3.38	-	80.00
Ecomotel Hotel Limited	Other Related Party	330.11	-	-
Whistling Thrush Facilities Services Limited	Other Related Party	65.50	-	-

Warasgaon Lakeview Hotel Limited	Other Related Party	280.51	-	-
Total		**2,517.99**	**1,228.70**	**324.79**
Security Deposit Given (Towards Leased Premises)				
Hincon Finance Limited	Other Related Party	-	333.69	-
Total		**-**	**333.69**	**-**
Inter corporate deposit repaid back				
Highbar Technologies Limited	Fellow Subsidiary	10.00	-	-
Western Securities Limited	Fellow Subsidiary	-	-	116.00
HCC Infrastructure Company Ltd.	Fellow Subsidiary	150.00	-	-
Hindustan Construction Co. Ltd.	Holding Company	0.53	1,000.00	-
Ecomotel Hotel Limited	Other Related Party	270.57	497.02	30.00
Bona Sera Hotels Limited	Other Related Party	-	188.37	-
Andromeda Hotels Limited	Other Related Party	-	3.30	132.53
Knowledge Vistas Limited	Other Related Party	-	572.56	-
Total		**431.10**	**2,261.25**	**278.53**
Inter Corporate Deposit recovered				
HCC Infrastructure Company Limited	Fellow Subsidiary	-	1,030.00	-
Panchkutir Developers Ltd	Fellow Subsidiary	46.91	-	-
HCC Infrastructure Company Ltd.	Fellow Subsidiary	1,990.00	158.14	1,000.00
Hincon Finance Limited	Other Related Party	-	135.75	1,064.25
Vikhroli Corporate Park Private Limited	Other Related Party	-	3,097.23	505.42
Total		**2,036.91**	**4,421.12**	**2,569.67**
Inter Corporate Deposit taken during the year				
HCC Infrastructure Company Ltd.	Fellow Subsidiary	2,100.00	-	-
Highbar Technologies Ltd	Fellow Subsidiary	125.88	175.45	147.28
Panchkutir Developers Ltd	Fellow Subsidiary	142.59	-	-
Hindustan Construction Company Limited	Holding Company	2,135.00	4,989.83	13,950.55
Western Securities Limited	Fellow Subsidiary	25.00	-	-
Total		**4,528.48**	**5,165.28**	**14,097.82**

₹ Lakhs

(ii) Outstanding Balances		**As At March 31, 2017**	As At March 31, 2016	As At 01 April, 2015
Outstanding Receivables				
HCC Concession Limited	Fellow Subsidiary	-	100.54	100.54
HCC Infrastructure Company Ltd.	Fellow Subsidiary	443.88	2,392.36	3,660.66
Panchkutir Developers Ltd	Fellow Subsidiary	-	33.02	3.21
Hincon Finance Limited	Other Related Party	333.69	333.69	315.64
Vikhroli Corporate Park Private Limited	Other Related Party	281.15	281.15	2,378.38
Hindustan Construction Company Limited	Holding Company	13,157.41	11,022.58	1.91
Highbar Technologies Ltd	Fellow Subsidiary	44.28	44.28	-
Western Securities Limited	Fellow Subsidiary	25.00	-	-
Steiner India Limited	Fellow Subsidiary	736.47	992.56	1,301.58
Green Hills Residences Limited	Other Related Party	2,596.24	2,596.24	2,134.04
Apollo Lavasa Health Corporation Limited	Other Related Party	2,097.14	2,275.40	1,454.16
Bona Sera Hotels Limited	Other Related Party	1,533.20	1,224.76	1,357.78
Knowledge Vistas Limited	Other Related Party	326.93	124.37	772.68
Ecomotel Hotel Limited	Other Related Party	402.13	934.84	1,876.17
Andromeda Hotels Limited	Other Related Party	322.89	317.69	457.41
Spotless Landry Services Limited	Other Related Party	2,838.55	2,968.12	1,877.93
Whistling Thrush Facilities Services Limited	Other Related Party	172.62	19.29	-
Starlit India Limited	Other Related Party	72.91	49.53	-
Total		**25,384.50**	**25,710.42**	**17,692.09**

Outstanding Payables				
Hindustan Construction Company Limited	Holding Company	44,563.13	40,894.43	41,014.11
Highbar Technologies Limited	Fellow Subsidiary	1,228.11	1,251.19	1,036.44
HCC Concession Limited	Fellow Subsidiary	-	-	0.04
HCC Operations & Maintenance Ltd	Fellow Subsidiary	-	0.70	-
Panchkutir Developers Ltd	Fellow Subsidiary	144.64	-	-
HCC Infrastructure Company Ltd.	Fellow Subsidiary	1,950.00	-	-
Western Securities Limited	Fellow Subsidiary	2.68	-	116.00
Steiner India Ltd.	Fellow Subsidiary	8,642.51	2,433.77	8,385.80
Ecomotel Hotel Limited	Other Related Party	38.42	146.46	203.07
Andromeda Hotels Limited	Other Related Party	52.85	52.85	-
Starlit Resort Limited	Other Related Party	76.23	72.30	1.08
Apollo Lavasa Health Corpn Ltd	Other Related Party	66.26	48.13	2.64
Whistling Thrush Facilities Services Limited	Other Related Party	316.11	616.05	-
Green Hills Residences Limited	Other Related Party	89.14	89.14	-
Bonasera Hotel Limited	Other Related Party	40.14	36.43	140.01
Total		57,210.22	45,641.45	50,899.20
Corporate Guarantees given and outstanding at the end of the year				
Highbar Technologies Limited	Fellow Subsidiary	959.74	1,936.00	1,622.00
HCC Infrastructure Company Limited	Fellow Subsidiary	-	74.67	173.80
Hindustan Construction Company Limited	Holding Company	2,953.88	2,953.88	2,953.88
Ecomotel Hotel Limited	Other Related Party	938.00	1,215.00	1,394.98
Knowledge Vistas Limited	Other Related Party	1,619.00	1,400.00	1,281.00
Total		6,470.62	7,579.55	7,425.67
Corporate Guarantees taken and outstanding				
Hindustan Construction Company Limited	Holding Company	31,373.00	35,667.13	41,963.52
Total		31,373.00	35,667.13	41,963.52
Investment by group Outstanding				
Highbar Technologies Limited	Fellow Subsidiary	24.09	24.09	24.09
HCC Infrastructure Company Limited	Fellow Subsidiary	173.80	173.80	173.80
Hindustan Construction Company Limited	Holding Company	2,953.88	2,953.88	2,953.88
Andromeda Hotels Limited	Other Related Party	-	4.00	126.70
Starlit India Limited	Other Related Party	-	360.30	-
Ecomotel Hotel Limited	Other Related Party	150.00	-	-
Total		3,301.77	3,516.07	3,278.47
Investment Outstanding by				
Hindustan Construction Company Limited	Holding Company	20,423.24	20,423.24	20,423.24
Total		20,423.24	20,423.24	20,423.24

C. Details of transactions relating to persons referred to in item (B) above

	As At March 31, 2017	As At March 31, 2016	As At 01 April, 2015
Remuneration for the year			
Mr. Devendra Manchekar	**25.68**	46.37	57.73
Mr Narendra Negandhi (Upto 27th June 2014)	**-**	-	21.24
Ms. Pooja Oak (Upto 31st December 2014)	**-**	-	11.71
	25.68	46.37	90.68

29 **Cost of Land includes:**
a) ₹ 1271.10 Lakhs (previous year ₹ 1271.10 Lakhs) in respect of which sale deed is yet to be executed in the name of Company.
b) Land amounting to ₹ 10.64 Lakhs (previous year ₹ 10.64 Lakhs) in respect of which irrevocable Power of Attorney is obtained in the name of Company.
c) Land amounting to ₹ 35.67 Lakhs (previous year ₹ 35.67 Lakhs) not covered by the Master Plan in respect of which sale deed is yet to be executed in the name of Company.

30 Technical surveys/estimates are involved in respect of physical verification procedures / determination of Project work-in-progress / related costs. These estimates made by the group and certified to the auditors, have been relied upon by them, as these are of a technical nature.

31 **Contingent Liability Disclosure** :

₹ Lakhs

a)	Particulars	31st March, 2017	31st March, 2016	01st April, 2015
i)	Guarantees given by Banks on behalf of the Company	183.35	279.85	768.09
ii)	Claims not acknowledged as debt:			
	- Claims by customers	660.07	131.68	54.69
	- Claims by suppliers	280.59	54.51	54.51
	- Land related claims	1,730.02	1,730.02	117.22
	- Other claims	1,816.28	1,814.79	1,778.52
iii)	Bank Guarantee Given on Behalf of Subsidiary companies	1,111,413.74	1,084,883.30	970,184.21
iv)	indenmity, Guarantee /s given to Banks / Financial Institutions / Government Bodies and Others	1,302.82	9,779.88	19,865.08
v)	Guarantee given to Government Bodies on behalf of subsidiaries	45.73	45.73	45.73
vi)	Service Tax Litigation pending with department	28.95	-	-
vii)	MVAT Litigation pending with department (to the extent of interest in Joint Venture)	18.21	-	-
viii)	Contingent Liabilities w.r.t. Direct Taxes	2,853.93	1,322.40	1,322.40

30.1 The management believes that the outcome of any pending litigations will not have a material adverse effect on the group's financials position and the results of operations.

30.2 The Lavasa group has created security by way of registered mortgage over 259.6622 acres of land (Previous year 259.6622 acres) of land towards term loan taken by its subsidiary viz. Warasgaon Asset Maintenance Limited and Warasgaon Power Supply Limited.

30.3 The Lavasa Corporation Ltd has created security by way of registered mortgage over 231.6628 acres of land (Previous year 231.6628 acres) of land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra, towards Redeemable non convertible debentures of ` 12,000 Lakhs issued to Axis Bank Limited by Hindustan Construction Company Limited.

30.4 The Lavasa Corporation Ltd has created security by way of registered mortgage over 46.90 acres (Previous Year 46.90 acres) of land situated in 3 villages namely village Wadawali, Sakhari and Dhamanwhole in Taluka Mulshi, Dist Pune, Maharashtra towards Term Loan of 2,500 Lakhs taken by HCC Real Estate Limited.

30.5 The HCC Real-Estate & Charosa Wineries Ltd has created first exclusive charge on all movable and immovable fixed and current assets of the Company in favour of lenders of HCC Infrastructure Company Limited and also provided Corporate Guarantees. The said loan is fully repaid during 2016-17. (March 2016 Rs. 7500 Lakhs & March 2015 Rs. 16500 Lakhs).

30.6 Corporate guaratee mentioned above include a put option given to Axis bank against the issue of Preference shares by Lavasa Corporation Ltd.

30.7 IFCI has filed Winding Up Petition against Lavasa Corporation Limited and HCC Real Estate Ltd and invoked Corporate Guarantee given by HCC Real Estate Ltd to Lavasa Corporation Limited for Rs 30 Crs.

30.8 Bank of Baroda has filed recovery proceedings against Lavasa Corporation Limited and has invoked corporate guarantee given by HCC Real Estate Ltd to Lavasa Corporation Limited for Rs 15 Crs.

30.9 HRL (Thane) Real-Estate Ltd has created security in favor of ICICI Bank, by way of registered mortgage of land situated at Thane, Maharashtra towards term loan taken by Highbar Technologies Limited amounting to ₹ 22.00 Crores.

HRL (Thane) Real-Estate Ltd has created security in favor of ICICI Bank, by way of registered mortgage of land situated at Thane, Maharashtra towards term loan taken by Lavasa Hotel Limited amounting to ₹ 14 Crores.

30.10 The Assessing Officer (Income tax) has raised a demand order of ₹ 7,602,820/- against the Nashik Township Developers Ltd for the financial year 2013-14, as the supporting of expenses in WIP were not made available at the time of hearing & not provided to him. Further, The company has filed an appeal against the order of the AO (Income Tax) on dated 01.02.2017 with the payment of 15% of the demand.

b) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances) ₹ 8,921.53 Lakhs (As On 31.03.2016 ₹ 22,660.43 lakhs and As On 01.04.2015 ₹ 10,822.60 lakhs). There are other commitments on revenue account related to services to be received/made in the normal course of business.

32 Earning Per Share :

₹ Lakhs

Particulars	As At 31st March, 2017	As At 31st March, 2016
Profit/(Loss) after taxation as per statement of profit and loss (₹ in Lakhs)	(53,391.84)	(21,037.78)
Less: Preference Dividend on cumulative preference shares incl distribution tax	(1,625.27)	(1,349.70)
Net Profit / (Loss) after preference dividend	(55,017.11)	(22,387.48)
Weighted Average number of Equity Shares (for Basic EPS)	66,193,185	66,193,185
Earning Per Share (Basic) (in Rupees)	(83.12)	(33.82)
Weighted Average number of Equity Shares (for Diluted EPS)	66,193,185	66,193,185
Earning Per Share (Diluted) (in Rupees)	(83.12)	(33.82)

33 The amount of ₹ 13,102.70 Lakhs (As On 31.03.2016 ₹ 13,102.70 Lakhs & As On 01.04.2015 ₹ 14,301.23 Lakhs) appearing as Goodwill in the Consolidated Financial Statement for the year ended 31st March, 2017 represents the excess paid over the book value of Subsidiaries by the Company, Viz; Lavasa Corporation Limited (LCL) and Pune Paud Toll Road Company Limited (PPTRCL), at the time of acquisition. The Management is of the view that the excess is paid considering the intrinsic value and the business prospects of the underlying business of Lavasa and PPTRCL claims. No diminution in value of goodwill is considered necessary.

34 During the current year, Finance Cost of ₹ 26.59 Lakhs (March 2016: ₹ 15,804.05 Lakhs) has been transferred to Inventory in accordance with Ind AS 23 "Borrowing Cost".

35 Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded environment clearance (EC) to 2000 hectare(5000 acres). Accordingly construction has resumed at project site since November 9, 2011.

36 **Disclosure of Specified Bank Notes (SBN's)**

Disclosures as per Notification GSR 308 (E) dated March 30th, 2017 of Ministry of Corporate Affairs in respect of details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016.

(INR in Rupees)

Particulars	SBNs	Other Denomination	Total
Closing cash in hand as on 08.11.2016	2,903,500.00	275,611.00	3,179,111.00
Advances with employees 08.11.2016	1,016,500.00	98.00	1,016,598.00
(+) Permitted receipts	-	12,903,513.00	12,903,513.00
(-) Permitted Payments	-	518,999.00	518,999.00
(-) Amount deposited in Banks	3,920,000.00	12,247,277.00	16,167,277.00
Closing cash in hand as on 30.12.2016*	**-**	**412,946.00**	**412,946.00**
	-	-	-

** There was no any holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 in any subsidiaries except LCL-Consolidated & Charosa Wineries Ltd. The same has been clubbed together to disclose the holding and dealing in specified bank notes at consolidated level.*

37 **Employee Benefit Disclosures :**

A) **Defined Benefit Plans / Long Term Compensated Absences – As per Actuarial Valuation on March 31, 2017**

₹ Lakhs

a)

Particulars	Gratuity Unfunded	
	For the year ended 31.03.2017	For the year ended 31.03.2016
Change in benefit obligations		
Defined Benefit Obligation at beginning of the period	**204.21**	253.86
Current Service Cost	**37.42**	53.35
Interest Expenses	**10.61**	20.79
Curtailment gain	**-**	-
Transfer of obligation	**(85.71)**	-
Benefits paid	**(64.97)**	(62.65)
Remeasurements - Actuarial (Gains) / Losses	**(9.55)**	(54.24)
Provision for separated employees	**-**	(6.92)
Defined Benefit Obligation at the end of the period	**92.00**	204.21

₹ Lakhs

b)

Particulars	Gratuity	
	For the year ended 31.03.2017	For the year ended 31.03.2016
Recognised in the statement of profit and loss under employee benefit exps.		
Current Service Cost	**37.42**	53.35
Net Interest on the net defined benefit liability / asset	**10.61**	20.79
Curtailment gain	**-**	-
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	**48.03**	74.14

₹ Lakhs

c)

Particulars	Gratuity	
	For the year ended 31.03.2017	For the year ended 31.03.2016
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	**(9.55)**	(54.24)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	**-**	-
Total	**(9.55)**	(54.24)

d) **Remeasurement of the net defined benefit liability recognised in Other Comprehensive Income**

₹ Lakhs

Particulars	**For the year ended 31.03.2017**	For the year ended 31.03.2016
Remeasurements of the net defined benefit liability / (asset)		

Amount recognised in Other Comprehensive Income		
Remeasurement (gain)/loss arising from		
- Change in demographic assumptions	-	0.18
- Change in financial assumptions	**0.53**	(5.18)
- Experience variance	**(11.92)**	(36.94)
- Return on plan assets, excluding amount recognised in net interest expense / inc	-	-
Actuarial changes arising from changes in Gain / Loss	**1.84**	(12.30)
Total	**(9.55)**	(54.24)

e) **Actuarial Assumptions**

Gratuity	**31st March, 2017**	31st March, 2016	01st April, 2015
Discount Rate	**7.70 % p.a.**	8.00 % p.a.	7.80% p.a
Rate of increase of compensation levels	**7.50 % p.a.**	7.50 % p.a.	7.50% p.a
Expected average remaining working lives of employees			
- LCL - Consolidated	**11.29 years**	11.34 years	11.76 years
- HCC Real-Estate Limited	**10.90 years**	10.93 years	10.49 years
- Charosa Wineries Limited	**11.49 years**	12.02 years	14 years
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
The attrition rate varies from 2% to 8% (Previous Year : 2% to 8%) for various age groups.

f) **Sensitivity Analysis of significant acturial assumption**

Significant acturial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase.
The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	Lavasa		HREL		CWL	
Gratuity	**March 31, 2017**	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Discount rate (-/+ 1%)						
(% change compared to base due to sensitivity)						
Increase	63.38	166.02	9.52	7.39	6.67	7.83
Decrease	77.32	199.40	11.39	8.97	6.89	7.89
Salary Growth Rate (-/+1%)						
(% change compared to base due to sensitivity)						
Increase	75.90	193.38	10.70	8.46	7.76	6.72
Decrease	64.50	170.69	9.94	7.45	7.84	6.93
Withdrawal Rate (-/+1%)						
(% change compared to base due to sensitivity)						
Increase	70.08	183.08	10.46	8.16	7.22	7.21
Decrease	69.50	179.80	10.33	8.11	7.37	7.34

g) **Maturity analysis of defined benefit obligation**

₹ Lakhs

Particulars	**For the year ended 31.03.2017**	For the year ended 31.03.2016
Within the next 12 months	**1.67**	2.94
Between 2 and 5 years	**4.02**	3.50
Between 6 and 10 years	**16.87**	12.70
Total expected payments	**22.56**	19.14

B) **Defined Contribution Plans**

a)

Particulars	**For the year ended 31.03.2017**	For the year ended 31.03.2016
	₹ Lakhs	₹ Lakhs
(i) Contribution to provident fund	**99.41**	177.48
(ii) Contribution to super annuation fund	**0.58**	**0.29**
Total	**100.00**	177.77

b) **Current /Non-current Classification**

	31st March, 2017	31st March, 2016	01st April, 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Gratuity			
- Current	**14.02**	28.53	29.83

- Non-Current	**77.99**	175.68	227.22
	92.00	204.20	257.05
Leave Encashment (Including Sick Leave)			
- Current	**66.50**	150.84	218.67
- Non-Current	**30.35**	67.37	107.16
	96.85	218.21	325.82

The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ₹ 96.85 Lakhs has been made as at 31 March 2017. (31 March 2016: ₹ 218.21 Lakhs; 1 April 2015: ₹ 325.82 Lakhs.

38 **Operating Lease**

The Company has taken various under non-cancellable operating leases. The future minimum lease payments in respect of these as at 31 March 2017 are as follows:

₹ Lakhs

Minimum Lease Rental Payments	**31st March, 2017**	31st March, 2016	01st April, 2015
a) Future Lease Rental payments			
Payable not later than One Year	**469.71**	396.48	58.19
Payable more than One year but not later than five years	**1,311.47**	1,973.65	1,077.35
Payable later than five years	**11.01**	10.07	171.79
b) Lease payment recognised during the year/ year	**329.76**	386.52	90.39
Total	**2,121.95**	2,766.72	1,397.72

General description of the leasing arrangement

i) Leased Assets: lease of retail space for carrying out the business of Wine Boutique (Dasve Ltd)

ii) Future lease rental payments are determined on the basis of lease payable as per the agreement.

39 The Lavasa Corporation Limited has not made provision for cumulative dividend payable excluding dividend distribution tax, towards 6% cumulative redeemable preference shares amounting to ₹ 1,342.22 Lakhs (as on 31.03.2016 ₹ 1,117.50 Lakhs and as on 01.04.2015 ` 894 lakhs), in absence of distributable profits.

40 The consolidated net worth of the Company is negative. Considering the intrinsic value of the assets of the business under the fold of Company such as LAVASA etc, wherein, the potential of market appreciation over book value is substantially high, the net worth of Company does not represent its true market value. Hence the accounts are made on a going concern basis.

41 In case of Lavasa Corportion Limited, Considering the positivity in the business sentiments in general, the Company looks forward to an early business recovery. The major business is expected from institutional sales which are directly related to general uptrend in the economy and investment decisions to be made by various corporate/business houses. The Company is planning to take various measures in terms of arranging financial resources till the business recovers. These steps include replacing the existing debt with long tenure debt and additional infusion of funds through structured Debt and Equity. As a result the entity is considered a going concern.

42 As per requirement of Section of 22 of Micro, Small & Medium Enterprises Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006.

Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006.

As per requirement of Section of 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed:

S.No	Particulars	**31st March, 2017**	31st March, 2016	01st April, 2015
		₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
(i)	Principal amount remaining unpaid to any supplier as at the end of each accounting year.	**3.97**	2.39	Nil
(ii)	Interest due on (i) above remaining unpaid	**0.05**	0.15	Nil
(iii)	Amounts paid beyond the appointed day during the accounting	**-**	-	Nil
(iv)	Interest paid on (iii) above	**-**	-	Nil
(v)	Interest due and payable on (iii) above	**-**	-	Nil
(vi)	Interest accrued and remaining unpaid at the end of the	**0.05**	0.15	Nil
(vii)	Interest remaining unpaid of the previous years for the purpose	**0.05**	0.15	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

43 Additional information pursuant to the provisions of paragraph 5 of Schedule III to the Companies Act, 2013 to the extent applicable.

(i) Details of raw materials consumed

(₹ in Lakhs)

Particulars	**31.03.2017**	**31.03.2016**
	Value	**Value**
Grapes	40.44	22.38
Chemical Fertilizers	13.34	23.08
Consumables - Winery & Vineyards	2.49	34.53
Consumables - Packing Material	73.14	82.58
Others (none of which individually accounts for more than 10% of total consumption)	-	-
Total	129.41	162.57

(ii) Foreign Currancy Expenditure

(₹ in Lakhs)

Particulars	March 31st 2017	**March 31st 2016**
Professional Fees & Design Charges	1.61	5.16
Travelling & Other Expenses	3.80	2.59

Consultancy Charges	-	17.75
Capital item purchases	-	-
Salary	-	-
Total	**5.41**	**25.50**

44 **Assets Classified held for Sale**

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Building and CWIP	200.00	200.00	200.00
Land	0.18	0.18	0.18
TOTAL	**200.18**	**200.18**	**200.18**

The Lavasa Corporation Limited, intends to dispose of a parcel of Land along with the Building and CWIP constructed on it, since it does not intend to utilize it in future. Building has been depreciated till 31st March 2015 and thereafter classified as Property Held for Sale with no depreciation charged from 1st April 2015. Some component of the building which was under construction (CWIP) has also been earmarked as held for sale in "as is where is" basis. Buyer for these assets has been identified with the terms of sale being under negotiation. Loss to the tune of ₹ 502.90 Lakhs has been recognized on reclassification of Buidling and CWIP assets held for sale as at 31st March, 2017, as the Directors of the Company expect to close the deal with above buyer at fair value, which is lower than the carrying amount.

45 **Employees Stock Option Scheme: Lavasa Corporation Limited (LCL)**

a. Options granted by Lavasa Corporation Limited (LCL)

i) The Company granted 1,54,200 Stock Options on April 21, 2008 (each option carrying entitlement for one equity share of the face value of ` 10/- each) at an exercise price of ₹ 534.52 per equity share.

ii) The ESOP Compensation committee at its meeting held on 20th October, 2009 granted 49,000 additional options to existing option holders at an exercise price of ₹ 534.52 per equity share for making an adjustment to the number of options on account of the increase in the equity share capital of the Company, post grant of the initial options.

iii) The ESOP Compensation committee at its meeting held on 11th June, 2010 granted 15,16,560 additional options to existing option holders at an exercise price of ₹ 59.39 per equity share for making an adjustment to the number of options on account of the increase in the equity share capital of the Company, due to bonus issue of equity shares.

iv) The ESOP Compensation committee at its meeting held on 11th June, 2010 also approved the adjustment / modification of exercise price mentioned in (i) and (ii) above to ₹ 59.39 per equity share due to bonus issue of equity shares.

v) The ESOP Compensation Committee at its meeting held on 30th July, 2010 granted 2,43,736 additional options to existing option holders at an exercise price of ₹ 51.97 per equity share for making an adjustment to the number of options on account of the increase in the equity share capital of the Company, due to bonus issue of equity shares.

vi) The ESOP Compensation committee at its meeting held on 30th July, 2010 also approved the adjustment / modification of exercise price mentioned in (i), (ii) and (iii) above to ₹ 51.97 per equity share due to bonus issue of equity shares.

vii) The ESOP Compensation Committee at its meeting held on 23rd April, 2012 approved the change in entitlement in respect of the 17,25,740 Options granted to the eligible employees, from the existing ratio of 1 : 1 i.e One share for every Option exercised to 49 : 30 i.e 49 equity shares for every 30 Options exercised (fraction if any, arising in the resultant shares to be ignored). The said adjustment is made on account of the increase in the equity share Capital of the Company, due to various rights issues of equity shares made during the financial year 2011-12. The exercise price per option shall remain unchanged at ₹ 51.97 per option.

b. Settlement : Through Equity Shares.

c. Options granted till date : 19,63,496

d. Options lapsed/cancelled till date : 10,89,432

e. Options in force : 8,74,064

f. Options vested : 7,79,942 on 21/04/2011 out of which 1,88,269 Vested options have lapsed on account of Resignation/ retirement.5,91,673 Vested Options got lapsed on 20/04/2015.
5,17,724 on 21/04/2012 out of which 73,965 Vested options have lapsed on account of Resignation/retirement.
5,17,724 on 21/04/2013 out of which 73,965 Vested options have lapsed on account of Resignation/retirement.

g. Exercise Period : four years from the vesting date

	As at 31st March, 2017	*As at 31st March, 2016*	*As at 01st April, 2015*
h. Outstanding at the beginning of the year	874,064	1,479,191	1,703,317
i. Granted during the year	NIL	NIL	NIL
j. Forfeited during the year	NIL	NIL	NIL
k. Exercised during the year	NIL	NIL	NIL
l. Expired / cancelled / lapsed during the year	443,759	605,127	224,126
m. Outstanding at the end of the year	430,305	874,064	1,479,191
n. Exercisable at the end of the year	430,305	874,064	1,479,191

46 **Movement in temporary differences during current and previous year:**

(₹ In Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1st April 2015
Recognised Deferred Tax Assets/ liabilities			
Deferred tax assets			
Provision for Impairment of Doubtful Trade receivables	3.20	0.74	1.09
Carry forward losses	69,637.37	52,351.37	46,358.60
Deemed Equity investment by holding company	16.24	12.26	16.24
Impacts of Recognition of Financial Instruments measured initially at fair value and	43,742.05	41,461.24	22,363.12
Others	29,695.30	29,505.44	11,718.65
Total Deferred tax assets	**143,094.17**	**123,331.05**	**80,457.70**
Deferred tax liabilities			
Property, Plant & Equipment	(12,449.73)	(68,179.75)	(54,797.88)
Deemed Equity investment	(35,303.97)	(34,379.21)	(9,028.45)

Impacts of Recognition of Financial Instruments measured initially at fair value and	(104,249.80)	(38,219.06)	(25,228.75)
Others	(17,138.01)	(17,313.05)	(7,652.53)
Total Deferred tax liabilities	**(169,141.51)**	**(158,091.08)**	**(96,707.61)**
Net deferred tax asset recognised in Balance Sheet	**(26,047.34)**	**(34,760.03)**	**(16,249.91)**

The Management has decided to recognized Deferred tax asset on account of unabsorbed business loss only to the extent of deferred tax liability, as this amount is considered to be virtually certain for realization. In assessing the reliability of the deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realized.

The ultimate realization of the deferred tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which, the deferred tax assets are deductible, management believes that the company will realize the benefits of those recognized deductible differences. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income are reduced.

Considering the praobability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognized in respect of tax losses carried forward by the Company. Of the above, some tax losses expire at various dates.

(₹ in Lakhs)

Income Tax Expenses recognised	As at March 2017	As at March 2016
Deferred Tax expense/(Reversal) in P&L	-10,655.12	18,494.63
Deferred Tax expense/(Reversal) in OCI	-3.68	-13.40
Total	**-10,658.80**	**18,481.23**

47 **Trade Receivables :**

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due, the rates as given in the provision matrix and qualitative management review on case to case basis. The provision matrix at the end of the reporting period is as follows:

Age of Receivables	Expected Credit loss %
0-30 days past due	-
31 days -1 year past due	-
1 year - 3 years past due	-
More than 3 years past due	100%

(₹ in Lakhs)

Age of Receivables	As at March 31, 2017	As at March 31, 2016
0-30 days past due	6,590.76	1,222.74
31 days - 1 year past due	7,502.37	3,954.09
1-3 year past due	6,179.21	9,110.10
More than 3 years past due	6,267.40	4,446.81
TOTAL	**26,539.74**	**18,733.73**

(₹ in Lakhs)

Movement in Expected Credit loss allowance	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	14,838.41	13,876.40
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(1,591.71)	962.01
TOTAL	**13,246.70**	**14,838.41**

48 **Change in the Group's ownership interest in Subsidiaries**

(Amount in ₹)

Entity	% Disposal	Proceeds	Non - Controlling Interests	Retained Earnings / Profit and Loss
Kart Racers Limited	10.00%	50,000.00	(223,000.00)	223,000.00
Osprey Hospitality Limited	99.88%	499,400.00	-	293,000.00

The above interest in Subsidiary were disposed off by the Group during the year. The proceeds from the disposal have been split to
a. Non Controlling Interest based on proportionate share of the carrying amount of the net assets of the respective Subsidiary and
b. The difference in increase in Non Controlling Interest and considerations received has been credited to Retained Earnings / Profit and Loss.

49

In respect of Green Hills Residences Limited, in earlier years, the cancellation of Joint Venture agreement by Lavasa Corporation Limited was challenged by the investor and the matter was referred to the arbitration. During the year, joint venturers entered into agreement and the disputes were settled mutually. As per the settlement agreement, equity shares held by investor would be transferred to Lavasa Corporation Limited. However, the process of transfer has not yet been completed, pending which Green Hills Residences Limited has been considered as Joint Venture in the Consolidated Financial Statements.

50 **Changes in the Group's ownership interest in an Associate**

In the prior year, the Group held a 27 % interest in Warasgaon Lake View Hotel Limited (WLVHL) and accounted for the investment as an Associate. In March 2017, the Group disposed of 7.89 % in Warasgaon Lake View Hotel Limited (WLVHL) on account of invocation of shares towards adjustment of dues by L&T Infrastructure Limited to the tune of ` 280.51 Lakhs. The Group has accounted for the remaining 19.11% interest as an equity investment at FVTOCI whose fair value at the date of disposal was ` 900.33 Lakhs. This transaction has resulted in the recognition of loss in profit or loss, calculated as under:

(₹ in Lakhs)

Age of Receivables	Expected Credit loss %
Proceeds of disposal	280.51
Add: Fair Value of investment retained (19.11%)	900.33
Less: Carrying amount of investment on the date of loss of significant influence	-1,311.80
Loss recognised	**(130.96)**

51 In view of the losses for the year applicable to the Minority shareholders exceeding the minority interest in the equity of the subsidiaries, the excess loss of Rs.18,593.52 Lakhs for FY 2016-17 and Rs.49,083.43 Lakhs for FY 2016-17 is absorbed by the majority shareholder.

52 **(i) Reconciliation of Equity :**

Particulars	As At 31.03.2016 ₹ Lakhs	As At 01.04.2015 ₹ Lakhs
Equity Share Capital	**6,619.32**	6,619.32
Add: Other Equity		
- Securities Premium	**45,102.62**	45,102.62
- Capital Redemption Reserve	**2,161.14**	2,161.14
- Debenture Redemption Reserve	**3,046.42**	3,046.42
- Capital Reserve on Consolidation	**848.85**	848.85
- Capital Subsidy from Government	**50.00**	25.00
- Surplus/ (Deficit) in the statement of Profit & Loss	**(92,207.42)**	(74,075.34)
Total Equity as per I-Gaap	**(34,379.07)**	**(16,271.99)**
Capital contribution recognised on fair valuation of financial liabilities	**15,744.57**	15,744.57
Net gain through Other Comprehensive Income	**41.36**	4.84
Net gain on fair valuation of equity instruments	**(26,763.18)**	(26,763.18)
Interest income recognised on fair valuation of financial assets	**-**	-
Financial Guarantee Income recognised on fair valuation of CG given	**560.31**	-
Loss on disposal of financial assets	**(3,230.12)**	-
Finance cost recognised on fair valuation of financial liabilities	**(260.35)**	-
Rent expenses recognised on fair valuation of security deposits	**(38.41)**	-
Total Equity as per Ind AS	**(48,324.89)**	**(27,285.76)**
Total Equity as per Balance-Sheet (Ind AS)	(48,323.89)	(27,285.76)
Difference	(1.00)	0.01

(i) Reconciliation of Profit Before Tax :

Particulars	As At 31.03.2016 ₹ Lakhs
PBT as per I-GAAP	**(18,888.68)**
Allowance for Doubtful Receivables	(902.99)
Impacts of Recognition of Financial Instruments measured initially at fair value and subsequently at amortised cost	25,763.04
Adjustments pertaining to property held for sale	(38.23)
Reclassification of net acturial gain on defined employee benefit obligation to Other Comprehensive Income	(40.32)
Reclassifcation of subsidiaries into Joint Venture entities	(6,531.67)
Deferred Tax on above adjustments (Net)	(20,436.79)
PBT as per Ind AS	**(21,075.65)**
PBT as per Ind AS (as per Financials)	**(21,075.65)**
Difference	(0.00)

53 **Capital Management :**

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Group strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Group 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 group may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the group monitors its capital using the gearing ratio which is net debt divided by total capital plus net debt.

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risk associated with each class of capital. The Group has a target gearing ratio of 2:1 times determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2017 of -3.99%.

(₹ In Lakhs)

Particulars	31.03.2017	31.03.2016	31.03.2015
	Rs.	Rs.	Rs.
Total Borrowings/Debt	406,182.61	400,578.35	377,931.40
Total Equity	(101,730.36)	(48,323.89)	(27,285.76)
Net debt to equity ratio (Gearing ratio)	(3.99)	(8.29)	(13.85)

54 **Segment Reporting**

The Group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organisational structure and internal reporting system.

The Group's operations predominantly relate to 'Real-Estate', 'Comprehensive Urban Development and Management' and 'Agro Products'. The Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others'.

The segment revenue, segment results, segment assets and segment liabilities include respective amounts identifiable to each of the segment and also amounts allocated on a reasonable basis.

As At March, 2017 (₹ in Lakhs)

Sr	Particulars	Real-Estate	Comprehensive Urban Development & Management	Agro Products	Others	Consolidated
1	**Segment Revenue**					
	External Sales	6,197.10	12,610.11	353.02	14.93	19,175.16
	Less: Inter Segment Revenue	5,269.71	-	-	-	5,269.71
	Total Segment Revenue	**927.39**	**12,610.11**	**353.02**	**14.93**	**13,905.46**
2	**Profit/ (Loss) Before Tax and Interest**	5,468.84	(7,465.14)	(1,327.88)	(367.85)	(3,692.03)
	Less: Finance Cost	6,400.26	74,454.02	1,688.69	338.45	82,881.42
	Profit/ (Loss) Before Tax	(931.42)	(81,919.16)	(3,016.56)	(706.30)	(86,573.45)
	Less: Tax Expenses	-	(10,655.11)	-	-	(10,655.11)
	Profit/ (Loss) After Tax	(931.42)	(71,264.05)	(3,016.56)	(706.30)	(75,918.34)
	Minority adjustments	-	95.39	-	-	95.39
	Profit/ (Loss) on Sale of Stake in Associate	-	-	-	-	-
	Share in Profit/ (Loss) of Associates	-	(284.33)	-	-	(284.33)
	Profit/ (Loss) for the Year (A)	(931.42)	(71,452.99)	(3,016.56)	(706.30)	(76,107.28)
	Other Comprehensive Income, net of tax (B)	(0.78)	6.95	(1.51)	-	4.66
	Total Net Profit/(Loss) (A+B)	**(932.20)**	**(71,446.04)**	**(3,018.07)**	**(706.30)**	**(76,102.61)**
3	**Segment Assets**	**53,993.53**	**493,930.73**	**6,170.12**	**186.94**	**554,281.31**
4	**Segment Liabilities**	**21,984.07**	**296,849.46**	**1,729.93**	**2.49**	**320,565.94**
5	**Depreciation & Amortisation**	**18.93**	**6,285.02**	**355.39**	**-**	**6,659.34**

As At March, 2016 (₹ in Lakhs)

Sr	Particulars	Real-Estate	Comprehensive Urban Development & Management	Agro Products	Others	Consolidated
1	**Segment Revenue**					
	External Sales	7,947.07	30,311.69	502.27	19.18	38,780.21
	Less: Inter Segment Revenue	4,621.70	-	-	-	4,621.70
	Total Segment Revenue	**3,325.37**	**30,311.69**	**502.27**	**19.18**	**34,158.52**
2	**Profit/ (Loss) Before Tax and Interest**	4,964.36	39,672.83	(500.15)	(33.26)	44,103.79
	Less: Finance Cost	5,283.71	48,271.18	1,435.94	298.19	55,289.03
	Profit/ (Loss) Before Tax	(319.35)	(8,598.35)	(1,936.10)	(331.45)	(11,185.24)

	Less: Tax Expenses	-	18,499.38	-	-	18,499.38
	Profit/ (Loss) After Tax	(319.35)	(27,097.73)	(1,936.10)	(331.45)	(29,684.62)
	Minority adjustments	-	291.18	-	-	291.18
	Profit/ (Loss) on Sale of Stake in Associate	-	-	-	-	-
	Share in Profit/ (Loss) of Associates	-	(283.57)	-	-	(283.57)
	Profit/ (Loss) for the Year (A)	(319.35)	(27,090.12)	(1,936.10)	(331.45)	(29,677.01)
	Other Comprehensive Income, net of tax (B)	10.88	25.31	1.68	-	37.87
	Total Net Profit/(Loss) (A+B)	**(308.47)**	**(27,064.81)**	**(1,934.42)**	**(331.45)**	**(29,639.14)**
3	**Segment Assets**	**47,997.86**	**488,712.96**	**6,772.05**	**565.32**	**544,048.19**
4	**Segment Liabilities**	**22,949.28**	**229,467.41**	**1,167.03**	**12.43**	**253,596.14**
5	**Depreciation & Amortisation**	**30.15**	**7,326.35**	**402.26**	**0.01**	**7,758.77**

<u>As At April, 2015</u> (₹ in Lakhs)

Sr	Particulars	*Real-Estate*	*Comprehensive Urban Development & Management*	*Agro Products*	*Others*	**Consolidated**
1	**Segment Assets**	**45,917.36**	**448,614.45**	**8,455.27**	**591.27**	**503,578.34**
2	**Segment Liabilities**	**20,910.71**	**163,931.94**	**1,000.89**	**7.32**	**185,850.86**

Notes:

- Segment Assets excludes current & non-current investments, goodwill on consolidation, deferred tax assets and advance payment of income tax (including MAT Credit Entitlement).
- Segment liabilities excludes long term borrowings, short term borrowings, current maturities of long-term borrowing, deferred tax liability, accrued interest and minority interest.
- Capital Expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from acquisition of Subsidiaries.

55 **Financial Instruments :**

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.
The following methods and assumptions were used to estimate the fair value:
(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

(A) Financial Instruments By Category

a) The carrying value and the fair value of financial instruments by each category as at March 31, 2017 :

(₹ In Lakhs)

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
Assets					
Investments					
- Investment in Equity Shares (Unquoted)	8,373.41	-	900.33	9,273.74	9,273.74
- Investment in Other Equity Instruments	238.67	-	-	238.67	238.67
- Investment in Equity Shares (Quoted)	-	-	7.65	7.65	7.65
- Investment in Mutual Fund	-	62.13	37.02	99.15	99.15
Trade receivables	13,440.06	-	-	13,440.06	13,440.06
Cash and Cash Equivalents and other bank balances	705.13	-	-	705.13	705.13
Other Financial Assets	23,027.22	-	-	23,027.22	23,027.22
Loans	5,346.27	-	-	5,346.27	5,346.27
Liabilities					
Borrowings from Banks	78,050.16	-	-	78,050.16	78,050.16
Borrowings from Financial Institutions/NBFCs	64,323.11	-	-	64,323.11	64,323.11
Borrowings from others	54,589.77	-	-	54,589.77	54,589.77
Debentures (Fully Convertible / Non Convertible)	76,193.46	-	-	76,193.46	76,193.46
Trade Payables	20,297.81	-	-	20,297.81	20,297.81
Other Financial Liabilities	292,696.77	-	-	292,696.77	292,696.77

b) The carrying value and the fair value of financial instruments by each category as at March 31, 2016:

(₹ In Lakhs)

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
Assets					
Investments					
- Investment in Equity Shares (Unquoted)	9,780.62	-	4.40	9,785.02	9,785.02
- Investment in Other Equity Instruments	457.64	-	-	457.64	457.64
- Investment in Equity Shares (Quoted)	-	-	4.44	4.44	4.44
- Investment in Mutual Fund	-	877.25	44.90	922.15	922.15
Trade receivables	4,598.37	-	-	4,598.37	4,598.37
Cash and Cash Equivalents and other bank balances	1,022.51	-	-	1,022.51	1,022.51
Other Financial Assets	23,248.31	-	-	23,248.31	23,248.31
Loans	9,994.94	-	-	9,994.94	9,994.94
Liabilities					
Borrowings from Banks	117,279.65	-	-	117,279.65	117,279.65
Borrowings from Financial Institutions/NBFCs	57,106.74	-	-	57,106.74	57,106.74
Borrowings from others	44,811.06	-	-	44,811.06	44,811.06
Debentures (Fully Convertible / Non Convertible)	65,895.28	-	-	65,895.28	65,895.28
Trade Payables	25,861.89	-	-	25,861.89	25,861.89
Other Financial Liabilities	198,908.51	-	-	198,908.51	198,908.51

c) The carrying value and the fair value of financial instruments by each category as at April 1st, 2015:

(₹ In Lakhs)

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
Assets					
Investments					
- Investment in Equity Shares (Unquoted)	11,352.07	-	4.40	11,356.47	11,356.47
- Investment in Other Equity Instruments	457.64	-	-	457.64	457.64
- Investment in Equity Shares (Quoted)	-	-	7.41	7.41	7.41
- Investment in Mutual Fund	-	-	62.09	62.09	62.09
Trade receivables	6,582.46	-	-	6,582.46	6,582.46
Cash and Cash Equivalents and other bank balances	785.10	-	-	785.10	785.10
Other Financial Assets	27,287.46	-	-	27,287.46	27,287.46
Loans	13,202.60	-	-	13,202.60	13,202.60
Liabilities					
Borrowings from Banks	177,588.22	-	-	177,588.22	177,588.22
Borrowings from Financial Institutions/NBFCs	50,593.67	-	-	50,593.67	50,593.67
Borrowings from others	27,724.87	-	-	27,724.87	27,724.87
Debentures (Fully Convertible \ Non Convertible)	59,055.74	-	-	59,055.74	59,055.74
Trade Payables	25,941.73	-	-	25,941.73	25,941.73
Other Financial Liabilities	122,413.71	-	-	122,413.71	122,413.71

(B) Fair Value Hierarchy

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2017:

(₹ In Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets			
Level - 1			
Investments			
- Investment in Equity Shares (Quoted)	7.65	4.44	7.41
- Investment in Mutual Fund	99.15	922.15	62.09
Level - 2			
Investment in Equity Shares (Unquoted)	9,273.74	9,785.02	11,356.47
Level - 3			
Investment in Other Equity Instruments	238.67	457.64	457.64
Trade receivables	13,440.06	4,598.37	6,582.46
Other Financial Assets	23,027.22	23,248.31	27,287.46
Loans	5,346.27	9,994.94	13,202.60
Total of Financial Assets	51,432.76	49,010.87	58,956.13

Financial Liabilities			
Level - 1			
Debentures (Fully Convertible \ Non Convertible)	76,193.46	65,895.28	59,055.74
Level - 2			
Borrowings from Banks	6,268.93	8,696.97	8,812.20
Level - 3			
Borrowings from Banks	71,781.23	108,582.68	168,776.02
Borrowings from Financial Institutions/NBFCs	64,323.11	57,106.74	50,593.67
Borrowings from others	54,589.77	44,811.06	27,724.87
Trade Payables	20,297.81	25,861.89	25,941.73
Other Financial Liabilities	292,696.77	198,908.51	122,413.71
Total of Financial Liabilities	586,151.08	509,863.13	463,317.94

56 Other additional information pursuant to the provisions of paragraph 5 (viii) of general instructions for preparation of statement of profit and loss as per Schedule III to the Companies Act, 2013 is either nil or not applicable.

57 Previous year's figures have been regrouped/recasted where necessary.

HCC Real-Estate Limited
Notes to the consolidated financial statements for the year ended March 31, 2017
(All amounts are in INR Rupees, unless stated otherwise)

Note 58 - Financial risk management

The companies activities exposes it to market risk, liquidity risk and credit risk.
This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk — foreign exchange	Creditors/ Trade Payables, Trade Receivables	-	-
Market risk — interest rate	Borrowings	-	-
Liquidity risk	Trade Payables and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Company`s risk management is carried out by a project finance team and central treasury team (group treasury) under policies approved by board of directors. Group treasury identifies, evaluates and hedges financial risk in close co-operation with the group`s operating units. The Management of the Company provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

(a) Credit Risk

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost.
The Gross carrying amount of financial assets, net of any impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2017 and 2016 was as follows:

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investments	72,542.26	73,032.54	69,460.70
Trade Receivables (Net of Allowance of dobutful debts)	13,451.19	4,607.90	6,586.94
Cash and Cash Equivalents and other bank balances	658.11	1,004.72	771.76
Other Financial Assets	6,429.58	4,730.32	5,835.62
Loans	36,634.68	35,655.95	34,655.22
Total	**93,081.14**	**83,375.48**	**82,655.02**

(b) 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 and commodity risk. Major Financial instruments affected by market risk includes loans and borrowings.

(i) Interest rate risk
The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Variable rate borrowings			
- Fixed Deposits with Banks	736.69	632.78	575.21
- Financial liabilities	-	-	-
Borrowings from Banks	255,546.93	234,779.58	262,568.60
Borrowings from Financial Institutions/NBFCs	64,323.11	57,106.74	50,593.67
Borrowings from others	33,445.97	31,015.46	15,368.37
Debentures (Fully Convertible / Non Convertible)	76,193.46	65,895.28	59,055.74

Fixed rate borrowings	-	-	-
Total borrowings	430,246	389,430	388,162

Fair value sensitivity for fixed rate instruments :

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit and loss.

(ii) Sensitivty analysis

Profit or loss is sensitive to higher/lower interest income from borrowings as a result of changes in interest rates.

Quantities sensitivity analysis for significant assumption is as below:

		31 March 2017 In Lakhs	31 March 2016 In Lakhs
		0.25%-0.50% increase	
i)	Finance Cost will increase by	1,443.71	1,503.17
ii)	PBT (decrease in profit)	46.15	47.40
		0.25%-0.50% decrease	
i)	Finance Cost will decrease by	1,351.40	1,408.37
ii)	PBT (increase in profit)	46.15	47.40

(iii) Foreign Curreancy Risk

The Group has several balances in foreign currency and consequently the group is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future, which has affected the results of the group. The group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Sr	Particulars	Currency	Details
1	Creditors/ Trade Payables	USD	***FY 2016-17* -** ₹ 29.75 Lakhs (USD 0.46 Lakhs @ Closing Rate of 1 USD = ₹ 65.18) (***FY 2015-16*** ₹ 30.41 Lakhs (USD 0.46 Lakhs @ Closing Rate of 1 USD = ₹ 66.62)) (***1st April, 2015*** ₹ 28.70 Lakhs (USD 0.46 Lakhs @ Closing Rate of 1 USD = ₹ 62.87))
		GBP	***FY 2016-17* -** ₹ 1.22 Lakhs (GBP 0.015 Lakhs @ Closing Rate of 1 GBP = ₹ 81.17) (***FY 2015-16*** - ₹ 1.42 Lakhs (GBP 0.015 Lakhs @ Closing Rate of 1 USD = ₹ 94.97)) (***1st April, 2015*** - ₹ 1.39 Lakhs (GBP 1500 @ closing Rate of 1 GBP = ₹ 92.55)
		Euro	***FY 2016-17*** - ₹ 25.82 Lakhs (EURO 37,300 @ Closing Rate of 1 EURO = ₹ 29.24) ***FY 2015-16*** - ₹ 27.99 Lakhs (EURO 37,300 @ Closing Rate of 1 EURO = ₹ 74.94). ***1st April, 2015*** - ` 96.13 Lakhs (EURO 1,41,550 @ closing rate of 1 EURO = ` 67.93)
		CHF	***FY 2016-17*** - Nil. ***FY 2015-16*** - Nil. ***1st April, 2015*** - ₹ 101.96 Lakhs (CHF 158,287.60 @ Closing rate of 1 CHF = ₹ 64.21)
2	Advance to Vendors	GBP	***FY 2016-17*** - ₹ 9.69 Lakhs(GBP 0.119 Lakhs @ Closing rate of 1 GBP = ₹ 80.94) (***FY 2015-16*** - ₹ 11.38 Lakhs (GBP 0.119 Lakhs @ Closing rate of 1 GBP = ₹ 94.97) ***1st April, 2015*** - ₹ 11.07 Lakhs (GBP 0.119 Lakhs @ Closing rate of 1 GBP = ₹ 92.46)
		EURO	***FY 2016-17*** - ₹ 96.02 Lakhs (EURO 1.39 Lakhs @ Closing Rate of 1 EURO = ` 69.24) (FY 2015-16 - ` 103.93 Lakhs (EURO 1.39 Lakhs @ Closing Rate of 1 EURO = ` 74.94)) 1st April, 2015 - ` 93.76 Lakhs (EURO 1.39 Lakhs @ Closing Rate of 1 EURO = ` 67.61)
3	Trade Receivables	USD	***FY 2016-17*** - ₹ 3.00 Lakhs (USD 0.05 @ Closing rate of 1 USD= ₹ 64.93) ***FY 2015-16*** - Nil. ***FY 2014-15*** - Nil.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Maturities of financial liabilities

The tables below analyse the Company`s financial liabilities into relevant maturity groupings based on their contractual maturities for:

As At March-2017

	Less than 3 months	3 months to 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
Non-derivatives						
Borrowings from Banks	-	157,255	82,065	50,639	148,886	438,845
Borrowings from Financial Institutions	-	26,157	25,426	22,806	46,221	120,611
Borrowings from others	-	35,030	-	53,277	-	88,307
Debentures (Fully Convertible/ Non C	-	81,360	-	-	-	81,360
Trade Payables	10,970	21,255	-	-	-	32,226
Other Financial Liabilities	864	3,169	-	10,667	102,315	117,016
Total non-derivatives	**11,835**	**324,227**	**107,492**	**137,390**	**297,422**	**878,365**
Derivatives (N.A)	-	-	-	-	-	-
	11,835	**324,227**	**107,492**	**137,390**	**297,422**	**878,365**

As At March-2016

	Less than 3 months	3 months to 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
Non-derivatives						
Borrowings from Banks	-	73,870	86,365	99,189	-	259,424
Borrowings from Financial Institutions	-	13,750	4,375	41,104	-	59,229
Borrowings from others	-	32,600	-	40,521	-	73,121
Debentures (Fully Convertible/ Non C	-	58,287	6,600	-	1,200	66,087
Trade Payables	10,970	26,818	-	-	-	37,788
Other Financial Liabilities	408	3,060	16	12,050	62,758	78,292
Total non-derivatives	**11,378**	**208,384**	**97,357**	**192,864**	**63,958**	**573,941**
Derivatives (N.A)	-	-	-	-	-	-
	11,378	**208,384**	**97,357**	**192,864**	**63,958**	**573,941**

As At April-2015

	Less than 3 months	3 months to 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
Non-derivatives						
Borrowings from Banks	-	41,814	98,288	134,307	-	274,409
Borrowings from Financial Institutions	-	10,775	10,432	31,658	-	52,865
Borrowings from others	-	16,953	-	33,656	-	50,609
Debentures (Fully Convertible/ Non C	-	40,339	6,090	2,550	10,077	59,056
Trade Payables	10,970	26,893	-	-	-	37,863
Other Financial Liabilities	506	2,955	-	10,098	17,243	30,802
Total non-derivatives	**11,477**	**139,728**	**114,810**	**212,268**	**27,320**	**505,603**
Derivatives (N.A)	-	-	-	-	-	-
	11,477	**139,728**	**114,810**	**212,268**	**27,320**	**505,603**

As per our report of even date

For G.D.Apte & Co.
Chartered Accountants
Registration No. 100 515W

Chetan R. Sapre
Partner
Membership No. 116952

Devendra Manchekar
Chief Executive Officer

Surendra Agarwal
Chief Finance Officer

Sandeep Gurav
Company Secretary

Place: Mumbai
Date: 24th April, 2017

For and on behalf of the Board of Directors

Ajit Gulabchand
Chairman
DIN No.: 00010827

Shalaka Gulabchand Dhawan
Director
DIN No.: 00011094

Subhash Dandekar
Director
DIN No.: 0167875

Arjun Dhawan
Director
DIN No.: 01778379

Rajas R. Doshi
Director
DIN No.: 00050594