

HARI DARSHAN REALTY LIMITED

Directors' Report

Your Directors are pleased to present the Eleventh Annual Report and the audited accounts for the year ended 31st March, 2017.

Financial Summary:

Amount in Rs.

Particulars	Year Ended 31-03-2017	Year Ended 31-03-2016
Total Income	--	--
Total Expenditure including Depreciation	38,159	1,400,398
Profit/(Loss) before tax	(38,159)	(1,400,398)
Less: Deferred Tax / (Credit)	--	(420,240)
Profit/(Loss) after tax	(38,159)	(980,158)

The change in the nature of business, if any:

There was no change in the nature of business of the Company during the year or subsequently.

State of the Company's Affairs:

During the year under review, your Company has incurred a loss of Rs.38,159/- (Rupees Thirty Eight Thousand One Hundred and Fifty Nine only) as compared to the loss of Rs.980,158/- (Rupees Nine Lacs Eighty Thousand One Hundred and Fifty Eight only /-) for the previous year.

Amount proposed to be carried to general reserve and recommended to be paid by way of dividend:

In view of the loss for the year, your Directors do not recommend any dividend.

Extract of Annual Return:

Extract of Annual Return as provided under Section 92(3) of Companies Act, 2013 is given at **Annexure-1**.

Number of meetings of the Board:

5 meetings of the Board of Directors of the Company were held during the financial year 2016-17.

Details of Directors or Key Managerial Personnel who were appointed or have resigned during the year:

No Director or Key Managerial Personnel was appointed during the year under review.

Mr. Raj Kumar Sarawgi (DIN 00375257) retires by rotation and, being eligible, has offered himself for the re-appointment at the ensuing Annual General Meeting.

No Director was resigned/ceased to be a Director during the year.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby stated that:

(a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed along with proper explanation relating to material departure(s).

(b) appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year at 31st March, 2017 and of the loss of the Company for that period.

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) the annual accounts for the financial year ended 31st March, 2017 have been prepared on a 'going concern' basis.

(e) internal financial controls have been laid down to be followed by the Company. The internal financial controls are adequate and are operating effectively.

(f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Auditors and Auditors' Reports:

M/s Pathak H. D. & Associates, Chartered Accountants, Mumbai, hold office as statutory auditors of the Company until the conclusion of the ensuing Annual General Meeting.

There are no qualifications, reservations, or adverse remarks or disclaimers made by the Auditors, in their report.

M/s Pathak H. D. & Associates, Chartered Accountants, Mumbai expressed their unwillingness to continue as statutory auditors of the Company from the conclusion of ensuing Annual General Meeting vide their letter dated 12th May 2017.

It is now proposed to appoint M/s D T S and Associates, Chartered Accountants, Mumbai having registration number 142412W as a statutory auditors of the Company in place of M/s Pathak H. D. & Associates, Chartered Accountants from the conclusion of ensuing annual general meeting till the conclusion of 6th annual general meeting thereafter.

Your company has received a certificate from M/s D T S and Associates, Chartered Accountants confirming their eligibility for appointment pursuant to the provisions of Section 139 read with section 141 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013:

The Company has not given any loans, guarantees or investments under Section 186 of the Companies Act, 2013 during the financial year 2016-17.

Particulars of contracts or arrangements with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 in prescribed form:

There are no such contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013.

Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and date of this Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

NIL

Statement indicating development and implementation of a Risk Management Policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company:

In the opinion of the Board, the elements of risk threatening the Company's existence is very minimal.

The names of Companies which have become or ceased to be Subsidiaries, Joint Ventures or Associate Companies during the year:

NIL

Details relating to deposits covered under Chapter V of the Act and deposits which are not in compliance with the requirements of Chapter V of the Act:

Company has not accepted any deposit covered under Chapter V of the Companies Act, 2013 of any deposit not in compliance with the requirements of Chapter V of the Companies Act, 2013.

The details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future:

No order was passed by any Regulator, Court or Tribunal impacting the going concern status and the Company's operations in future.

The details in respect of adequacy of internal financial controls with reference to the financial statements:

The Company has in place adequate internal control with reference to the financial statements. During the year such controls were put to test and were found to be adequate.

Employee Related Disclosures:

There is no employee on the pay roll of the Company.

Issue of equity shares with differential rights, sweat equity, employee stock option:

The Company has not issued any share with differential rights, sweat equity or as employee stock option.

Acknowledgement:

Your Directors express their grateful appreciation for the assistance and co-operation received from banks, Government authorities, customers, vendors and shareholders during the year under review.

For and on behalf of the Board of Directors

Raj Kumar Sarawgi
Director
(DIN 00375257)

Place : Mumbai
Date : 16.08.2017

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN	U70101MH2005PLC156719
ii)	Registration Date	14.10.2005
iii)	Name of the Company	Hari Darshan Realty Ltd.
iv)	Category / Sub-Category of the Company	Public Company, Limited by Shares/Indian Non Government Company
v)	Address of the Registered office and contact details	11-B, Mittal Tower, Free Press Journal Marg, Nariman Point, Mumbai 400021
vi)	Whether listed company Yes / No	NO
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**REAL ESTATE BUSSINESS ACTIVITY**

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Real Estate	6810	NA

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1.	Jai Corp Limited <u>Regd. Off:</u> A-3, MIDC Industrial Area, Nanded, Maharashtra, 431603. <u>Corporate Off:</u> 11-B, Mittal Tower, Free Press Journal Marg, Nariman Point, Mumbai 400021	L17120MH1985PLC036500	Holding Company	100%	2 (46)

i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	50000	50000	100	0	50000	50000	100	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in share Holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Jai Corp Ltd.	0	0	0	50000	100	0	0
	Total	50000	100	0	50000	100	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year. (As on 01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the Company
1.	Jai Corp Ltd.				
	Opening Balance	50000	100	50000	100
	Date wise increase/(decrease)			0	0
	Closing Balance			50000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the Company
	For each of the top 10 shareholders				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	NIL			
	At the end of the year (or on the date of separation, if separated during the year)	NIL			

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the Company
	For Each of the Directors and KMP				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	NIL			
	At the end of the year (or on the date of separation, if separated during the year)	NIL			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount				
Jai Corp Ltd.(JCL) Loan	--	10,000	--	10,000
JCL Debentures	--	78,622,000	--	78,622,000
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	78,632,000	--	78,632,000
Change in Indebtedness during the financial year				
Additions				
Jai Corp Ltd. (JCL) Loan	--	200,000	--	200,000
Interest Due	--	5,592	--	5,592
Total Additions	--	205,592	--	205,592
Reductions	--	--	--	--
Total Reductions	--	--	--	--
Net Change	--	205,592	--	205,592
Indebtedness at the end of the financial year				
i) Principal Amount				
JCL Loan	--	210,000	--	210,000
JCL Debentures	--	78,622,000	--	7,8622,000
ii) Interest due but not paid	--	5,592	--	5,592
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	788,375,592	--	788,375,592

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A: Remuneration to Managing Director, Whole Time Directors and/or Manager :NIL

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act,1961	NIL				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission :- - as % of profit					
	- others, specify...					
5.	Others, please specify...					
	Total (A)	NIL				
	Ceiling as per the Act:- Since there is no profit, Part II Section II (A) of Schedule V is applicable.					60,00,000

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of the Directors		Total Amount
1.	Independent Directors			
	Fee for attending board / committee meetings	NIL		NIL
	Commission			
	Others, please specify			
	Total (1)			
2	Other Non-Executive Directors			
	Fee for attending board / committee meetings	NIL		
	Commission			
	Others, please specify			
	Total (2)			
	Total B= (1) + (2)	NIL		NIL
	Total Managerial Remuneration			NIL
	Overall Ceiling as per the Act :- Since there is no profit, Part II Section II (A) of Schedule V is applicable.			60,00,000

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
NOT APPLICABLE**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary	--	--	--	--
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- others, specify...	--	--	--	--
5.	Others, please specify...	--	--	--	--
	Total	--	--	--	--

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANIES	--	--	--	--	--
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

HARI DARSHAN REALTY LIMITED

 Balance sheet as at 31st March 2017

(Amount in Rs)

Particulars	Note	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
I. ASSETS				
1 Non-current assets				
2 Current assets				
a) Inventories	2	92,892,972	92,821,072	67,294,772
b) Financial assets				
i) Cash and cash equivalents	3	67,708	14,552	14,160
TOTAL ASSETS		92,960,680	92,835,624	67,308,932
II. EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	4	500,000	500,000	500,000
b) Other equity	5	90,801,500	90,839,660	13,197,818
Liabilities				
1 Non-current liabilities				
a) Financial liabilities				
i) Borrowings	6	-	-	106,967
b) Deferred tax liabilities (net)	7	-	-	420,240
2 Current liabilities				
a) Financial liabilities				
i) Borrowings	8	215,660	10,068	-
ii) Trade payables	9	1,426,523	1,471,521	1,476,302
iii) Other financial liabilities	10	14,375	14,375	51,607,605
b) Other current liabilities	11	2,622	-	-
TOTAL EQUITY & LIABILITIES		92,960,680	92,835,624	67,308,932
Significant accounting policies	1			
Notes on financial statements	1-24	-	-	-

As per our report of even date
For Pathak H. D. & Associates
 Chartered Accountants
 (Firm Registration No.107783W)

For and on behalf of the Board of Directors

Mukesh Mehta
 Partner
 Membership No. 43495

Ajay Gupta
 Director
 (DIN 00375853)

Raj Kumar Sarawgi
 Director
 (DIN 00375257)

Place : Mumbai

Date : 25th May 2017

HARI DARSHAN REALTY LIMITED
Statement of Profit and Loss for the year ended 31st March 2017

(Amount in Rs)

Sl. No.	Particulars	Note	For the year ended 31 st March 2017	For the year ended 31 st March 2016
I.	Other Income	12	49,999	-
II.	Total Revenue		49,999	-
III.	Expenses:			
	Land Development Expenses	13	71,900	25,526,300
	Changes in Inventories of Work-in-progress	14	(71,899)	(25,526,300)
	Finance Costs	15	6,214	1,362,023
	Other Expenses	16	81,944	38,375
	Total Expenses		88,159	1,400,398
IV.	Loss Before Exceptional items and Tax (II-III)		(38,160)	(1,400,398)
V.	Exceptional items		-	-
VI.	Loss Before Tax (IV-V)		(38,160)	(1,400,398)
VII.	Tax Expense:			
	(i) Deferred Tax Expenses/(Credit)	17	-	(420,240)
			-	(420,240)
VIII.	Net Profit After Tax (VI-VII)		(38,160)	(980,158)
IX.	Other Comprehensive Income (OCI)		-	-
X.	Total Comprehensive Income for the year (VIII+IX)		(38,160)	(980,158)
XI.	Earnings per Equity Share:	18		
	Basic (in Rs.)		(0.76)	(19.60)
	Diluted (in Rs.)		(0.00)	(0.24)
	Face Value per Share (in Rs.)		10.00	10.00
	Significant Accounting Policies	1		
	Notes on Financial Statements	1-24		

As per our report of even date
For Pathak H. D. & Associates
 Chartered Accountants
 (Firm Registration No.107783W)

For and on behalf of the Board of Directors

Mukesh Mehta
 Partner
 Membership No. 43495

Ajay Gupta
 Director
 (DIN 00375853)

Raj Kumar Sarawgi
 Director
 (DIN 00375257)

Place : Mumbai
Date : 25th May 2017

HARI DARSHAN REALTY LIMITED

 Notes to the Financial Statements for the year ended on 31st March, 2017

Statement of changes in equity

(Amount in Rs)

Equity share capital	Number of shares	Amount
As at 1 st April 2015	50,000	500,000
Changes during the year	-	-
As at 31 st March 2016	50,000	500,000
Changes during the year	-	-
As at 31 st March 2017	50,000	500,000

B. Other equity

2015-16

(Amount in Rs)

Particulars	Reserves and surplus	Equity component of preference shares	Security Premium	Equity component of loans from parent company	Optionally fully convertible debentures	Total
	Retained earnings					
Opening balance as at 1 st April 2015	(4,566,644)	102,000	10,098,000	7,564,462	-	13,197,818
Total comprehensive income for the year						
Loss for the year	(980,158)	-	-	-	-	(980,158)
Transactions with Owner in capacity of the Owner						
Optionally fully convertible debentures issued during the year	-	-	-	-	78,622,000	78,622,000
Closing balance as at 31 st March 2016	(5,546,802)	102,000	10,098,000	7,564,462	78,622,000	90,839,660

HARI DARSHAN REALTY LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2017

2016-17

(Amount in Rs)

Particulars	Reserves and surplus	Equity component of preference shares	Security Premium	Equity component of loans from parent company	Optionally fully convertible debentures	Total
	Retained earnings					
Opening balance as at 1 st April 2016	(5,546,802)	102,000	10,098,000	7,564,462	78,622,000	90,839,660
Total comprehensive income for the year						
Loss for the year	(38,160)	-	-	-	-	(38,160)
Closing balance as at 31 st March 2017	(5,584,962)	102,000	10,098,000	7,564,462	78,622,000	90,801,500

As per our report of even date

For Pathak H. D. & Associates

Chartered Accountants

(Firm Registration No.107783W)

For and on behalf of the Board of Directors

Mukesh Mehta

Partner

Membership No. 43495

Ajay Gupta

Director

(DIN 00375853)

Raj Kumar Sarawgi

Director

(DIN 00375257)

Place : Mumbai

Date : 25th May 2017

HARI DARSHAN REALTY LIMITEDCash Flow Statement for the year ended 31st March 2017

(Amount in Rs)

Particulars		For the year ended 31 st March 2017	For the year ended 31 st March 2016
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Statement of Profit and Loss	(38,160)	(1,400,398)
	Adjusted for :		
	Finance Cost	6,214	1,362,023
	Sundry balance w/back	(49,999)	-
		(43,785)	1,362,023
	Operating Profit before Working Capital Changes	(81,945)	(38,375)
	Adjusted for :		
	Inventories	(71,900)	(25,526,300)
	Trade and Other Payables	7,623	(4,656)
	Cash generated from operations	(146,222)	(25,569,331)
	Net Cash From Operating Activities	(146,222)	(25,569,331)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Net Cash From Investing Activities	-	-
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Non-current Borrowings	-	78,623,218
	Proceeds from Current Borrowings	199,378	10,068
	Repayment of Non-Current Borrowings	-	(53,058,140)
	Finance Cost Paid	-	(5,423)
	Net Cash (used in) Financing Activities	199,378	25,569,723
	Net (Decrease) in Cash and Cash Equivalents (A+B+C)	53,156	392
	Opening Balance of Cash and Cash Equivalents	14,552	14,160
	Closing balance of Cash and Cash Equivalents	67,708	14,552
	Components of Cash and Cash Equivalents:		
	Balances with Banks in Current Accounts	67,708	14,552
	Cheques, Drafts in Hand		

1 Bracket indicates cash outflow.

2 Previous year figures have been regrouped, reclassified and rearranged wherever necessary

3 The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flow.

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants
(Firm Registration No.107783W)

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No. 43495

Ajay Gupta
Director
(DIN 00375853)

Raj Kumar Sarawgi
Director
(DIN 00375257)

Place : Mumbai

Date : 25th May 2017

HARI DARSHAN REALTY LIMITED

Notes to the Financial Statements for the year ended on 31st March, 2017

Company Information
Hari Darshan Realty Limited (‘the Company’) is a company limited by shares and is domiciled in India. The Company’s registered office is at 11B, Wing, Mittal Tower, Free Press Journal Marg, Nariman Point, Mumbai - 400 021 . These financial statements are the separate financial statements of the company. The company is primarily involved in Real Estate business.
Basis of Preparation
<p>The separate financial Statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 133 of Companies Act, 2013 as per Companies (Indian Accounting Standards (Ind AS)) Rules, 2015 and other relevant provisions of the Companies Act, 2013 and rules framed thereunder. Till the year ended 31st March 2016 the financial statement of the company have been prepared as Companies (Accounting Standards) Rules, 2006 as amended and other relevant provisions of the Companies Act, 2013 and rules framed thereunder. These are the first Ind AS Financial statements of the company. As per the principles of Ind AS 101, the transition date to Ind AS is 1st April 2015 and hence the comparatives for the previous year ended 31st March 2016 and balances as on 1st April 2015 have been restated as per the principles of Ind AS.</p> <p>The Financial Statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities measured at fair value.</p>
1 Significant accounting policies
a Income Taxes
<p>The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.</p> <p>The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.</p> <p>Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.</p> <p>Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.</p> <p>Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. 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.</p> <p>Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.</p>
b Investments and financial assets
Classification
<p>The company classifies its financial assets in the following measurement categories:</p> <ul style="list-style-type: none">• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and• those measured at amortised cost. <p>The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.</p> <p>For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.</p> <p>The company reclassifies debt investments when and only when its business model for managing those assets changes.</p>

<p>Measurement</p> <p>At initial recognition, the company measures a financial asset at its fair value except investments in subsidiaries and associates plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.</p> <p>Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.</p>
<p>Measurement of debt instruments</p> <p>Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:</p> <ul style="list-style-type: none"> • Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost, is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. • Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). 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 profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. • Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss, is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the year in which it arises. Interest income from these financial assets is included in other income.
<p>Measurement of equity instruments</p> <p>The company subsequently measures all equity investments at fair value except investments in subsidiaries and associates. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.</p> <p>Changes in the fair value of financial assets measured at fair value through profit or loss are recognised as other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.</p>
<p>Impairment of financial assets</p> <p>The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.</p> <p>For trade receivables, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.</p>
<p>De-recognition of financial assets</p> <p>A financial asset is derecognised only when</p> <ul style="list-style-type: none"> • The company has transferred the rights to receive cash flows from the financial asset or • retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. <p>Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.</p> <p>Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.</p>

HARI DARSHAN REALTY LIMITED**Notes to the Financial Statements for the year ended on 31st March, 2017**

c Borrowings and other financial liabilities
<p>Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability based on the underlying reason for the difference.</p> <p>Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method</p> <p>Preference shares which are redeemable on a specific date are classified as a financial liability. Dividends on preference shares are recognised in statement of profit and loss.</p> <p>Borrowings 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 profit or loss. The gain / loss is recognised in other equity in case of transaction with shareholders.</p>
d Provisions, contingent liabilities and contingent assets
<p>Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.</p> <p>Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.</p>
e Borrowing costs
<p>Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of profit and loss as finance costs.</p>
f Earnings per share
<p>Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.</p> <p>Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.</p>
g Cash and cash equivalents
<p>For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.</p>
h Inventories
<p>Cost of inventories consists of cost of land, land development expenses, material services, construction cost, interest and financial charges and other expenses related to project under development. In general, all Inventories of land are stated at lower of cost and net realisable value.</p>

HARI DARSHAN REALTY LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2017**Note 2 - Inventories**

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Work-in-progress	92,892,972	92,821,072	67,294,772
Total	92,892,972	92,821,072	67,294,772

2.1 Refer Note No. 1 (h) for mode of valuation of Inventory.

Note 3 - Cash and cash equivalents

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Cash and Cash Equivalents			
Balances with Banks in Current Accounts	67,708	14,552	14,160
Total	67,708	14,552	14,160

3.1 For the purpose of the statement of cash flow, cash and cash equivalents comprise the followings:

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Balances with Banks in Current Accounts	67,708	14,552	14,160
Total	67,708	14,552	14,160

HARI DARSHAN REALTY LIMITED

 Notes to the Financial Statements for the year ended on 31st March, 2017

Note 4 - Equity share capital

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Authorised:			
60,000 Equity Shares of Rs. 10 each (60,000 Equity Shares of Rs. 10 each as at 31 st March, 2016 & as at 1 st April, 2015)	600,000	600,000	600,000
40,000 1% Optionally Convertible Non-Cumulative, Redeemable (40,000 Pref Shares of Rs. 10 each as at 31 st March, 2016 & as at 1 st April, 2015)	400,000	400,000	400,000
Total	1,000,000	1,000,000	1,000,000
Issued, Subscribed & Paid-up:			
50,000 Equity Shares of Rs. 10 each fully paid up (50,000 Equity Shares of Rs. 10 each as at 31 st March, 2016 & as at 1 st April, 2015)	500,000	500,000	500,000
Total	500,000	500,000	500,000

4.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:

Particulars	2016-17		2015-16		2014-15	
	(In Nos.)	(Figures in Rs)	(In Nos.)	(Figures in Rs)	(In Nos.)	(Figures in Rs)
Shares outstanding at the beginning of the year	50,000	500,000.00	50,000	500,000	50,000	500,000
Shares outstanding at the end of the year	50,000	500,000.00	50,000	500,000	50,000	500,000

4.2 Terms / Rights attached to the Equity Shares

Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by shareholders.

4.3 Details of shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 st March 2017		As at 31 st March 2016		As at 1 st April 2015	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Equity Shares: (Including equity shares held jointly with nominees)						
Jai Corp Limited	50,000.00	100%	50,000	100%	-	-
Jai Realty Ventures Limited	-	-	-	-	50,000	100%

HARI DARSHAN REALTY LIMITED

 Notes to the Financial Statements for the year ended on 31st March, 2017

Note 5 - Other equity

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016
Retained earnings		
Opening balance	(5,546,802)	(4,566,644)
Add: Net profit for the year	(38,160)	(980,158)
Closing balance	(5,584,962)	(5,546,802)

Nature and Purpose - Retained earnings represent the accumulated profits / losses made by the company over the years.

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016
1% Redeemable Non Cumulative Preference Shares (NCPS) issued to parent		
Opening balance	102,000	102,000
Transaction during the year	-	-
Closing balance	102,000	102,000

Nature and purpose - The difference between the preference shares on the date of issue and the transaction price is recognised as a deemed equity component by the parent company.

Estimation of fair value - For computation of the below fair value benefit, the company has estimated the fair value of the financial liability on date of issue by considering comparable market interest rates adjusted to the facts and circumstances relevant to the company.

Terms - 1% Optionally Convertible, Non - cumulative, Redeemable Preference Shares (OCPS) of Rs.10/- each fully paid-up were allotted on 31st January, 2008. The OCPS are redeemable at any time from the date of allotment i.e. 31st January, 2008 at the option of the Company or at the end of 20 years from the date of allotment at a premium of Rs. 990/- each. The holder have also the option to seek conversion of each OCPS at any time prior to the redemption into One Equity Share of Rs. 10 each fully paid up. The preference share holders have a preferential right to non cumulative dividend of 1% per annum, carry a preferential right for repayment of capital in priority to the equity shares, on liquidation of the Company or repayment of capital. However, the preference shares carry no further or other right to participate either in the profits or assets of the Company.

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016
Equity component on interest free loans from parent company		
Opening balance	7,564,462	7,564,462
Transaction during the year	-	-
Closing balance	7,564,462	7,564,462

Nature and purpose - The difference between the fair value of interest free loans on the date of issue and the transaction price is recognised as a deemed equity component by the parent company.

Estimation of fair value - For computation of the below fair value benefit, the company has estimated the fair value of the financial liability on the date of issue by considering comparable market interest rates adjusted to the facts and circumstances relevant to the company.

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016
Optionally fully convertible debentures issued to parent treated as equity		
Opening balance	78,622,000	-
Issued during the year	-	78,622,000
Redeemed during the year	-	-
Closing balance	78,622,000	78,622,000

Nature and purpose - The optionally fully convertible debentures issued to parent company are treated as equity.

Terms - **53,100** (53,100 as at 31st March 2016 and Nil as at 1st April 2015) Zero% Optionally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 21st July,2015 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face value of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.

1,880 (1,880 as at 31st March 2016 and Nil as at 1st April 2015) Zero% Optionally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 25th January,2016 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face value of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.

23,642 (23,642 as at 31st March 2016 and Nil as at 1st April 2015) Zero% Optionally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 20th February,2016 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face value of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016
Security Premium		
Opening balance	10,098,000	10,098,000
Issued during the year	-	-
Closing balance	10,098,000	10,098,000

Nature and Purpose - Securities premium was created when shares are issued at premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(Amount in Rs)

Total other equity as at 31 st March 2017		
1-Apr-15		13,197,818
31-Mar-16		90,839,660
31-Mar-17		90,801,500

HARI DARSHAN REALTY LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2017**Note 6 - Non - current financial liabilities - Borrowings**

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Borrowings other than from banks			
Unsecured			
Loan from Related Party (Refer note 6.1 below)	-	-	106,967
Total	-	-	106,967

6.1 The above unsecured loan amount of **Rs. NIL** (Previous Year Rs. NIL as at 31st March, 2016 and Rs. 106,967 as at 1st April, 2015) from holding company, which carry interest at the rate from 8% to 9 % p.a., is repayable on 31st March 2025 with an option to the Company to repay earlier if sufficient funds are available with the Company.

Note 7 - Deferred tax liabilities (net)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Deferred Tax Liabilities			
Related to interest free loan from parent company	-	-	420,240
Net deferred tax liability	-	-	420,240

7.1 Movement in Deferred Tax Liabilities

(Amount in Rs)

	Loan from parent company	Total
As at 1 st April, 2015	420,240	420,240
Charged/(Credited)		
- to Profit & Loss	(420,240)	(420,240)
As at 31 st March, 2016	-	-
(Charged)/Credited		
- to Profit & Loss	-	-
As at 31st March, 2017	-	-

7.2 Unrecognised deferred tax assets:

a) Tax Losses

The Company has the following unused tax losses which arose on incurrance of business losses under the Income Tax Act, 1961 for which no deferred tax asset has been recognised in the Balance Sheet.

(Amount in Rs)

In relation to Financial Year ending	As at 31 st March 2017	Expiry Year	As at 31 st March 2016	Expiry Year
2014-15	54,138	2022-2023	54,138	2022-2023
2015-16	40,399	2023-2024	40,399	2023-2024
2016-17	38,159	2024-2025	-	-

Note 8 - Borrowings

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Unsecured Loans			
Loan from Related Party	215,660	10,068	-
Total	215,660	10,068	-

HARI DARSHAN REALTY LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2017**Note 9 - Trade Payables**

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Micro, Small and Medium Enterprises	-	-	-
Others	1,426,523	1,471,521	1,476,302
Total	1,426,523	1,471,521	1,476,302

i) The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures as required by notification dated 16.11.2007 issued by the Ministry of Company Affairs have not been given.

Note 10 - Other current financial liabilities

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Other payables	14,375	14,375	14,250
Current Maturities of non-current borrowings	-	-	51,593,355
Total	14,375	14,375	51,607,605

Note 11 - Other current liabilities

(Amount in Rs)

Particulars	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
Statutory Dues	2,622	-	-
Total	2,622	-	-

HARI DARSHAN REALTY LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2017**Note 12 - Other income**

(Amount in Rs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sundry Balances Written Off (Net)	49,999	-
Total	49,999	-

Note 13 - Land Development Expenses

(Amount in Rs)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Cost of Land	-	24,412,000
Registration & Stamping Charges	71,900	1,114,300
Total	71,900	25,526,300

Note 14 - Changes in Inventories of Work-in-progress

(Amount in Rs)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
At the end of the year Work-in-Progress	92,892,972	92,821,072
At the beginning of the Year Work-in-Progress	92,821,072	67,294,772
Changes in Inventories of Work-in-progress	(71,899)	(25,526,300)

Note 15 - Finance costs

(Amount in Rs)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Interest on Borrowings	6,214	1,362,023
Total	6,214	1,362,023

Note 16 - Other expenses

(Amount in Rs)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Rates and Taxes	2,500	2,500
Legal, Professional and Consultancy Charges	56,900	7,870
Payment to Auditors - Audit Fees	14,375	14,375
Bank Charges	39	300
Other Expenses	8,130	13,330
Total	81,944	38,375

HARI DARSHAN REALTY LIMITED

 Notes to the Financial Statements for the year ended on 31st March, 2017

Note 17 - Tax expense

(Amount in Rs)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Deferred taxes		
Change in deferred tax assets	-	420,240
Change in deferred tax liabilities	-	-
	-	(420,240)
Total	-	(420,240)

Note 17.1 - Tax reconciliation (for profit and loss)

(Amount in Rs)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Profit before income tax expense	(38,160)	(1,400,398)
Tax at the rate of 33.063%	(12,617)	(463,014)
Tax Assets not created	12,617	463,014
Fair Value of Financial Assets/liabilities	-	(420,240)
Tax expense for the year	-	(420,240)

Note 18 - Earnings per share

(Amount in Rs)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Net Profit / (loss) after tax for the year (Rs.)	(38,160)	(980,158)
Profit / loss attributable to equity share holders (Rs.)	(38,160)	(980,158)
Weighted Average Number of equity shares outstanding during the year for Basic EPS	50,000	50,000
Weighted Average Number of equity shares outstanding during the year for Diluted EPS	7,912,200	4,048,848
Basic Earnings Per Share (Rs.)	(0.76)	(19.60)
Diluted Earnings Per Share (Rs.)	(0.00)	(0.24)
Face Value per Share (Rs.)	10	10

Reconciliation between number of shares used for calculating basic and diluted earning per share

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Number of Shares Used for calculating Basic EPS	50,000	50,000
Add:- Potential Equity Shares on conversion (Weighted)	7,862,200	3,998,848
Number of Shares used for Calculating Diluted EPS	7,912,200	4,048,848

HARI DARSHAN REALTY LIMITED

 Notes to the Financial Statements for the year ended on 31st March, 2017

19 Fair value measurements
Financial instruments by category:

(Amount in Rs)

Particulars	As at 31 st March, 2017			As at 31 st March, 2016			As at 1 st April, 2015		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets									
Current assets									
Cash and cash equivalents	-	-	67,708	-	-	14,552	-	-	14,160
Total financial assets				-	-	14,552	-	-	14,160
Financial liabilities									
Non-current liabilities									
Borrowings		-	-	-	-	-	-	-	106,967
Current liabilities									
Trade Payables	-	-	1,426,523	-	-	1,471,521	-	-	1,476,302
Borrowings	-	-	215,660	-	-	10,068	-	-	-
Current Maturities of non-current borrowings	-	-	-	-	-	-	-	-	51,593,355
Other financial liabilities	-	-	14,375	-	-	14,375	-	-	14,250
Total financial liabilities	-	-	1,656,558	-	-	1,495,964	-	-	53,190,874

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price and financial instruments like Mutual Funds for which NAV is published by Mutual Fund Operator. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period and Mutual Fund are valued using the Closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market 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. Instruments in the level 2 category for the company include forward exchange contract derivatives.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in this level. Instruments in level 3 category for the company include unquoted equity shares and FCCDs, unquoted units of mutual funds and unquoted units of venture capital funds

HARI DARSHAN REALTY LIMITED

 Notes to the Financial Statements for the year ended on 31st March, 2017

20	<u>Financial risk management</u>					
	The company is exposed to credit risk, liquidity risk and Market risk.					
A	Credit risk					
	Credit risk arises from cash and cash equivalents carried at amortised cost.					
	Credit risk management					
	To manage the credit risk bank balances are held with only high rated banks.					
B	Liquidity risk					
	Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings and other financial liabilities.					
	Liquidity risk management					
	The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.					
	Maturities of financial liabilities					
	As at 31st March 2017 (Amount in Rs)					
	Particulars	Less than 6 months	6 months to 1 year	Between 1 and 5 years	Beyond 5 years	Total
	Borrowings	-	215,660	-	-	215,660
	Trade payables	1,426,523	-	-	-	1,426,523
	Other current financial liabilities	14,375	-	-	-	14,375
	Total	1,440,898	215,660	-	-	1,656,558
	As at 31st March 2016 (Amount in Rs)					
	Particulars	Less than 6 months	6 months to 1 year	Between 1 and 5 years	Beyond 5 years	Total
	Borrowings	-	10,068	-	-	10,068
	Trade payables	1,471,521	-	-	-	1,471,521
	Other current financial liabilities	14,375	-	-	-	14,375
	Total	1,485,896	10,068	-	-	1,495,964
	As at 1st April 2015 (Amount in Rs)					
	Particulars	Less than 6 months	6 months to 1 year	Between 1 and 5 years	Beyond 5 years	Total
	Non-current borrowings	-	-	-	106,967	106,967
	Current Maturities of non-current borrowings	51,593,355	-	-	-	51,593,355
	Trade payables	1,476,302	-	-	-	1,476,302
	Other current financial liabilities	14,250	-	-	-	14,250
	Total	53,083,907	-	-	106,967	53,190,874

HARI DARSHAN REALTY LIMITEDNotes to the Financial Statements for the year ended on 31st March, 2017

21	Capital Management																														
21.1	<p>Risk management</p> <p>For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.</p> <p>The Company monitors capital using net gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non-current and current debts as reduced by cash and cash equivalents. Equity comprises all components including other comprehensive income.</p> <p>The capital composition is as follows: (Amount in Rs)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;">31st March, 2017</th> <th style="text-align: center;">31st March, 2016</th> <th style="text-align: center;">1st April, 2015</th> </tr> </thead> <tbody> <tr> <td>Total debts</td> <td style="text-align: right;">215,660</td> <td style="text-align: right;">10,068</td> <td style="text-align: right;">51,700,322</td> </tr> <tr> <td>Less: Cash and Cash Equivalents</td> <td style="text-align: right;">67,708</td> <td style="text-align: right;">14,552</td> <td style="text-align: right;">14,160</td> </tr> <tr> <td>Net Debts</td> <td style="text-align: right;">147,952</td> <td style="text-align: right;">(4,484)</td> <td style="text-align: right;">51,686,162</td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">91,301,500</td> <td style="text-align: right;">91,339,660</td> <td style="text-align: right;">13,697,818</td> </tr> <tr> <td>Total Capital (Net Debt plus Total Equity)</td> <td style="text-align: right;">91,449,452</td> <td style="text-align: right;">91,335,176</td> <td style="text-align: right;">65,383,980</td> </tr> <tr> <td>Net Gearing Ratio</td> <td style="text-align: center;">0.00</td> <td style="text-align: center;">(0.00)</td> <td style="text-align: center;">0.79</td> </tr> </tbody> </table>				31 st March, 2017	31 st March, 2016	1 st April, 2015	Total debts	215,660	10,068	51,700,322	Less: Cash and Cash Equivalents	67,708	14,552	14,160	Net Debts	147,952	(4,484)	51,686,162	Total equity	91,301,500	91,339,660	13,697,818	Total Capital (Net Debt plus Total Equity)	91,449,452	91,335,176	65,383,980	Net Gearing Ratio	0.00	(0.00)	0.79
	31 st March, 2017	31 st March, 2016	1 st April, 2015																												
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HARI DARSHAN REALTY LIMITED

Notes to the Financial Statements for the year ended on 31st March, 2017

22 Related Party Disclosure

22.1 As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:-

(A) List of related parties and relationship.

Holding Company

Jai Realty Ventures Limited (up to 28th June,2015)

Jai Corp Limited (from 29th June,2015)

22.2 Transactions during the year with related parties :

(Amount in Rs)

Nature of Transaction	Name of the Related Party	2016-17	2015-16
0% Optinally Fully Convertible Debentures issued	Jai Corp Limited	-	78,622,000
Current Borrowings	Jai Corp Limited	210,000	10,000
Non-current Borrowings received	Jai Realty Ventures Limited	-	1,218
Non-current Borrowings refunded/adjusted	Jai Realty Ventures Limited	-	53,059,290
Finance Cost	Jai Realty Ventures Limited	-	1,956
	Jai Corp Limited	6,214	68
Purchase of Land	Mr. Rajkumar Sarawagi	-	12,830,000
	Mr. Krishnakumar J Chitlangia	-	7,310,000
	Mr. Ajay Gupta	-	4,272,000

(Amount in Rs)

Nature of Transaction	Name of the Related Party	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Equity Shares	Jai Corp Limited	500,000	500,000	-
	Jai Realty Ventures Limited	-	-	500,000
1% Redeemable Non-Cumulative Preference Shares	Jai Corp Limited	102,000	102,000	-
	Jai Realty Ventures Limited	-	-	102,000
0% Optinally Fully Convertible Debentures	Jai Corp Limited	78,622,000	78,622,000	-
Current Borrowings	Jai Corp Limited	215,660	10,068	-
Non-current Borrowings	Jai Realty Ventures Limited	-	-	53,058,072

HARI DARSHAN REALTY LIMITED**Notes to the Financial Statements for the year ended on 31st March, 2017**

23	First time adoption of Ind AS
A	First Ind AS Financial statements
	<p>These are the company's first separate financial statements prepared in accordance with Ind AS applicable.</p> <p>The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS balance sheet at 1st April 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).</p> <p>An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is as follows:</p>
i	Mandatory exceptions applied
	<p>Estimates</p> <p>An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.</p> <p>Ind AS estimates as at 1st April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.</p> <p>De-recognition of financial assets and liabilities</p> <p>Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.</p> <p>The company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.</p> <p>Classification and measurement of financial assets</p> <p>Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.</p>

HARI DARSHAN REALTY LIMITED

 Notes to the Financial Statements for the year ended on 31st March, 2017

23.1 Balance sheet as at 1st April 2015

(Amount in Rs.)

Particulars	IGAAP as at 31st March, 2015	GAAP adjustments	Ind AS as at 1st April, 2015
I. ASSETS			
1 Non-current assets			
2 Current assets			
a) Inventories	67,294,772	-	67,294,772
b) Financial assets			
i) Cash and Cash Equivalents	14,160	-	14,160
TOTAL ASSTS	67,308,932	-	67,308,932
II. EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	602,000	(102,000)	500,000
b) Other equity	12,156,059	1,041,759	13,197,818
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	103,500	3,467	106,967
ii) Other long term liabilities	3,467	(3,467)	-
b) Deferred tax liabilities (net)	-	420,240	420,240
2 Current liabilities			
a) Financial liabilities			
i) Trade Payables	1,476,302	-	1,476,302
ii) Other financial liabilities	-	51,607,605	51,607,605
iii) Other current liabilities	52,967,604	(52,967,604)	-
TOTAL EQUITY AND LIABILITIES	67,308,932	-	67,308,932

HARI DARSHAN REALTY LIMITED

 Notes to the Financial Statements for the year ended on 31st March, 2017

23.2 Balance sheet as at 31st March 2016

(Amount in Rs.)

Particulars	IGAAP as at 31st March, 2016	GAAP adjustments	Ind AS as at 31st March, 2016
I. ASSETS			
1 Non-current assets			
2 Current assets			
a) Inventories	92,821,072	-	92,821,072
b) Financial assets			
i) Cash and Cash Equivalents	14,552	-	14,552
TOTAL ASSTS	92,835,624	-	92,835,624
II. EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	602,000	(102,000)	500,000
b) Other equity	12,115,660	78,724,000	90,839,660
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	78,622,000	(78,622,000)	-
2 Current liabilities			
a) Financial liabilities			
i) Short-term borrowings	10,000	68	10,068
ii) Trade payables	1,471,521	-	1,471,521
iii) Other financial liabilities	-	14,375	14,375
Other current liabilities	14,443	(14,443)	-
TOTAL EQUITY AND LIABILITIES	92,835,624	-	92,835,624

HARI DARSHAN REALTY LIMITED

 Notes to the Financial Statements for the year ended on 31st March, 2017

23.3 Statement of Profit and Loss for the year ended 31st March 2016

(Amount in Rs.)

Sl. No.	Particulars	IGAAP as at 31st March, 2016	GAAP adjustments	Ind AS as at 31st March, 2016
I.	Other Income	-	-	-
II.	Total Revenue	-	-	-
III.	Expenses:			
	Land and Development Expenses	25,526,300	-	25,526,300
	Changes in Inventories of Work-in-progress	(25,526,300)	-	(25,526,300)
	Finance Costs	2,024	1,359,999	1,362,023
	Other Expenses	38,375	-	38,375
	Total Expenses	40,399	1,359,999	1,400,398
IV.	Loss Before Exceptional items and Tax (II-III)	(40,399)	(1,359,999)	(1,400,398)
V.	Exceptional items	-	-	-
VI.	Loss Before Tax (IV-V)	(40,399)	(1,359,999)	(1,400,398)
VII.	Tax Expense:			
	(i) Current Tax	-	-	-
	(i) Earlier year Income Tax	-	-	-
	(ii) Deferred Tax Expenses/(Credit)	-	(420,240)	(420,240)
VIII.	Net Loss After Tax (VI-VII)	(40,399)	(939,759)	(980,158)
IX.	Other Comprehensive Income	-	-	-
X.	Total Comprehensive Income for the year (VIII+IX)	(40,399)	(939,759)	(980,158)

B Reconciliations of Other equity reported under previous GAAP to equity under Ind AS

(Amount in Rs)

Sr.no	Particulars	Note no.	Other Equity as at 31 st March 2016	Other Equity as at 1 st April 2015
	Equity as per previous Indian GAAP		12,217,660	12,258,059
1	Effect of measuring interest free loan initially at fair value and subsequently at amortised cost	B.1	-	1,359,999
2	OFCDs treated as equity from parent	B.5	78,622,000	-
3	Deferred tax impacts	B.8	-	(420,240)
	Equity as per Ind AS		90,839,660	13,197,818

Reconciliation of profit reported under previous GAAP to profit under Ind AS

(Amount in Rs)

Sr.no	Particulars	Note no.	For the year ended 31 st March 2016
	Net loss as per previous Indian GAAP		(40,399)
1	Effect of measuring interest free loan initially at fair value and subsequently at amortised cost Interest Expenses	B.7	(1,359,999)
2	Deferred tax impacts	B.8	420,240
	Net loss after tax as per Ind AS		(980,158)
	Total comprehensive income as per Ind AS		(980,158)

Impact of Ind AS adoption on the statement of cash flows for the year ended 31st March 2016 -

All the adjustments on account of Ind AS are non - cash in nature and hence, there is no material impact on the cash flows in the cash flow statement.

HARI DARSHAN REALTY LIMITED

Notes to the Financial Statements for the year ended on 31st March, 2017

Explanation to reconciliation:

B.1 Impact of interest free loan from parent company

Previous GAAP - the interest free loan from parent company was recognised as a liability at the transaction value.

Ind AS - the interest free loan from parent company are classified as a financial liability. The loan is initially recognised at fair value and the difference between the fair value and transaction price is recognised as deemed equity contribution by the parent company. Subsequently, the liability is measured at amortized cost using the effective interest rate. The adjustment for the above arrangement has been recognised in the reserves on the transition date and the subsequent impacts are recognised in the statement of profit and loss.

B.2 Impact of optionally fully convertible debentures issued to parent company

Previous GAAP - the optionally fully convertible debentures issued to parent company were recognised as a borrowing.

Ind AS - the debentures are in the nature of equity based on the terms of the instrument. On redemption, the amount in equity is derecognised.

B.3 Deferred taxes

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has impacted the reserves on date of transition, with consequential impacts to the statement of profit and loss for the subsequent periods.

Note 24 Segment Reporting

In the opinion of the Management and based on consideration of dominant source and nature of risk and returns, the Company's activities, during the year revolved around the single segment namely, "Builders and Developers". Considering the nature of Company's business and operations, there are no separate reportable segment (Business and/or Geographical) in accordance with the requirement of Ind AS 108 "Operating Segments" as notified.

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants
(Firm Registration No.107783W)

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No. 43495

Ajay Gupta
Director
(DIN 00375853)

Raj Kumar Sarawgi
Director
(DIN 00375257)

Place : Mumbai
Date : 25th May 2017