1. Corporate Information

Inspire India Properties Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company was incorporated on 21 March 2012 and obtained its Certificate for Commencement of Business on 27 April 2012. The company is engaged in the business of acquisition, development, management, marketing and sale of real estate properties both in India and abroad.

2. Basis of preparation

The financial statements of the company have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006, (as amended), which continue to apply as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014, other pronouncements of Institute of Chartered Accountants of India and the relevant provisions of Companies Act, 2013.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Management evaluates and adopts all recently issued or revised accounting standards on an ongoing basis.

2.1. Summary of significant accounting policies

a) Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenditure for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Tangible fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of tangible fixed assets includes non refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use and all pre-operative expenses till the commencement of commercial production are capitalized.

c) Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

d) Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible assets is provided for on the Written down value method based on useful lives of the assets specified in Schedule II of the Companies Act 2013. Depreciation is calculated on a pro-rata basis from the date of installation till the date the tangible assets are sold or disposed.

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the company for its use.

e) Impairment of tangible and intangible assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company`s assets. If any indication exists, an asset`s recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation), had no impairment loss been recognised for the asset in prior years.

f) Investments

Investments are either classified as current or long-term based on the management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

g) Valuation of inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The methods of determining cost of various categories of inventories are as follows:

Land held as Inventory/Traded finished good	: Actual Cost
Work in Process (Land development expense)	: Actual Cost

h) Revenue recognition

Revenue from sale of land/plot is recognised when all significant risks and rewards of ownership are transferred and the seller retains no effective control of the real estate to a degree usually associated with ownership. Revenue from development of plots is recognised by applying the percentage of completion method.

Service income is recognized as per the terms of contracts with customers when the related services are performed, or the agreed milestones are achieved.

All other items of income are accounted on accrual basis except interest on Income Tax refund and dividend income which are accounted on receipt basis.

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sales price and then carrying value of the investment.

i) Employee Benefits

Short Term Employees Benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. These benefits include leave travel allowance, bonus/performance incentives.

j) Income tax expense

Income tax expense comprises current tax and deferred tax charge or credit.

Current tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e, the period for which MAT credit is allowed to be carried forward.

In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit & loss and shown as "MAT credit Entitlement".

The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax:
Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

k) Foreign currency transactions and balances
Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the profit and loss account.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at year-end rates. The resultant exchange differences are recognized in the profit and loss account. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

l) Leases
Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss in accordance with the terms of agreement.

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

n) Provisions and contingent liabilities
The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

o) Earnings per share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

p) Accounting policies, which are not specifically referred to, are consistent with generally accepted accounting policies.

22. Contingent liabilities not provided for**:** `. Nil (31 March 2014: Nil)

23. Value of imports calculated on CIF basis: `. Nil (31 March 2014: Nil)

24. A) Expenditure in foreign currency: `. Nil (31 March 2014: Nil)

B) Earnings in foreign currency: `. Nil (31 March 2014: Nil)

25. Balances of loans and advances, receivables and payables are subject to confirmation/reconciliation, if any.

26. In the opinion of the Board of directors adequate provision has been made in the accounts for all known liabilities and the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the value stated in the balance sheet.

27. The Company's significant leasing arrangements are in respect of operating leases for Guest houses and office premises. These are cancelable operating leases and these lease agreements are normally renewed on expiry. The aggregate lease rentals payable are charged as rent under note 21.

The company also uses another office premises that is leased under non-cancellable operating lease. The company has commitment under non-cancellable operating lease (exclusive of service tax) as follows:

Minimum Lease Payment	**31 March 2015** **`.**	**31 March 2014** **`.**
Due within one year	309,840	2,95,020
Due later than one year and not later than five years	610,130	9,19,970
Due later than five years	---------	---------

Lease payments (exclusive of service tax) recognized in the statement of profit & loss as rent under note 19.

Rent paid	**31 March 2015** **`.**	**31 March 2014** **`.**
On account of Non-cancellable lease	2,80,968	2,80,968
On account of Cancellable Lease -	5,17,780	5,43,480

28. **Related party disclosures**:

A. **Name of the related parties and related party relationship**

Related parties with whom transactions have taken place during the year: (As identified by the Management and relied upon by auditors)

- Parties where control/significant influence exists (Significant interest entities)
  - Inspire India Financial solutions Private Limited
  - Leaders Academy for Personal Success Private Limited

- Key managerial Personnel represented on the board:
  - Mr. Sharanabasappa C Patil - Managing Director
  - Mr. Veloor Balakrishna - Director
  - Mr. Krishnappa Chinnappa - Whole time Director
  - Mr. Danappa Irappa Tadasalur - Whole time Director

B. Particulars of Related Party Transactions

Particulars	31 March 2015 Amount `.	31 March 2014 Amount `.
Managerial remuneration:		
Mr. Sharanabasappa C Patil	3,00,000	3,00,000
Mr. Krishnappa Chinnappa	3,00,000	3,00,000
Mr. Danappa Irappa Tadasalur	3,00,000	3,00,000
Lease rent for infrastructures:		
Inspire India Financial Solutions Private Limited	3,37,080	3,37,080
Investments in Equity shares of the company:		
Mr. Sharanabasappa C Patil	942,000	---------
Mr. Veloor Balakrishna	942,000	---------
Mr. Krishnappa Chinnappa	930,000	---------
Mr. Danappa Irappa Tadasalur	942,000	---------

The Company has the following amounts due from / to related parties

Particulars	31 March 2015	31 March 2014
	Amount `.	Amount `.
Due to Key Managerial personnel (included in current liabilities)	5,09,261	3,92,984
Due to Inspire India Financial Solutions Private Limited (included in current liabilities)	1,49,227	30,281

29. Based on the information available with the company, principal amount due to micro and small enterprises as defined under MSMED Act, 2006 is `. Nil (31 March 2014: Nil). Further interest paid during the year and interest due at the end of the year to micro and small enterprises is `. Nil (31 March 2014: Nil).

30. Effective from 1 April 2014, the Company has changed the depreciation charge based on revised remaining useful lives of the assets as per the requirement of schedule II of the Companies Act, 2013. Due to this, the depreciation charge for the year ended 31 March 2015 is higher by Rs.131,309. Further, based on transitional provisions as provided in Schedule II, an amount of Rs.Nil has been charged as additional depreciation to Profit and Loss account in respect of asset whose remaining useful life is nil as on 1 April 2014.

31. The company has not provided for gratuity on actuarial basis as required by AS-15 prescribed under the Companies (Accounting Standards) Rules, 2006, (as amended) which continues to apply as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014. The same shall be adjusted in the accounts after getting the actuarial valuation report. The liability is not covered by funding the same.

32. Calculation of EPS (Basic and Diluted)

S.no	Particulars	31 March 2015	31 March 2014
1	Opening No. of Shares	41,11,911	37,66,695
2	Total Shares Outstanding	46,48,911	41,11,911
3	Weighted average number of shares	42,90,258	40,43,068
4	Net Profit attributable to equity share holders	`.9,04,291	`. (42,23,285)
5	Basic and Diluted EPS	`. 0.21	`. (1.04)

33. The company has reclassified previous year figures to conform to current year's classification.

as per our report of even date
for M/s T D JAIN AND D I SAKARIA **for and on behalf of the Board**
Chartered Accountants
firm Registration No.002491S

DHANPAL I SAKARIA
Partner Managing Director Director
M.No.213666

Place: Bengaluru
Date : 27 August 2015