INDEPENDENT AUDITOR'S REPORT

To
The Members of Palladium Constructions Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Palladium Constructions Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2020 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 42 of the Financial Statements, which states the impact of Corona virus Disease 2019 (Covid-19) on the operations of the Company. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No.	Key Audit Matters	Auditor's Response
1	**Revenue Recognition of Construction Contracts in accordance with Ind AS 115** The application of the revenue accounting standard Ind AS 115 involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over a period of time. Refer Note 3 (k) to the Standalone Financial Statements.	**Principal audit procedures** • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. • Selected a sample of continuing and new contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Verified the progress towards satisfaction of performance obligations used to compute recorded revenue with contractual obligations, necessary approvals pertaining to the completion of the project, third party certifications and the collectability of an

		amount of consideration. • Performed project wise analytical procedures for reasonableness of revenues.
2	**Carrying values of Inventories (Construction work in Progress and Stock in Trade)**	**Principal audit procedures**
	There is a risk that the valuation of inventory may be misstated as it involves the determination of net realizable value (NRV) and estimated total construction cost of completion of each of the projects which is an area of judgement. Refer Notes 3 (e) and 8 to the Standalone Financial Statements.	We assessed the Company's process for the valuation of inventories. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of the internal controls relating to the valuation of inventories. • Tested the operating effectiveness of controls for the review of estimates involved for the expected cost of completion of projects including construction cost incurred, construction budgets and net realizable value. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. Selected a sample of project specific inventories and performed the procedures around: • Construction costs incurred for the project specific inventories by tracing to the supporting documents, estimated total construction cost to be incurred for completing the construction of the project and corroborated the same with the reports from external supervising engineers, where applicable. Obtained the company's assessment of NRV for the project specific inventories. • The expected net amounts to be realized from the sale of inventory in the ordinary course of business.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, 2016, as amended 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 pending litigations on its financial position in its standalone Ind AS financial statements [Refer Note 37 to the financial statements].

ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.

iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year; and

For A.M.Ghelani & Associates
Chartered Accountants
Registration No : 103172W

Anil Khanna
Partner
Membership No.: 153522

ICAI UDIN:

Place : Mumbai
Dated :

"Annexure A" referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date

The Annexure referred to in Independent Auditor's Report to the members of the company on the standalone Financial Statements for the year ended 31st March 2020, we report that:

i) In respect of its Fixed Assets :

a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.

b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of Company.

ii) In respect of its Inventories :

a. As explained to us, inventories consist of Land, Reality Work-In-Progress and Food and Beverages. According to the information and explanations given to us, the inventories have been physically verified during the year by the management at year end.

b. The company has maintained proper records of inventory and discrepancies noticed on physical verification of the inventory as compared to books record which has been properly dealt with in the books of account were not material.

iii) The Company has not granted any loans, secured or unsecured, to Companies / firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the requirement of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order not applicable to the company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 & 186 of the Act, with respect to the loans & investments made.

v) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed hereunder. Therefore, provisions of Clause (v) of paragraph 3 of the Order are not applicable to the company.

vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2016 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of Opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of Statutory dues :

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.

b. According to the information and explanations given to us, the disputed statutory dues are listed hereunder :-

a. Disputed KVAT Liability for FY 2013-14, including interest and penalty thereon, amounting to Rs. 8,458,919 as the matter is in appeal before the Joint Commissioner (Appeals), Karnataka VAT, Bangalore. The Company has paid Rs. 2,537,695 equivalent to 30% of the said tax demand and has furnished a Bank Guarantee for the balance of Rs. 5,921,224 in the form of Fixed Deposit with Corporation Bank.

b. Disputed KVAT Liability for FY 2012-13, including interest and penalty thereon, amounting to Rs. 6,921,787 as the matter is in appeal before the Joint Commissioner (Appeals), Karnataka VAT, Bangalore. The Company has paid Rs. 2,076,536 equivalent to 30% of the said tax demand and has furnished a Bank Guarantee for the balance of Rs. 4,845,251 in the form of Fixed Deposit with Corporation Bank.

c. Disputed KVAT Liability for FY 2014-15, including interest and penalty thereon, amounting to Rs. 38,777,406 as the matter is in appeal before the Karnataka High Court. The Company has paid Rs. 500,000.

d. Disputed Service Tax Liability to Rs. 1,783,354 as the matter is in appeal before the Commissioner of Service Tax (Appeals) Bangalore, Karnataka.

e. Disputed Service Tax Liability to Rs. 9,57,60,864 as the matter is in appeal before the Commissioner of Service Tax (Appeals) Mysuru, Karnataka.

f. Disputed KVAT Liability for FY 2016-17, including interest and penalty thereon, amounting to Rs.1,67,35,705 as the matter is in appeal before the DCCT (Audit), Karnataka VAT, Bangalore. The Company has paid Rs. 5,020,712 equivalent to 30% of the said tax demand and has furnished a Bank Guarantee for the balance of Rs. 1,17,14,993 in the form of Fixed Deposit with Corporation Bank.

g. Disputed KVAT Liability for FY 2017-18, including interest and penalty thereon, amounting to Rs.21,09,900 as the matter is in appeal before the DCCT (Audit), Karnataka VAT, Bangalore. The Company has paid Rs. 6,32,969 equivalent to 30% of the said tax demand and has furnished a Bank Guarantee for the balance of Rs. 1,476,9,31 in the form of Fixed Deposit with Corporation Bank.

viii) According to the records examined by us and the information and explanation given to us, we are of the opinion that the company has not defaulted in re-payment of dues to financial institution and banks.

ix) The term loans were applied for the purpose for which the loans were obtained.

x) In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) Based upon the audit procedures performed and information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with "schedule v" to the companies Act, 2013.

xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provision of clause (xii) of the Paragraph 3 of the Order not applicable to the Company.

xiii) In our opinion, all the transactions with related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and the details have been disclosed in the Standalone Ind AS Financial Statements 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. Accordingly, the provision of clause (xiv) of paragraph 3 of the Order Not applicable to the Company.

xv) The Company has not entered into any Non-Cash transaction with Director or Persons connected with him. Hence, the requirement of Clause (xv) of paragraph 3 of the Order Not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of Clause (xvi) of the paragraph 3 of Order not applicable to the Company.

For A.M.Ghelani & Associates
Chartered Accountants
Registration No : 103172W

Anil Khanna
Partner
Membership No.: 153522

ICAI UDIN:

Place : Mumbai
Dated :

"Annexure B" referred to in paragraph 2(f) under the heading Report on other legal and regulatory requirements of our report of even date

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

We have audited the internal financial controls over financial reporting of **Palladium Constructions Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on 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". 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.

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 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) pertain 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 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, 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, 2020, 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".

For A.M.Ghelani & Associates
Chartered Accountants
Registration No : 103172W

Anil Khanna
Partner
Membership No.: 153522

ICAI UDIN:

Place : Mumbai
Dated :

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Balance Sheet as at 31st March, 2020

(Amount in Rs.)

Particulars	Note no.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,39,90,25,662	1,49,51,84,884
Other Intangible assets		41,56,148	56,35,364
Capital Work-in-progress		51,12,621	29,55,901
Goodwill on account of Amalgamation		26,16,520	26,16,520
Financial assets			
- Other	6	6,55,24,941	5,35,16,754
Other non-current assets	7	18,64,36,103	7,25,68,379
(A)		**1,66,28,71,995**	**1,63,24,77,802**
Current assets			
Inventories	8	7,92,17,81,267	8,74,06,56,006
Financial assets			
- Trade receivables	9	1,05,81,70,933	95,46,84,800
- Cash and cash equivalents	10	14,05,44,944	9,48,06,872
- Bank Balance other than above	11	3,55,08,114	3,31,00,353
- Other	12	78,18,238	94,34,601
Current Tax Assets (net)	13	17,84,52,627	6,49,38,462
Other current assets	14	56,65,15,004	82,59,19,601
(B)		**9,90,87,91,128**	**10,72,35,40,695**
TOTAL ASSETS (A + B)		**11,57,16,63,122**	**12,35,60,18,497**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	15	33,03,17,240	33,03,17,240
Other equity	16	5,95,95,20,285	5,33,97,53,994
(A)		**6,28,98,37,525**	**5,67,00,71,234**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	17	1,28,11,93,860	1,59,62,75,684
Provisions	18	1,44,60,532	1,16,98,049
Deferred tax Liabilities (Net)	19	1,48,57,246	34,38,166
Other non-current liabilities	20	9,27,18,691	5,97,12,934
(B)		**1,40,32,30,329**	**1,67,11,24,833**
Current liabilities			
Financial liabilities			
- Borrowings	21	2,79,17,02,287	2,23,30,61,732
- Trade Payables	22	23,07,08,280	57,11,69,807
- Other financial liabilities	23	27,25,03,200	1,41,45,833
Provisions	24	1,57,11,202	21,59,600
Other current liabilities	25	56,79,70,299	2,19,42,85,458
(C)		**3,87,85,95,268**	**5,01,48,22,430**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**11,57,16,63,122**	**12,35,60,18,497**

Significant Accounting Policies and Notes on Financial Statements **1 to 43**

As per our Report of even date

For **A. M. Ghelani & Associates**
Chartered Accountants
Firm Registration No.: 103172W

For and on behalf of the Board of Directors

Anil Khanna
Partner
Membership No.: 153522

Varun Parwal
Director
DIN No.0007586435

Raghav Bajoria
Director
DIN No.0008713745

Place:- Mumbai
Date :- 25th June, 2020

VENKATA SUBBARAM MOHAN GUPTA KASAMSETTY
Chief Financial Officer

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Statement of Profit & Loss for the financial year ended on 31st March, 2020

Particulars	**Notes**	**For the financial year ended on 31st March, 2020**	**For the financial year ended on 31st March, 2019**
Revenue from operations	**26**	3,16,92,46,911	4,16,51,37,037
Other income	**27**	3,48,26,805	8,14,38,312
Total Income		**3,20,40,73,716**	**4,24,65,75,349**
Expenses			
Cost of materials consumed	**28**	76,66,45,076	4,17,63,16,583
Changes in inventories of finished goods, work in progress and stock-in-trade	**29**	81,88,74,743	(2,43,43,36,779)
Employee benefit expense	**30**	15,03,54,819	15,18,29,109
Finance cost	**31**	38,20,20,362	29,44,02,002
Depreciation and amortisation expense	**5**	10,63,24,917	10,47,10,636
Other expense	**32**	35,06,41,638	34,52,13,654
Total Expenses		**2,57,48,61,555**	**2,63,81,35,205**
Profit before tax		**62,92,12,161**	**1,60,84,40,144**
Tax Expense:			
Current Tax		-	(27,43,00,000)
Deferred Tax (Including MAT Credit utlisation of Rs.Nil /-) (P.Y Credit Utlisation of Rs.7,14,81,730/-)		(1,14,19,080)	(9,12,86,072)
Profit for the year from continuing operations		**61,77,93,081**	**1,24,28,54,072**
Profit for the year		**61,77,93,081**	**1,24,28,54,072**
Other comprehensive income		**-**	**-**
Total comprehensive income for the year *(Profit + other comprehensive income)*		**61,77,93,081**	**1,24,28,54,072**
Earning per equity share	**36**		
Basic		**18.70**	**37.63**

Significant Accounting Policies and Notes on Financial Statements **1 to 43**

As per our Report of even date
For A. M. Ghelani & Associates
Chartered Accountants
Firm Registration No.: 103172W

For and on behalf of the Board of Directors

Anil Khanna
Partner
Membership No.: 153522

Varun Parwal
Director
DIN No.0007586435

Raghav Bajoria
Director
DIN No.0008713745

Place:- Mumbai
Date :- 25th June, 2020

VENKATA SUBBARAM MOHAN GUPTA KASAMSETTY
Chief Financial Officer

PALLADIUM CONSTRUCTIONS PRIVATE LIMITED

CIN: U45400MH2008PTC178115

Cash Flow Statement for the financial year ended on 31st March, 2020

Sr. No.	Particulars	For the financial year ended on 31st March, 2020	For the financial year ended on 31st March, 2019
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before Tax as per Statement of the Profit & Loss	62,92,12,161	1,60,84,40,144
	Adjustments for Non Cash / Non Operating Income:-		
	Adjustment on Account of IND AS 115	-	(1,13,23,26,236)
	ESOP cost	19,73,209	30,19,770
	Interest Expenses	38,20,20,362	29,44,02,002
	Interest Income	(46,92,208)	(75,15,599)
	Depreciation	10,63,24,917	10,47,10,636
	Operating Cash Flow before Working Capital Changes	1,11,48,38,441	87,07,30,716
	Adjustments for Working Capital changes:-		
	Inventories	81,88,74,739	(2,38,58,11,957)
	Trade Payables and other payables	(1,65,90,99,471)	1,50,91,83,439
	Trade Receivables and others	2,76,34,792	(93,70,15,218)
	Cash Generated from Operations	30,22,48,502	(94,29,13,019)
	Taxes Paid	(11,35,14,169)	(21,56,76,442)
	Net Cash Generated/(Used) from Operating Activities	**18,87,34,333**	**(1,15,85,89,461)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment	(1,08,43,200)	(1,44,71,401)
	Interest Received	63,08,571	23,71,227
	Net Cash Generated/(Used) in Investing Activities	**(45,34,629)**	**(1,21,00,174)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from the Working Capital Loan taken during the year [Net]	(59,81,34,466)	12,63,00,472
	Proceeds from the ICD Taken/(Refunded)	84,16,93,197	1,40,72,23,623
	Interest Paid	(38,20,20,362)	(29,44,02,002)
	Net Cash Generated from / (used in) Financing Activities	**(13,84,61,631)**	**1,23,91,22,093**
	Net Increase/ (Decrease) in Cash and Cash Equivalents	4,57,38,073	6,84,32,458
	Opening Balance of Cash and Cash Equivalents	9,48,06,872	2,63,74,412
	Closing Balance of Cash and Cash Equivalents	**14,05,44,944**	**9,48,06,872**

Notes:-

Cash and Cash Equivalents include :		
Cash on hand	7,24,851	4,74,543
Balances with Scheduled Banks	13,98,20,093	9,43,32,329
Cash and Bank Balances	**14,05,44,944**	**9,48,06,872**

The figures in brackets represent Cash outflows.

As per our Report of even date

For **A. M. Ghelani & Associates**
Chartered Accountants
Firm Registration No.: 103172W

For and on behalf of the Board of Directors

Anil Khanna
Partner
Membership No.: 153522

Varun Parwal
Director
DIN No.0007586435

Raghav Bajoria
Director
DIN No.0008713745

Place : Mumbai

Date :- 25th June, 2020

VENKATA SUBBARAM MOHAN GUPTA KASAMSETTY
Chief Financial Officer

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Statement of Changes in Equity as at 31st March, 2020

(Amount in Rs.)

15	Equity share capital	Opening balance as at 1st April, 2018	Changes in equity share capital during the year	Opening balance as at 1st April, 2019	Changes in equity share capital during the year	Closing balance as at 31st March, 2020
	3,30,31,724 (P.Y. 3,30,31,724) Equity Shares of Rs.10/- each fully paid up	33,03,17,240	-	33,03,17,240	-	33,03,17,240
		33,03,17,240	**-**	**33,03,17,240**	**-**	**33,03,17,240**

16	Other Equity		Reserves & surplus			
		Equity Component of compounded Financials Instrument	Securities Premium	Retained Earning	Replacement Reserve Fund	Total
	Balance as at 1st April, 2018	**58,91,158**	**3,12,01,94,761**	**2,08,22,57,520**	**1,78,62,950**	**5,22,62,06,389**
	Profit For the Year	-	-	1,24,28,54,072	-	**1,24,28,54,072**
	Employees Stock Option Scheme	30,19,770	-	-	-	**30,19,770**
	Transfer To Replacement Reserve	-	-	(99,66,201)	99,66,201	**-**
	Adjusment of IND AS 115	-	-	(1,13,23,26,236)	-	**(1,13,23,26,236)**
	Balance as at 31st March, 2019	**89,10,928**	**3,12,01,94,761**	**2,18,28,19,155**	**2,78,29,151**	**5,33,97,53,994**
	Profit For the year	-	-	61,77,93,081	-	**61,77,93,081**
	Employees Stock Option Scheme	19,73,209	-	-	-	**19,73,209**
	Transfer To Replacement Reserve	-	-	(1,00,34,780)	1,00,34,780	**-**
	Balance as at 31st March, 2020	**1,08,84,137**	**3,12,01,94,761**	**2,79,05,77,457**	**3,78,63,931**	**5,95,95,20,285**

As per our Report of even date

For A. M. Ghelani & Associates
Chartered Accountants
Firm Registration No.: 103172W

For and on behalf of the Board of Directors

Anil Khanna
Partner
Membership No.: 153522

Varun Parwal
Director
DIN No.0007586435

Raghav Bajoria
Director
DIN No.0008713745

Place:- Mumbai

Date :- 25th June, 2020

VENKATA SUBBARAM MOHAN GUPTA KASAMSETTY
Chief Financial Officer

Notes on Financial Statement for the year ended 31st March, 2020

1. Corporate Information:

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at 2nd floor, R.R. Hosiery Building, off Dr.Annie Besant Road, Mahalaxmi(W), Mumbai – 400011.

The Company is engaged in Real Estate Development as well as Hospitality Services.

For the information of the Company's principal shareholders, refer Note No. 15

These financial statements were approved and adopted by the board of directors of the Company in their meeting dated June 25, 2020.

2. Basis of Preparation of Financial Statement:

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes to Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 4 on critical accounting estimates, assumptions and judgements).

3. Significant Accounting Policies:

a) Basis of measurement:

The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit plans – plan assets measured at fair value.

The financial statements are presented in INR, which is the Company's functional currency and all amounts are rounded to the nearest rupees.

b) Property, Plant and Equipment:

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the written down method to allocate their cost, net of their residual values, over their estimated useful lives as specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit or loss.

c) Intangible asset:

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer Software acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation methods and periods

Estimated useful lives of Intangible assets are considered as 5 years. Intangible assets are amortised over its useful life using the straight-line method. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

d) Impairment of Non – Financial Asset:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior account in period is reversed if there has been a change in the estimate of recoverable amount.

e) Inventories:

Inventories comprise Land and Realty work in progress representing properties under construction/ development of residential project.

Inventories are stated at the lower of cost and net realisable value. Cost of realty construction / development comprises all cost directly related to the project and other expenditure as identified by management which are incurred for the purpose of executing and securing the completion of the project (net off incidental recoveries, receipts). Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

Cost of Realty construction/development is charged to the Statement of Profit & Loss in Proportion to the revenue recognized during the period and balance cost is carried over under Inventory as part of Realty Work-in-Progress.

Stock of Food & Beverages and Stores & Operating supplies are carried at lower of cost (computed on Weighted Average basis) or net realizable value. Cost includes the cost of purchase including duties and taxes (other than those refundable), inward freight and other expenditure directly attributable to the purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

f) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks and 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.

g) Foreign currency transactions:

The financial statements are presented in INR, which is the Company's functional currency.

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

h) Financial Instrument:

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. Classifications of financial instrument are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instrument.

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the company measures a financial asset at its fair value plus or minus, 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

ii) Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

- **Debt instrument at 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 and is not part of a hedging relationship 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.

- **Debt instrument at 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.

- **Debt instrument at fair value through profit and loss (FVTPL):**

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 and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Equity instruments:**

All equity instruments are initially measured at fair value. Any subsequent fair value gain /loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity securities are recognised in Other Comprehensive Income.

iii) Derecognition:

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

a) The Company has transferred substantially all the risks and rewards of the assets,
b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement .In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

iv) Impairment of Financial asset:

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Company follows 'simplified approach' for recognition of impairment loss allowance on

- Trade receivables or contract revenue receivables; and
- All lease receivables

The application of simplified approach does not require the group 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.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the group 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 recognise impairment loss allowance based on 12-month ECL.

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.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

v) Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of property sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Financial Liabilities:

a) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or 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.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

b) Subsequent measurement:

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

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition 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. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

c) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the term so far existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

i) Classification of assets and liabilities as current and non – current:

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,
b) It is held primarily for the purpose of trading,
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

j) Equity share capital:

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

k) Revenue Recognition:

Revenue from Projects

i. The Company develops and sells residential properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

ii. The Company invoices the customers for construction contracts based on achieving performance-related milestones.

Revenue from Hospitality Services

Revenue from Hospitality Services i.e. sale of rooms, food and beverages and allied services relating to hotel operations is being recognized when it is earned and no significant uncertainty exists as to its realization or collection. Rebates and discounts granted to customers are reduced from revenue

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised when the right to receive the payment is established.

l) Employees benefits:

(i) Short-term Employee benefits:

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, shot term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

(ii) Long term Employee benefits:

Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity, and
(b) defined contribution plans such as provident fund.

Gratuity obligations

The cost of providing gratuity, a defined benefit plans, is determined using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Other Comprehensive Income in the period in which they arise. Other costs are accounted in Statement of Profit and Loss.

The Company operates defined benefit plans for gratuity, which requires contributions to be made to a separately administered funds. These funds are managed by LIC trusts. These trusts have taken policies from an insurance company. These benefits are partially funded.

Employee provident fund

Contribution to provident fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via Employee Option Plan.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

m) Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n) Provisions and contingencies:

Provisions are recognised when the Group 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. Provisions are not recognised for future operating losses.

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.

o) Income Taxes:

Current Income Tax:

Current Income Tax liabilities (assets) are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred Tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Income Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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) Earning per share:

The Company's Earning per Share ('EPS') is determined based on the net profit attributable to the equity shareholders' of the Company and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) for such instruments

q) Fair Value measurement:

The Company measures financial instrument such as certain investments, at fair value at each balance sheet date.

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

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4. Critical accounting estimates, assumptions and judgements:

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) Property, Plant and Equipment

An external adviser or internal technical assessment is used to assist in determining their remaining useful lives and residual value. Management believes that the assigned useful lives and residual value are reasonable.

(b) Intangibles

Internal technical team or users assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

(c) Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(d) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(e) Fair value measurement of financial instruments

When the fair values of financial assets and liabilities recorded in the balance sheet cannot be measured based on quote prices in the active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(h) Defined Benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation 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, mortality rates and attrition rate. 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.

(i) Fair value measurement of Share based payments

Fair value of the options granted are based on various assumptions like entity's share price, profitability, sales growth targets and remaining an employee of the entity over a specified time period, the requirement for employees to save or holdings shares for a specific period of time. Due to the complexities involved in the valuation and its long-term nature, Share based payment obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances. They are continually evaluated.

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Notes to financial statements for the financial year ended on 31st March, 2020

Note No. 5 Property, Plant and Equipment (Amount in Rs)

	Land	Buildings	Roads	Plant and Machinery	HOES Consumables	Furniture and Fixtures	Office Equipments [incl. Electric	Computers	Motor Vehicles	Computer Software	CWIP	Total
Gross Block :												
As at 1st April 2018	14,71,07,970	89,54,11,725	7,53,957	33,36,27,963	2,97,66,095	54,31,18,179	26,97,88,010	2,41,22,966	47,05,105	1,82,63,996	-	2,26,66,65,966
Additions	-	-	-	13,63,500	30,000	73,000	17,03,564	71,50,609	-	11,94,828	29,55,901	1,44,71,402
Adjustments/Deletions	-	-	-	-	-	-	-	6,08,483	-	(6,08,483)	-	-
As at 31st March 2019	**14,71,07,970**	**89,54,11,725**	**7,53,957**	**33,49,91,463**	**2,97,96,095**	**54,31,91,179**	**27,14,91,574**	**3,06,65,092**	**47,05,105**	**2,00,67,307**	**29,55,901**	**2,28,11,37,368**
Additions	-	-	-	3,07,000	-	7,87,998	1,43,075	73,19,969	-	1,28,438	21,56,720	1,08,43,200
As at 31st March, 2020	**14,71,07,970**	**89,54,11,725**	**7,53,957**	**33,52,98,463**	**2,97,96,095**	**54,39,79,177**	**27,16,34,649**	**3,79,85,061**	**47,05,105**	**2,01,95,745**	**51,12,621**	**2,29,19,80,568**
Accumulated depreciation:												
As at 1st April 2018	-	7,95,62,542	7,31,338	10,78,66,794	2,88,94,107	29,23,65,043	12,68,51,513	2,05,45,111	35,82,748	1,22,51,386	-	67,26,50,583
Depreciation Charged	-	1,40,95,521	-	1,81,43,843	65,316	4,66,00,011	2,05,81,719	26,91,180	3,65,965	21,67,081	-	10,47,10,636
Adjustments/Deletions	-	-	-	-	-	-	-	13,476	-	(13,476)	-	-
As at 31st March 2019	**-**	**9,36,58,063**	**7,31,338**	**12,60,10,637**	**2,89,59,423**	**33,89,65,054**	**14,74,33,232**	**2,32,22,815**	**39,48,713**	**1,44,31,943**	**-**	**77,73,61,219**
Depreciation Charged	-	1,41,05,690	-	1,82,90,248	1,97,904	4,66,01,407	2,05,60,504	47,05,032	2,56,478	16,07,654	-	10,63,24,917
As at 31st March, 2020	**-**	**10,77,63,754**	**7,31,338**	**14,43,00,885**	**2,91,57,328**	**38,55,66,461**	**16,79,93,736**	**2,79,27,847**	**42,05,191**	**1,60,39,597**	**-**	**88,36,86,136**
Net Book Value												
As at 31st March, 2019	**14,71,07,970**	**80,17,53,661**	**22,619**	**20,89,80,826**	**8,36,672**	**20,42,26,125**	**12,40,58,342**	**74,42,277**	**7,56,392**	**56,35,364**	**29,55,901**	**1,50,37,76,148**
As at 31st March, 2020	**14,71,07,970**	**78,76,47,971**	**22,619**	**19,09,97,578**	**6,38,767**	**15,84,12,716**	**10,36,40,913**	**1,00,57,214**	**4,99,914**	**41,56,148**	**51,12,621**	**1,40,82,94,432**

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Notes to financial statements for the financial year ended on 31st March, 2020

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
6	**Non-Current Financials Assets- Other**		
	Fixed Deposit with Bank (Original Maturity more than 1 year)	2,45,83,790	1,13,91,867
	(Furnished as Bank Guarantee to the Karnataka VAT Authorities towards the tax demand for Financial Year 2012-13, 2013-14, 2016-17 & 2017-18 Refer Note No. 37)		
	Fixed deposit - Guarantees (includes interest accrued on Deposits) (Margin Money against EPCG guarantee)	4,09,41,151	4,21,24,887
		6,55,24,941	**5,35,16,754**
7	**Other Non-Current Assets**		
	Advances to Contractors/Suppliers	16,52,45,027	6,69,17,078
	Other Advances/Deposits.	2,11,91,076	56,51,301
		18,64,36,103	**7,25,68,379**
8	**Inventories**		
	(As taken, valued and certified by the Management)		
	Land	1,74,14,60,212	1,98,04,59,497
	Realty Work in Progress	6,17,49,90,126	6,75,67,19,458
	Food & Beverages	53,23,777	34,72,470
	Tobacco	7,152	4,581
		7,92,17,81,267	**8,74,06,56,006**
9	**Trade Receivables**		
	Unsecured,		
	Unsecured, Considered good	1,05,85,32,173	95,51,09,670
	Less : Allowance for Expected Credit loss	(3,61,241)	(4,24,870)
		1,05,81,70,933	95,46,84,800
	Significant increase in Credit Risk	-	-
	Less : Allowance for Expected Credit loss	-	-
		-	-
	Credit impaired	-	-
	Less : Allowance for Expected Credit loss	-	-
		1,05,81,70,933	**95,46,84,800**
10	**Cash & Cash Equivalents**		
	a. Balances with Banks		
	In current accounts	13,98,20,093	9,43,32,329
	b. Cash on hand	7,24,851	4,74,543
		14,05,44,944	**9,48,06,872**
11	**Bank Balance other than above**		
	Fixed Deposit (Less than one year)	3,55,08,114	3,31,00,353
		3,55,08,114	**3,31,00,353**
12	**Current Financials Assets- Other**		
	Interest Accrued on Fixed Deposit	78,18,238	94,34,601
		78,18,238	**94,34,601**
13	**Current Tax Assets (net)**		
	Taxes Paid (net of Provisions)	17,84,52,627	6,49,38,462
		17,84,52,627	**6,49,38,462**
14	**Other Current Assets**		
	Advances to Contractors/Suppliers	18,28,09,523	14,26,31,754
	Balances with the Government Authorities	68,89,28,314	67,38,07,316
	Prepaid Expenses	82,32,970	68,74,996
	Other Advances/Deposits	88,24,350	26,05,535
		88,87,95,157	**82,59,19,601**

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Notes to financial statements for the financial year ended on 31st March, 2020

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
15	**Share Capital**		
	Authorised		
	6,10,00,000 (P.Y. 6,10,00,000) Equity Shares of Rs.10/- each	61,00,00,000	61,00,00,000
	Issued, Subscribed and Paid Up		
	3,30,31,724 (P.Y. 3,30,31,724) Equity Shares of Rs.10/- each fully paid up	33,03,17,240	33,03,17,240

a] Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March, 2020	As at 31st March, 2019
Shares outstanding at the beginning	3,30,31,724	3,30,31,724
Shares outstanding at the end	**3,30,31,724**	**3,30,31,724**

b] Details of shareholders holding more than 5% Shares in the company

Particulars	31st March 2020		31st March 2019	
Equity Shares of Rs.10 each fully paid up	**Number of shares**	**% of Holdings**	**Number of shares**	**% of Holdings**
The Phoenix Mills Limited	1,72,72,662	52.29	1,72,72,662	52.29
Phoenix Hospitality Company Private Limited	1,57,59,062	47.71	1,57,59,062	47.71

c] The company has only one class of Equity shares having a face value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
16	**Other Equity**		
	Securities Premium :		
	As at the Beginning	3,12,01,94,761	3,12,01,94,761
	As at the End	**3,12,01,94,761**	**3,12,01,94,761**
	Retained Earnings :		
	As at the Beginning	2,18,28,19,155	2,08,22,57,520
	Less :- Adjustment on Account of IND AS 115	-	(1,13,23,26,236)
	Less: Transfer to Replacement Reserve	(1,00,34,780)	(99,66,201)
	Add: Profit for the year	61,77,93,081	1,24,28,54,072
	As at the end	**2,79,05,77,456**	**2,18,28,19,155**
	Replacement reserve Fund		
	As at the Beginning	2,78,29,151	1,78,62,950
	Add: Transferred from Retained Earning	1,00,34,780	99,66,201
	As at the end	**3,78,63,930**	**2,78,29,151**
	Employee Stock Option (Equity Component)		
	As at the Beginning	89,10,928	58,91,158
	Add: Profit for the year	19,73,209	30,19,770
	As at the end	**1,08,84,137**	**89,10,928**
		5,95,95,20,285	**5,33,97,53,994**

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
	Nature and Purpose of Reserves		
(a)	**Securities Premium :** It represents the amount received in excess of par value of securities. The same can be utilized as per provisions of section 52 of the Companies Act, 2013.		
(b)	**Retained Earnings:** Retained earnings are the profits that the company has earned till date,less any transfers to general reserve, dividends or other distributions paid to shareholders.		
(c)	**Replacement reserve Fund** As per the operating agreement with Hotel operator, the Company is required to create a replacement reserve fund based on percentage of monthly revenues. The said fund is required to be earmarked and kept separately which can be utilised only for routine capital expenditure in respect of the hotel property as per the operating plan or as proposed by the hotel operator.		
(d)	**Share option outstanding :** It represents fair value of stock option granted to employees of the Company under "Employee Stock Option Scheme 2007" by the holding company. Under the scheme, employees of the Company entitles the shares of the holding company.		
17	**BORROWINGS :**		
	Secured Term loans		
	Standard Chartered Bank	1,55,36,97,060	1,61,04,21,517
	Less:- Current maturities of Long Term Debts	(27,25,03,200)	(1,41,45,833)
		1,28,11,93,860	**1,59,62,75,684**

Term Loan referred above are secured on pari-passu basis by equitable mortgage of immovable properties namely 'Phase-1 (Tower 1-5)' of project One Bangalore West,'Phase-2 (Tower-6)' of project One Bangalore West,admeasuring 14,87,000 sq ft. in aggregate and paripassu charge over Courtyard Marriott,Agra, which is a 5 star hotel.

Maturity profile of Term Loan from Bank are set out below

TERM LOAN FROM BANK			
FY 2020-2021	27,25,03,200	FY 2025-2026	5,34,37,500
FY 2021-2022	57,38,18,860	FY 2026-2027	6,05,62,500
FY 2022-2023	32,69,00,000	FY 2027-2028	6,84,00,000
FY 2023-2024	3,99,00,000	FY 2028-2029	7,41,00,000
FY 2024-2025	4,63,12,500	FY 2029-2030	3,77,62,500

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Notes to financial statements for the financial year ended on 31st March, 2020

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
18	**Provisions**		
	Provision for Employee Benefits:		
	Gratuity (Funded)	53,06,156	39,86,050
	Leave Encashment	91,54,376	77,11,999
		1,44,60,532	**1,16,98,049**
19	**Deferred Tax Liabilities (Net)**		
	At start of year	34,38,166	(8,78,47,907)
	Charge/ (credit) to profit or loss	1,14,19,080	1,98,04,343
	MAT Credit Written off	-	7,14,81,730
	At the end of the year	**1,48,57,246**	**34,38,166**
20	**Other non-current liabilities**		
	Retention Money of Contractors	7,47,59,186	4,17,53,429
	Deferred Liability of Luxury Tax	1,79,59,505	1,79,59,505
		9,27,18,691	**5,97,12,934**
21	**Borrowings**		
	Secured :		
	Bank Overdraft*	-	28,30,52,642
	Unsecured :		
	Loan From Related Parties (Repayable on demand)	2,79,17,02,287	1,95,00,09,090
		2,79,17,02,287	**2,23,30,61,732**
	*Bank Overdraft referred above are secured on pari-passu basis by equitable mortgage of immovable properties namely 'Phase-1 (Tower 1-5)' of project One Bangalore West,'Phase-2 (Tower-6)' of project One Bangalore West,admeasuring 14,87,000 sq ft. in aggregate and paripassu charge over Courtyard Marriott,Agra, which is a 5 star hotel.		
22	**Trade Payables**		
	Micro & Small Enterprises #	1,04,89,993	3,20,37,899
	Others.	22,02,18,286	53,91,31,908
		23,07,08,280	**57,11,69,807**
	# There are no Micro and Small Enterprises, to whom the company owes dues, for more than 45 days as at March 31,2020 and March 31, 2019. The above information regarding Micro and Small Enterprises has been dertemined 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.		
	The disclosure pursuant to the said Act is as under :		
	a) Principal amount due to supplier under MSMED Act, 2006	-	-
	b) Interest Accrued and due on the above amount, unpaid	-	-
	c) Payment made beyond the appointed day during the year	-	-
	d) Interest paid	-	-
	e) Interest due annd payable for the period of delay	-	-
	f) Interest remaining due and payable in succeeding year	-	-
		-	-
23	**Other Financials Current Liabilities**		
	Current maturities of Long Term Debts (Refer note no.17)	27,25,03,200	1,41,45,833
		27,25,03,200	**1,41,45,833**
24	**Provisions**		
	Provision for Employee Benefits:		
	Gratuity (Funded)	11,42,025	6,15,069
	Leave Encashment	8,22,182	6,63,510
	Salary Payable	1,37,46,996	8,81,021
		1,57,11,202	**21,59,600**
25	**Other Current Liabilities**		
	Advances Received From Prospective Buyers	15,14,58,043	1,18,57,49,277
	Statutory Dues	34,85,62,844	40,15,68,795
	Other Liabilities	39,02,29,565	60,69,67,384
		89,02,50,452	**2,19,42,85,457**

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Notes to Statement of Profit & Loss for the financial year ended on 31st March, 2020

Notes	Particulars	For the financial year ended on 31st March, 2020 (Rs.)	For the financial year ended on 31st March, 2019 (Rs.)
26	**Revenue from operations**		
	Sale of Property	2,79,40,52,539	3,79,50,72,869
	Room income	19,89,07,847	18,80,06,492
	Food & Beverages	15,73,93,468	16,25,96,282
	Other Operating Revenues	1,88,93,057	1,94,61,393
		3,16,92,46,911	**4,16,51,37,037**
27	**Other Incomes**		
	Transfer Fees Collected from Buyers	25,14,318	22,83,110
	Club House CAM	88,33,294	46,92,300
	Interest Income :		
	From Buyers on delayed payments	1,61,34,637	38,29,450
	On Inter Corporate Deposits	-	10,02,740
	On Fixed Deposits with Bank	46,92,208	65,12,859
	Sale of Scrap	-	1,75,504
	Project Technical Services	-	6,00,80,000
	Miscellaneous Income	26,52,348	28,62,349
		3,48,26,805	**8,14,38,312**
28	**Cost of materials consumed**		
	Land cost	-	37,45,36,305
	Cost of Transferable Development Rights (TDR)	13,48,48,004	30,49,10,574
	Consultancy Charges	93,95,886	2,74,79,779
	Site Operating Expenses (Including Personnel Cost)	24,71,14,387	35,85,15,892
	Civil Work (including Materials, Interiors Cost etc.)	19,59,23,323	2,53,25,86,412
	Approvals & Statutory Payments (Incl. taxes)	5,19,959	13,49,25,739
	Electric Installation Expenses, Plumbing Works, Fire Fighting Equipments	12,80,53,506	39,47,49,477
	Cost of Sales-Food & Beverages	5,07,90,010	4,86,12,405
		76,66,45,076	**4,17,63,16,583**
29	**Changes in inventories of finished goods, work in progress and stock-in-trade**		
	Realty		
	As at the beginning	8,73,71,78,959	6,30,34,35,116
	Less : As at the end	(7,91,64,50,338)	(8,73,71,78,959)
	Food & Beverages		
	As at the beginning	34,77,051	28,84,115
	Less : As at the end	(53,30,929)	(34,77,051)
		81,88,74,743	**(2,43,43,36,779)**
30	**Employee benefit expense**		
	Salary, Wages & Bonus	13,96,78,887	13,93,30,566
	Staff Welfare Expenses	44,62,890	52,34,272
	Employee Stock Option Scheme	19,73,209	30,19,770
	Contribution to Provident Fund & other funds	42,39,833	42,44,501
		15,03,54,819	**15,18,29,109**
31	**Finance cost**		
	Interest expense for financial liabilities at amortised cost	38,20,20,362	29,43,96,112
	Other Charges	-	5,890
		38,20,20,362	**29,44,02,002**
32	**Other expense**		
	Office Expenses	60,68,390	68,05,237
	Telephone & Internet Charges	31,18,921	44,59,841
	Postage, Printing & Stationery Expenses	37,42,431	34,84,186
	Legal & Professional fees	5,67,39,602	6,47,39,601
	Repair and Maintenance :		
	Buildings	1,97,45,698	1,95,95,766
	Plant/Machinery	46,03,726	41,55,934
	Others	88,15,795	79,49,716
	Auditors' Remuneration:		
	Audit Fees	22,00,000	22,00,000
	House Keeping Expenses	65,80,854	34,97,631
	Travelling Expenses	1,51,73,689	1,62,56,860
	Sundry Expenses	89,26,580	87,77,838
	Bank Charges	15,69,091	15,22,056
	Donations	-	17,55,094
	Directors Sitting Fees	2,20,000	1,60,000
	Business Promotion Expenses	6,91,06,736	7,03,78,570
	Brokerage/Commission	1,74,76,211	1,96,43,679
	Royalty Fees & Incentives	1,51,38,401	1,28,83,038
	Insurance	9,00,125	23,17,396
	Power & Fuel expenses	4,59,98,060	4,80,64,606
	Rates & Taxes	4,13,06,102	2,28,22,019
	Linen, Room Supplies & Other Supplies	1,18,64,177	1,00,68,740
	Club House Maintenance	1,13,47,050	1,36,75,845
		35,06,41,638	**34,52,13,654**

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Notes on Financial Statements for the financial year ended on 31st March, 2020

(Amount in Rs.)

Note No.	Particulars	For the financial year ended on 31st March, 2020	For the financial year ended on 31st March, 2019
33	**Taxation**		
	Income tax related to items charged or credited to profit or loss during the year:		
	A Statement of Profit or Loss		
	1 Current Income Tax	-	27,43,00,000
		-	**27,43,00,000**
	2 Minimum Alternate Tax credit (Entitlement)/ Utilised	-	7,14,81,730
		-	**7,14,81,730**
	3 Deferred Tax (expenses) / benefits:		
	Relating to origination and reversal of temporary differences	(1,14,19,080)	(1,98,04,342)
		(1,14,19,080)	**(1,98,04,342)**
	Total Income tax Expenses (1 to 3)	**1,14,19,080**	**36,55,86,072**
	B Reconciliation of Current Tax expenses:		
	Profit /(Loss) from Continuing operations	62,92,12,161	1,60,84,40,144
	Applicable Tax Rate	25.17%	34.94%
	Computed tax expenses	**15,83,60,117**	**56,19,88,986**
	Additional allowances for tax purpose	(1,27,05,164)	(43,23,856)
	Expenses not allowed for tax purposes	(2,66,878)	28,25,506
	Other temporary difference	(1,05,39,355)	(2,13,57,008)
	IND AS -115 Impact	(14,38,29,859)	(19,63,88,940)
	Tax paid at lower rate	33,80,393	30,37,042
	Additional Tax Payable due to MAT provision	-	(7,14,81,730)
	Loss Carry Forward	56,00,746	
		-	**27,43,00,000**
	C Deferred Tax Recognised in statement of profit and Loss relates to the following:		
	Accelerated depreciation for tax purpose	(1,02,59,961)	(1,57,17,843)
	Expenses allowable on payment basis	(11,59,119)	(40,86,499)
	Mat Credit Taken/Utilised	-	(7,14,81,730)
	Deferred Tax (Liability)/ Asset	**(1,14,19,080)**	**(9,12,86,072)**
	Particulars		
	Reconciliation of deferred tax (Liability) / Asset net:		
	Opening balance as on 1st April	(34,38,166)	8,78,47,907
	Tax expenses / (income) during the year	(1,14,19,080)	(9,12,86,072)
	Closing balance as on 31st March	**(1,48,57,245)**	**(34,38,166)**
34	**Employees Benefits:**		
	Expenses recognised for Defined contribution plan:	**For the year ended on 31st March, 2020**	**For the year ended on 31st March, 2019**
	Company's Contribution to Provident Fund	34,02,555	27,66,523
	Company's Contribution to Employees State Insurance	6,84,466	8,80,774
		40,87,021	**36,47,297**
	Expenses recognised for Defined benefits plan:		

The company provides gratuity benefit to its employees which are a defined benefit plan. The present value of obligations is determined based on actuarial valuation using the Projected Unit Credit Method.

Gratuity (Funded)

		For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
1	**Change in Defined Benefit Obligation during the year**		
	Defined Benefit Obligation at the beginning	1,24,54,224	88,75,959
	Interest Cost	11,62,820	9,56,894
	Current Service Cost	28,59,123	28,81,998
	Benefits paid during the year	(4,20,274)	(5,23,270)
	Actuarial (gain)/loss on Defined Benefit Obligation	(15,22,493)	2,62,643
	Past service cost	-	-
	Defined Benefit Obligation at the end	**1,45,33,400**	**1,24,54,224**
2	**Change in fair value of Plan Assets during the year**		
	Fair value of Plan Assets at the beginning	78,53,826	74,97,134
	Expected Return on plan assets	6,08,513	6,05,781
	Contribution	1,89,071	4,97,123
	Benefits paid during the year	(3,10,673)	(5,23,270)
	Actuarial (gain)/loss on Plan Asset	(2,55,517)	(2,22,942)
	Fair value of Plan Assets at the end	**80,85,220**	**78,53,826**
3	**Amount to be recognized in Balance sheet:**		
	Present value of Defined Benefit Obligation	1,45,33,400	1,24,54,224
	Fair Value of plan assets at the end	(80,85,220)	(78,53,826)
	Amount recognized in Balance sheet	**64,48,180**	**46,00,398**

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Note No.		Particulars	For the financial year ended on 31st March, 2020	For the financial year ended on 31st March, 2019
	4	**Current / Non - current bifurcation:**		
		Current benefit obligation	11,42,025	6,15,069
		Non - current benefit obligation	53,06,156	39,86,050
	5	**Expense recognized in the Statement of Profit & Loss**		
		Current Service Cost	28,59,123	28,81,998
		Interest cost on obligation	5,54,307	9,56,894
		Expected Return on plan assets	-	(6,05,781)
		Expense recognized in the Statement of Profit & Loss	**34,13,430**	**32,33,111**
	6	**Actuarial (gain)/loss recognized in the Statement of Profit & Loss**		
		Remeasurement due to:		
		Effect of change in financial assumptions	82,343	5,76,595
		Effect of experience adjustments	(16,04,836)	(3,13,952)
		Return on plan of assets(excluding interest)	2,55,517	2,22,942
		Net Actuarial (gain)/loss recognized for the year	**(12,66,976)**	**4,85,585**
	7	**Acturial assumptions used for estimating defined benefit obligations**		
		Discount Rate	6.70%	8.25%
		Salary Escalation Rate	0.00% for the first year, 5.00% for the next year & 7.00% thereafter.	7.50%
		Expected Rate of Return on Assets	7.75%	7.50%
		Mortality Rate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
		Attrition/ Withdrawal Rate	5.00%	5.00%
		The weighted average duration of plan	11.79 years	12.15 years
			Compensated Absence Benefit (Funded)	
			For the year ended on 31st March, 2020	**For the year ended on 31st March, 2019**
	1	**Change in Defined Benefit Obligation during the year**		
		Defined Benefit Obligation at the beginning	83,75,509	72,13,205
		Interest Cost	9,82,574	9,73,933
		Current Service Cost	46,34,609	48,78,101
		Benefits paid during the year	(16,19,545)	(4,48,654)
		Actuarial (gain)/loss on Defined Benefit Obligation	(23,96,589)	(42,41,076)
		Defined Benefit Obligation at the end	**99,76,558**	**83,75,509**
	2	**Amount to be recognized in Balance sheet:**		
		Present value of Defined Benefit Obligation	99,76,558	83,75,509
		Amount recognized in Balance sheet	**99,76,558**	**83,75,509**
	3	**Current / Non - current bifurcation:**		
		Current benefit obligation	8,22,182	6,63,510
		Non - current benefit obligation	91,54,376	77,11,999
	4	**Expense recognized in the Statement of Profit & Loss**		
		Current Service Cost	46,34,609	48,78,101
		Interest cost on obligation	9,82,574	9,73,933
		Actuarial (gain)/losses	(23,96,589)	(42,41,076)
		Expense recognized in the Statement of Profit & Loss	**32,20,594**	**16,10,958**
	5	**Acturial assumptions used for estimating defined benefit obligations**		
		Discount Rate	6.70%	7.75%
		Salary Escalation Rate	0.00% for the first year, 5.00% for the next year & 7.00% thereafter.	10.00%
		Expected Rate of Return on Assets	N.A	N.A
		Mortality Rate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
		Attrition/ Withdrawal Rate	15%	15%
		The weighted average duration of plan	11.79 years	12.15 years

Notes:

1. Salary escalation rate is arrived after taking into account regular increaments, price inflation and promotion and other relevant factors such as supply and demand in employment market.
2. Discount rate is based on prevailing market yields of Indian Government Securities as at balance sheet date for estimated term of obligations.
3. Attrition rate/ withdrawal rate is based on Company's policy towards retention of employees, historical data and industry outlook.
4. Expected contribution to defined benefit plans for the financial year 2020-21 is Rs. 11,42,024
5. The above information is certified by actuary.

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Note No.	Particulars	For the financial year ended on 31st March, 2020	For the financial year ended on 31st March, 2019

Investment Risk:
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk
A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk
The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

35 **Related party Disclosure:**
In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

a) **Related Party with whom transactions have been taken place and relationships:**

	Name of the party	Relationship
1	The Phoenix Mills Ltd	Holding Company
2	Marketcity Resources Pvt Ltd	Fellow Subsidiary
3	Pallazzio Hotels and leisure limited	Fellow Subsidiary
4	Vamona Developers Private Limited	Fellow Subsidiary
5	Classic Mall Development Company Limited	Associates
6	Blackwood Developers Pvt Ltd	Fellow Subsidiary
7	Upal Developers Pvt Ltd	Fellow Subsidiary
8	Sparkleone Mall Developers Private Limited	Fellow Subsidiary
9	Destiny Mall developers private limited	Fellow Subsidiary
10	Arshia Ladak	Key Managerial Person up to 15.01.2020

b) **Transactions during the year:**

Sr. No	Nature of Transactions	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
1	**Inter Corporate Deposit Received**		
	The Phoenix Mills Limited	-	41,78,68,822
2	**Inter Corporate Deposit Repaid (Liability)**		
	The Phoenix Mills Limited	-	95,90,10,766
3	**Inter Corporate Deposit Taken (Loans)**		
	Classic Mall Development Compnay Limited	13,25,00,000	1,00,00,00,000
	Vamona Developers Private Limited	24,85,00,000	1,67,83,00,000
	Blackwood Developers Pvt Ltd	5,00,00,000	-
	Upal Developers Pvt Ltd	10,00,00,000	-
	Destiny Mall developers private limited	15,10,00,000	-
4	**Interest Expenses on ICD**		
	The Phoenix Mills Limited	-	1,78,68,822
	Classic Mall Development Compnay Limited	10,21,11,938	1,61,69,178
	Vamona Developers Private Limited	8,75,12,141	6,35,07,589
	Blackwood Developers Pvt Ltd	11,33,880	-
	Upal Developers Pvt Ltd	23,24,454	-
	Destiny Mall developers private limited	5,23,650	-
5	**Project Management Consultancy Fees/Corporate Cost (expenses) (Excluding Service Tax & GST)**		
	Market City Resources Private Limited	2,72,00,000	2,92,29,000
6	**Project Management Consultancy Fees/Corporate Cost (Income) (Excluding Service Tax & GST)**		
	Vamona Developers Private Limited	-	3,60,00,000
	Blackwood Developers Pvt Ltd	-	1,20,00,000
	Upal Developers Pvt Ltd	-	1,20,00,000
7	**Business Promotion Expenditure**		
	Pallazzio Hotels and leisure limited	7,71,174	-
8	**Legal & Professional Fees**		
	Arshia Ladak	41,87,963	88,91,992

c) **Balances as at the end**

Sr. No.	Nature of Balances	As at 31st March, 2020 (Rs.)	As at 31st March, 2019 (Rs.)
1	**Equity Share Capital (Face Value)**		
	The Phoenix Mills Limited	17,27,26,620	17,27,26,620
2	**Inter Corporate Deposits**		
	Classic Mall Development Compnay Limited	1,22,44,00,744	1,01,45,52,260
	Vamona Developers Private Limited	1,26,27,17,757	93,54,56,830
	Blackwood Developers Pvt Ltd	5,10,20,492	-
	Upal Developers Pvt Ltd	10,20,92,009	-
	Destiny Mall developers private limited	15,14,71,285	-
3	**Equity Share Capital (Face Value)**		
	Phoenix Hospitality Private Limited	15,75,90,620	15,75,90,620
4	**Trade Receivables**		
	Sparkle One Mall Developers Private Limited	48,999	-

Note : -

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through Banking channel.

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Note No.	Particulars	For the financial year ended on 31st March, 2020	For the financial year ended on 31st March, 2019
36	**Earning per share:**		

	Particulars	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
i)	Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	61,77,93,081	1,24,28,54,072
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	3,30,31,724	3,30,31,724
iii)	Basic Earning per share (Rs.)	18.70	37.63
iv)	Face value per equity share (Rs.)	10	10

37 Contingent Liabilities

a) Disputed KVAT Liability for FY 2013-14, including interest and penalty thereon, amounting to Rs. 84,58,919 (P.Y. Rs. 84,58,919) as the matter is in appeal before the Joint Commissioner (Appeals), Karnataka VAT, Bangalore. The Company has paid Rs. 2,537,695 equivalent to 30% of the said tax demand and has furnished a Bank Guarantee for the balance of Rs. 5,921,224 in the form of Fixed Deposit with Corporation Bank.

b) Disputed KVAT Liability for FY 2012-13, including interest and penalty thereon, amounting to Rs.69,21,787 (P.Y. Rs. 69,21,787) as the matter is in appeal before the Joint Commissioner (Appeals), Karnataka VAT, Bangalore. The Company has paid Rs. 2,076,536 equivalent to 30% of the said tax demand and has furnished a Bank Guarantee for the balance of Rs. 4,845,251 in the form of Fixed Deposit with Corporation Bank.

c) Disputed KVAT Liability for FY 2014-15, including interest and penalty thereon, amounting to Rs.3,87,77,406 (P.Y. Rs. 3,87,77,406) as the matter is in appeal before the Karnataka High Court. The Company has paid Rs. 500,000.

d) Disputed Service Tax Liability of Rs. 17,83,354 (P.Y. Rs. 17,83,354) as the matter is in appeal before the Commissioner of Service Tax (Appeals) Bangalore, Karnataka.

e) Disputed Service Tax Liability of Rs. 9,57,60,864 (P.Y. Rs. 9,57,60,864) as the matter is in appeal before the Commissioner of Service Tax (Appeals) Mysuru, Karnataka.

f) Disputed KVAT Liability for FY 2016-17, including interest and penalty thereon, amounting to Rs.1,67,35,705 (P.Y. Rs. Nil) as the matter is in appeal before the DCCT (Audit), Karnataka VAT, Bangalore. The Company has paid Rs. 5,020,712 equivalent to 30% of the said tax demand and has furnished a Bank Guarantee for the balance of Rs. 1,17,14,993 in the form of Fixed Deposit with Corporation Bank.

g) Disputed KVAT Liability for FY 2017-18, including interest and penalty thereon, amounting to Rs.21,09,900 (P.Y. Rs. Nil) as the matter is in appeal before the DCCT (Audit), Karnataka VAT, Bangalore. The Company has paid Rs. 6,32,969 equivalent to 30% of the said tax demand and has furnished a Bank Guarantee for the balance of Rs. 1,476,9,31 in the form of Fixed Deposit with Corporation Bank.

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Note No.	Particulars
38	**Fair Value of Financial assets and Liabilities:**

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are reognised in the financial statements.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets designated at amortised cost				
Trade Receivables	1,05,81,70,933	1,05,81,70,933	95,46,84,800	95,46,84,800
Cash and Cash Equivalents	14,05,44,944	14,05,44,944	9,48,06,872	9,48,06,872
Bank Balances other than above	3,55,08,114	3,55,08,114	3,31,00,353	3,31,00,353
Other financial assets	7,33,43,179	7,33,43,179	6,29,51,355	6,29,51,355
Total	**1,30,75,67,169**	**1,30,75,67,169**	**1,14,55,43,380**	**1,14,55,43,380**
Financial liabilities designated at amortised cost				
Borrowings	4,07,28,96,147	4,07,28,96,147	3,82,93,37,416	3,82,93,37,416
Trade payables and others	23,07,08,280	23,07,08,280	57,11,69,807	57,11,69,807
Other financial liabilities	27,25,03,200	27,25,03,200	1,41,45,833	1,41,45,833
Total	**4,57,61,07,627**	**4,57,61,07,627**	**4,41,46,53,056**	**4,41,46,53,056**

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The following methods and assumptions were used to estimate the fair values

1 Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2 Borrowings are evaluated by the Company based on parameters such as interest rates, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of non-performance for the company is considered to be insignificant in valuation.

39 **Segment reporting:**

The Company is in the business of Real Estate Development as well as Hospitality Services. Considering the nature of the company's business and operations, there are two separate reportable segments (business and/or geographical) in accordance with the requirements of Indian Accounting Standard (IND AS)108 –'Segment Reporting'

Executive Director (the'Chief Operational Decision Maker as defined in INDAS108 – Operating Segments) monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

Sr no.	Particulars	Real Estate Development		Hospitality Services		Unallocated		Total	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
A	**Revenue**								
	Revenue From Operations	2,79,40,52,539	3,79,50,72,869	37,51,94,372	37,00,64,168	-	-	3,16,92,46,911	4,16,51,37,037
	Other Income	2,79,48,004	1,08,04,860	68,78,800	86,00,689	-	6,20,32,763	3,48,26,805	8,14,38,312
	Total	**2,82,20,00,543**	**3,80,58,77,729**	**38,20,73,172**	**37,86,64,857**	**-**	**6,20,32,763**	**3,20,40,73,716**	**4,24,65,75,349**
B	**Results**								
1	Profit/(Loss) Before Tax & Interest	1,02,84,45,610	1,85,93,94,150	(1,72,13,089)	(1,85,84,765)	-	6,20,32,763	1,01,12,32,520	1,90,28,42,148
2	Less: Interest	(32,01,06,070)	(23,20,90,408)	(6,19,14,292)	(6,23,11,594)	-	-	(38,20,20,362)	(29,44,02,002)
	Profit/(Loss) Before Tax	**70,83,39,539**	**1,62,73,03,743**	**(7,91,27,381)**	**(8,08,96,360)**	**-**	**6,20,32,763**	**62,92,12,161**	**1,60,84,40,146**
	Less: Provision for Tax (net of Deferred Tax)	-	-	-		(1,14,19,080)	(36,55,86,072)	(1,14,19,080)	(36,55,86,072)
	Net Profit/(Loss) after Tax	**70,83,39,539**	**1,62,73,03,743**	**(7,91,27,381)**	**(8,08,96,360)**	**(1,14,19,080)**	**(30,35,53,309)**	**61,77,93,081**	**1,24,28,54,075**
C	**Other Information**								
	Segment Assets	9,99,27,11,952	9,75,29,12,100	1,53,08,18,593	1,60,24,34,439	4,81,32,577	1,00,06,71,957	11,57,16,63,122	12,35,60,18,497
	Segment Liabilities	4,62,73,92,671	4,77,82,68,601	57,25,69,846	69,24,13,597	8,18,63,080	1,21,52,65,064	5,28,18,25,598	6,68,59,47,263
D	**Other Disclosures**								
	Capital Expenditure	26,37,805	30,28,013	82,05,395	1,14,43,388	-	-	1,08,43,200	1,44,71,401
	Depreciation	17,03,427	27,73,408	7,76,85,960	10,19,37,226	-	-	10,63,24,917	10,47,10,636

Note No.	Particulars
40	**Financial risk Management:**

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

● Market risk:

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

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The Company generally transacts in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency.

The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

Interest rate risk

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. Almost 100% of the company's borrowings are linked to BR + ____% p.a. floating at Monthly rest including TP. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

Increase/ (decrease) in Interest cost of Long term borrowings for the year :

Change in Rate of Interest	Effect on Profit/(Loss) before tax	
	As at March 31, 2020	As at March 31, 2019
+1%/-1%	4,34,53,993	3,84,34,832

Commodity and Other price risk

The Company is not exposed to the commodity and other price risk.

● Credit Risk

Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

Trade and other recivables:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular followup , engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings.

The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast specturm and hence, the concentration of risk with respect to trade receivables is low. The Company also takes security deposits, advances , post dated cheques etc from its customers, which mitigate the credit risk to an

Cash and cash equivalents an other investments

The Company is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds.

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

Exposure to credit risk

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2020 and March 31, 2019 is as follows:

	As at 31/03/2020	As at 31/03/2019
Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):		
Cash and cash equivalents	14,05,44,944	9,48,06,872
Bank Balances other than above	3,55,08,114	3,31,00,353
Other financial assets	7,33,43,179	6,29,51,355
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	1,05,81,70,933	95,46,84,800

Cash and Cash equivalent, other Investment, Loans an other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

● Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company’s objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants , these loans become callable to the extent of failture at the option of lenders, except where exemption is provided by lender.

	As at March 31, 2020					
Particulars	**Carrying Amount**	**On Demand**	**Less than 1 Yr**	**1- 5 yrs**	**>5 years**	**Total**
Borrowings	4,07,28,96,147	2,79,17,02,287	-	1,04,03,68,860	24,08,25,000	4,07,28,96,147
Other Financial Liabilities	27,25,03,200	-	27,25,03,200	-	-	27,25,03,200
Trade and other payables	23,07,08,280	23,07,08,280	-	-	-	23,07,08,280

	As at March 31, 2019					
Particulars	**Carrying Amount**	**On Demand**	**Less than 1 Yr**	**1- 5 yrs**	**>5 years**	**Total**
Borrowings	3,82,93,37,416	2,23,30,61,732	-	1,30,20,13,184	29,42,62,500	3,82,93,37,416
Other Financial Liabilities	1,41,45,833	-	1,41,45,833	-	-	1,41,45,833
Trade and other payables	57,11,69,807	57,11,69,807	-	-	-	57,11,69,807

Capital management

The primary objective of the Company’s capital management is to maximize the shareholder value. The Company’s primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company’s ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2020 and March 31, 2019

For the purpose of the Company’s capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

Pariculars	**As At 31-03-2020**	**As At 31-03-2019**
Loans and Borrowings	4,34,53,99,347	3,84,34,83,249
Less: Cash and cash equivalents + Bank Deposits	17,60,53,058	12,79,07,225
Net Debt	4,16,93,46,289	3,71,55,76,024
Total Capital	6,28,98,37,525	5,67,00,71,234
Capital+Net Debt	10,45,91,83,813	9,38,56,47,259
Gearing Ratio	0.40	0.40

41 Additional Information as per section 186(4) of the Companies Act,2013

a) There are no Loans given to any body corporate as at 31st March, 2020.

b) There are no investments or guarantees given to any body corporate as at 31st March, 2020.

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Covid -19 outbreak has been declared as a pandemic by the WHO, subsequently the Government of India has initiated a series of measures to contain the outbreak, including imposing multiple 'lock-downs' across the country, from March 24, 2020. This has posed significant challenges to the business of the Company. As per the directives of the Central/State Governments it was mandated to close all business activities of the company during the lockdown period.

During the period commencing from the start of the lockdown, the Company has taken various measures to rationalize fixed costs including but not limited to energy conservation, resource deployment and deferral of certain non-critical upgrades.

The Central and State Governments have initiated steps to lift the lockdown and the Company has adhered to the same as it resumes its activities. Operations at the Residential site have commenced from May 6, 2020 and have witnessed limited impact. The project continues to see significant buying interest as evidenced from site visits from customers and channel partners.

The Company expects the hotel to become operational in phased manner as the demand for its services is expected to pick up albeit at a slower pace once lockdown is lifted. Demand outlook for second half continues to remain good mainly on account of demand from corporates and postponement of large, luxury weddings during March to June to the period between October 2020 and March 2021.

The Company has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. The current liquidity position of the company continues to be stable and comfortable and it has available sanctioned unutilised working capital limits to meet any of its future cash flow requirements. In order to conserve its cash flows the Company has availed moratorium offered by banking partners as per the RBI guidelines on principal & interest for a period of 6 months.

It has also assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, Capital work in Progress, intangible assets, inventories, trade receivables and other current assets appearing in the financial statements of the company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these standalone financial statements.

The company will continue to closely monitor uncertainties arising of material changes to the future economic conditions.

43 Figures of previous year have been regrouped and/or recast wherever necessary to conform to the current year's classification.

As per our Report of even date

For A. M. Ghelani & Associates
Chartered Accountants
Firm Registration No.: 103172W

For and on behalf of the Board of Directors

Anil Khanna
Partner
Membership No.: 153522

Varun Parwal
Director
DIN No.0007586435

Raghav Bajoria
Director
DIN No.0008713745

Place:- Mumbai
Date :- 25th June, 2020

VENKATA SUBBARAM MOHAN GUPTA KASAMSETTY
Chief Financial Officer