

INDEPENDENT AUDITOR'S REPORT**To The Members of Graceworks Realty and Leisures Private Limited****Report on the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Graceworks Realty and Leisures Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2021, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 opinion.



Emphasis of Matter

We draw attention to Note 40 of the Financial Statements, which describes the company's management evaluation of impact of Covid 19 pandemic on the future business operations and its consequential effects on the carrying value of assets (including trade receivables) as on 31st Mar, 2021. In view of uncertain economic conditions arising out of pandemic, the management's evaluation of impact in subsequent periods on recoverability of assets (including trade receivables) is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of these matters.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, 2013 with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to Financial statement 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

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 of India in terms of sub-section (11) of section 143 of the Act,



we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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. In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid by the Company to its directors in accordance with the provisions of section 197 read with schedule V to the Act
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements – Refer Note 31 (b) to the financial statements also refer clause vii (b) of this report.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



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

For **D T S & Associates LLP**

Chartered Accountants

(Firm Registration No. 142412W/W100595)



Ashish G. Mistry

Partner

Membership No.: 132639

UDIN: 21132639AAAABO6103



Place: Mumbai

Date : 26th May 2021

"Annexure A" to Independent Auditors' Report referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date.

- i) **In respect of its fixed assets :**
- a. The company has generally maintained proper records showing full particulars including Quantitative details & situation of Fixed Assets on the basis of available information except in respect of certain items of furniture & fixtures and plant & machinery. As explained to us, the Company is in the process of updating the required details in the fixed asset register.
 - b. The Company has a regular program for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. Reconciliation of substantial portion of fixed assets have been completed in the current year. No material discrepancies were noticed in respect of assets reconciled. The reconciliation is in progress in respect to certain items of furniture & fixture and plant & machinery.
 - c. In our opinion and according to the explanations given to us, the title deeds of the Immovable Property, which is mortgage as a security, are held in the name of Company.
- ii) As explained to us, inventories consist of finished realty stock representing unsold unit(s) in completed project. According to the information and explanations given to us, the inventories have been physically verified by the management at year end, 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.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv) Company has not granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the



clause (v) of paragraph 3 of the Order is not applicable to the Company. We are informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- vi) According to information and explanations provided to us, the Company is not required to maintain accounts and cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 and as specified by the Central Government of India under Section 148(1) of the Companies Act, 2013. Accordingly, paragraph 3(vi) of the Order is not applicable.
- vii) In respect of Statutory dues :
- a. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Labour Welfare Fund, Income-tax, Customs Duty, Cess and other material statutory dues applicable to it with the 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 31st March, 2021 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of income tax, Goods and Service Tax, duty of customs, cess on account of any dispute, which have not been deposited.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank or dues to debenture holders. The Company did not have any outstanding loans or borrowing from Government or financial institution.
- ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act



- xii) In our opinion company is not a Chit Fund/ Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **D T S & Associates LLP**

Chartered Accountants

(Firm Registration No. 142412W/W100595)



Ashish G. Mistry

Partner

Membership No.: 132639

UDIN: 21132639AAAABO6103



Place: Mumbai

Date : 26th May 2021

"Annexure B" to Independent Auditors' Report 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 Control over financial reporting of **Graceworks Realty and Leisures Private Limited** ("the company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor's 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 Act, 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 ICAI. 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 judgment, 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 a 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential



GRACE WORKS REALTY & LEISURE PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2021

(Amount in ₹)

Particulars	Notes	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
Non-Current Assets			
Property, Plant & Equipments	5	2,51,98,35,214	2,57,30,96,320
Capital Work In Progress	5	30,91,600	78,500
Other Intangible Assets	5	-	14,460
Deferred Tax Asset (Net)	6	46,30,285	11,97,327
Other Non - Current Assets	7	41,17,320	42,22,782
Current Assets			
Inventories	8	32,09,162	32,09,162
<u>Financial Asset</u>			
Trade Receivables	9	4,57,92,296	8,00,69,676
Cash and Cash Equivalents	10	2,23,31,874	69,36,208
Other Financial asset	11	4,18,682	1,17,831
Current Tax Assets (Net)	12	3,56,95,421	3,73,91,113
Other Current Assets	13	52,12,804	34,27,193
TOTAL ASSETS		2,64,43,34,658	2,70,97,60,572
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	6,75,680	6,75,680
Other Equity	15	1,32,55,89,703	1,28,11,35,296
Liabilities			
Non-Current Liabilities			
<u>Financial Liability</u>			
Borrowings	16	1,02,79,72,984	1,03,13,10,833
Other Financial Liabilities	17	7,11,71,459	11,32,10,845
Other Non-Current Liabilities	18	1,03,38,189	-
Provisions	19	13,02,943	10,89,646
Current Liabilities			
<u>Financial Liability</u>			
Borrowing	20	2,24,00,220	5,82,04,950
Trade Payables			
Total outstanding dues of Micro enterprises and small enterprises	21	20,28,400	45,56,963
Total outstanding dues of creditors other than Micro enterprises and small enterprises	21	2,23,71,469	2,30,85,338
Other Financial Liabilities	22	12,95,67,787	15,79,70,846
Other Current Liabilities	23	3,08,49,398	3,84,59,164
Provisions	24	66,425	61,011
TOTAL EQUITY AND LIABILITIES		2,64,43,34,658	2,70,97,60,572

See accompanying notes to financial statements

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As per our Report of even date

For DTS & Associates LLP

Chartered Accountants

For and on behalf of the Board of Directors

Ashish G. Mistry

Partner

Membership No. 132639



Nilesh Louzado

Director

(DIN : 03311327)

Rajesh Patil

Director

(DIN : 07466330)

Place : Mumbai

Date : May 26, 2021

GRACE WORKS REALTY & LEISURE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Notes	2020 - 21	2019-20
(Amount in ₹)			
I INCOME			
Revenue from Operations	25	30,59,56,875	37,44,87,232
Other Income	26	1,24,88,862	48,55,713
Total Revenue		31,84,45,737	37,93,42,946
II EXPENDITURE:			
Change in Inventory/Work-in-Progress	27	-	-
Employee Benefit Expenses	28	2,00,59,892	2,71,74,297
Finance Cost	29	10,21,24,251	15,21,91,752
Depreciation and Amortisation Expenses	5	5,35,26,562	5,12,87,482
Other Expenses	30	10,16,48,511	14,93,87,495
Total Expenses		27,73,59,216	38,00,41,026
III Profit /(Loss) Before Tax		4,10,86,521	(6,98,081)
IV Tax Expense:			
Current Tax		-	-
Deferred Tax	36	(34,32,958)	(4,49,757)
Income Tax of Earlier Years		27,143	-
V Profit /(Loss) for the Year (A)		4,44,92,336	(2,48,324)
Other Comprehensive Income			
<u>Items that will not be reclassified to Profit & Loss</u>			
Remeasurement gain/ (loss) on defined benefit plans		(37,929)	(1,56,636)
Income tax relating to items that will not be reclassified to Profit & Loss		-	-
Other Comprehensive Income for the Year (B)		(37,929)	(1,56,636)
Total Comprehensive Income for the Year (A+B)		4,44,54,407	(4,04,960)
VI Earnings per share			
Basic EPS [Face Value ₹ 10 each]		658.48	(3.68)
Diluted EPS [Face Value ₹ 10 each]	38	3.13	(3.68)

See accompanying notes to financial statements

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As per our Report of even date

For **D T S & Associates LLP**

Chartered Accountants

(Firm Registration No: 142412W/W100595)

Ashish G. Mistry

Partner

Membership No. 132639



For and on behalf of the Board of Directors

Nilesh Louzado

Director

(DIN : 03311327)

Rajesh Patil

Director

(DIN : 07466330)

Place : Mumbai

Date : May 26, 2021

GRACEWORKS REALTY & LEISURE PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Sr. No.	Particulars	2020-21	2019-20
I CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit/(Loss) Before Tax as per Profit and Loss Account	4,10,86,521	(6,98,081)
	Adjusted for:		
	Interest expense for financial liability at amortised cost	10,19,42,411	15,20,09,911
	Excess Provision Written back	(94,60,377)	-
	Interest on Fixed Deposit	(13,68,488)	(36,544)
	Loss/(Profit) on sale of asset	-	50,35,333
	Allowance for expected credit loss	46,41,278	22,29,188
	Remeasurement gain/(loss) on defined benefit plans	(37,929)	(1,56,636)
	Depreciation and amortisation	5,35,26,562	5,12,87,482
	Operating Profit before Working Capital Changes	19,03,29,978	20,96,70,653
	Adjusted for:		
	Trade and Other payables	(4,02,00,138)	4,56,56,139
	Trade and Other receivables	2,85,16,012	(5,37,46,762)
	Less : Taxes (paid)/received	17,86,45,852	20,15,80,030
	Net Cash generated / (used in) from Operating Activities	18,03,14,401	19,82,73,346
II CASH FLOW FROM INVESTING ACTIVITIES			
	Interest Received on Fixed Deposit	12,43,348	-
	Purchase of Property, Plant and Equipments and Capital Expenditure	(1,32,36,575)	(6,68,95,310)
	Net Cash generated from/(used in) Investing Activities	(1,19,93,227)	(6,68,95,310)
III CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from Optionally convertible debentures	-	54,25,00,000
	Interest Paid on loan (Refer note 3 below)	(8,89,45,898)	(17,48,60,922)
	Repayment of Long Term Loan	(2,81,74,881)	(1,79,05,922)
	Repayment of Short Term Loan	-	(47,50,00,000)
	Bank Overdraft facilities	(3,58,04,730)	(1,64,76,148)
	Net Cash generated from / (used in) Financing Activities	(15,29,25,509)	(14,17,42,992)
	Net Increase/ (Decrease) in Cash and Cash Equivalents	1,53,95,665	(1,03,64,957)
	Opening Balance of Cash and Cash Equivalents	69,36,208	1,73,01,165
	Closing Balance of Cash and Cash Equivalents (Refer Note No. 10)	2,23,31,874	69,36,208

Notes:-

1 Components of cash and cash equivalents:

Cash on hand	43,854	56,398
Balance with scheduled bank	22,88,020	63,79,810
Deposit with remaining maturity of less than three months	2,00,00,000	5,00,000
	2,23,31,874	69,36,208

2 Change in liability arising from financing activities

	1st April 2020	Cash flow	31st March 2021
Borrowings - Non current * (Refer Note 16 and 22)	1,05,69,29,908	2,60,39,482	1,08,29,69,390
Borrowings - current (Refer Note 20)	5,82,04,950	(3,58,04,730)	2,24,00,220
	1st April 2019	Cash flow	31st March 2020
Borrowings - Non current * (Refer Note 16 and 22)	1,07,36,12,321	(1,66,82,412)	1,05,69,29,908
Borrowings - current (Refer Note 20)	54,96,81,099	(49,14,76,148)	5,82,04,950

* It includes Current maturity of Long Term Borrowings which is classified under other financial liability

3 During the period ended 31st March, 2021, the Company, has availed moratorium of interest given in the term loan for the period March 20 to August 20 on account of Covid-19. Total Interest accrued for the period April 2020 to August 2020 of Rs. 2921.09 Lakhs (P.Y. Nil Lakhs) has been added to outstanding loan balance and has been given effect to accordingly in the Statement of Cash Flows.

See accompanying notes to financial statements

I to 42

As per our Report of even date

For D T S Associates LLP

Chartered Accountants

(Firm Registration No: 142412W/W100595)

Ashish G Mistry

Partner

Membership No. 102749

Place : Mumbai

Date : May 26, 2021



For and on behalf of the Board of Directors

Nilesh Louzudo

Director

(DIN : 03301327)

Rajesh Patil

Director

(DIN : 07466330)

GRACE WORKS REALTY & LEISURE PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021.

A. EQUITY SHARE CAPITAL

(Amount in ₹)

Balance as at 1 st April, 2019	Changes in Equity share Capital during the year	Balance as at 31 st March, 2020	Changes in Equity share Capital during the period	Balance as at 31 st March, 2021
6,75,680	-	6,75,680	-	6,75,680

B. Other Equity

For the period ended 31st March, 2021

(Amount in ₹)

Particulars	Reserves & Surplus		Instrument entirely classified as Equity	Other Comprehensive Income	Total
	Retained Earnings	Securities Premium Account		Remeasurement gain/ (loss) on defined benefit plans	
Balance as at 1st April, 2020	(15,29,19,170)	1,94,26,000	1,41,46,18,300	10,166	1,28,11,35,296
Profit for the year	4,44,92,336	-	-	-	4,44,92,336
Other Comprehensive Income/ (Loss) for the year	-	-	-	(37,929)	(37,929)
Balance as at 31st March, 2021	(10,84,26,834)	1,94,26,000	1,41,46,18,300	(27,763)	1,32,55,89,703

For the year ended 31st March, 2020

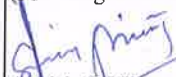
Particulars	Reserves & Surplus		Instrument classified as Equity	Other Comprehensive Income	Total
	Retained Earnings	Securities Premium Account		Remeasurement gain/ (loss) on defined benefit plans	
Balance as at 1st April, 2019	(15,26,70,846)	1,94,26,000	87,21,18,300	1,66,802	73,90,40,256
Profit for the year	(2,48,324)	-	-	-	(2,48,324)
Other Comprehensive Income/ (Loss) for the year	-	-	-	(1,56,636)	(1,56,636)
Issuance of Optionally Fully Convertible Debentures	-	-	54,25,00,000	-	54,25,00,000
Balance as at 31st March, 2020	(15,29,19,170)	1,94,26,000	1,41,46,18,300	10,166	1,28,11,35,296

As per our Report of even date

For D T S & Associates LLP

Chartered Accountants

(Firm Registration No: 142412W/W100595)


Ashish G. Mistry
M. No.: 132639



Place : Mumbai

Date : May 26, 2021

For and on behalf of the Board of Directors


Nilesh Louzado
Director
(DIN : 03311327)


Rajesh Patil
Director
(DIN : 07466330)

GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

1. Corporate Information:

The Company is a 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 Phoenix Mills Premises, 462, Senapati Bapat Marg, Lower Parel (w), Mumbai – 400 013.

The Company is engaged in development and leasing of commercial and retail space. The principle place of business is at LGB 15-16, Phoenix Paragon Plaza, Phoenix Marketcity, LBS Road, Kurla (w), Mumbai – 400 017.

For Company's principal shareholders, refer note no.14.

These financial statements were approved and adopted by board of directors of the Company in their meeting dated May 26, 2021.

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 same as used in preparation of annual financial statement ended on March 31, 2021.

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of the schedule III and are applicable from April 1, 2021. The Group is evaluating the effects of the amendments on its financial statement.

3. Significant Accounting Policies:

a) Functional and presentation of currency:

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

b) 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.

c) Use of Estimates :

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in Notes No. 4. The Company based its assumptions



GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

d) 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 borrowing costs for long-term construction projects if the recognition criteria are met.

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 Company 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 straight-line 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.

Estimated useful lives of the assets are as follows:

Particulars	Estimated useful life (in years)
Building	60 years
Plant and Equipment	15 Years
Office Equipment	5 Years
Computers	3- 6Years
Furniture and Fixtures	10 Years

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 profit or loss.

e) 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.

Intangible assets 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.



GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

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.

f) Impairment of Non – Financial Asset:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generation unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

g) 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.

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.

h) 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.

i) Foreign currency transactions:

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



GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

j) Financial Instrument:

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

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the company measures a financial asset at its fair value (other than financial asset at fair value through profit or loss) plus or minus, in the case of a, 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.

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 and interest revenue which are recognised in statement of 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 the statement of profit and 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.



GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

• **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) De-recognition:

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 Company could be required to repay.

Financial Liabilities:

i) Initial recognition and measurement:

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 Company's financial liabilities include trade and other payables, loans and borrowings.

ii) Subsequent measurement:

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and 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.



GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

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

Financial liabilities at amortised cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and 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.

iii) **De - recognition:**

A financial liability is de-recognised 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 terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition 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.

k) **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.

Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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



GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

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 Company 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.

l) 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.

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) It is 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.

m) 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.

n) Revenue Recognition:

The company's revenue from contracts with customers is mainly from licensee fees and other services rendered to the customers in Mall. With effect from 1st April 2018, Ind AS 115 – "Revenue from Contracts with Customers" (Ind AS 115) supersedes Ind AS 18 – "Revenue", Ind AS 11 – "Construction Contracts" and related appendices. The application of Ind AS 115 did not have any impact on recognition and measurement principles. The Ministry of Corporate Affairs has notified the Ind AS 116 'Leases' effective from April 1, 2019. Ind AS 116 has replaced the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee



GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Application of above standard does not have any significant impact on the financial statements.

Revenue from license fees and other operating services

Revenue from license fees and other operating services are recognised on a straight line basis over the license terms.

Revenue from operating services is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-30 days from the delivery of services.

Revenue from sale of properties

Revenue from sale of properties is recognised when performance obligation is satisfied, i.e. at a point of time when the control passes on to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and net of rebates and discounts. The Company has assessed and concluded that it is acting as a principal in all its revenue arrangements. Cost of construction/development is charged to Statement of Profit and Loss in consonance with the concept of matching cost and revenue during the year and balance costs are carried as part of 'Stock of unsold residential unit' under inventories.

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.

Contract asset

A contract asset (Trade receivable) is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs part of its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on the Company's future performance.

Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received. Contract liabilities are recognised as revenue when the Company performs under the contract.



GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

o) 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, short 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) Post-employment obligations

a. Defined benefit plans

The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is funded and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under employees benefit expenses.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

b. Defined contribution plans

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which employees have rendered services.

(iii) Long term Employee benefits:

The Company has other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.



GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit and loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

p) 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 such 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.

q) Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities interest rate for the equivalent period. 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.

r) Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates 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.



GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

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 assets 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 and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

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.

s) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting estimates, assumptions and judgements:

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

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

(a) Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.



GRACEWORKS REALTY & LEISURES PRIVATE LIMITED
Notes to Financial Statements for year ended 31st March, 2021

(b) Investment Property

Management has assessed applicability of Ind AS 40 - Investment property to the property held to earn income from licensee fees. In assessing such applicability, management has considered the ownership of assets, terms of license agreement, various services provided to the licensee etc. The company considers these other services as significant in addition to the licence fees charged. Based on such assessment, the management has considered the mall property as owner-occupied property and hence classified as Property, Plant & Equipment.

(c) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The Company uses a provision matrix to determine impairment loss allowance on 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.

(d) 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.

(e) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(f) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(g) Fair Value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on the quoted prices in active markets, their fair value is measured using valuation techniques, including discounted cash flow model, which involve various judgments and assumptions.



GRACE WORKS REALTY AND LEISURE PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2021

Note 5: Property, Plant and Equipments

Particulars	Tangible Assets							Intangible Assets	Movement of Capital work in progress
	Building*	Plant & Machinery	Office Equipments	Furniture & Fixtures	IT Networking	Computers	Total	Computer Software	
Gross Block:									
As at April 1, 2019	2,54,84,07,171	4,48,83,631	39,37,467	5,27,00,423	8,14,499	44,94,550	2,65,52,37,742	26,66,968	28,10,380
Additions during the year	4,98,98,144	1,03,89,875	1,42,39,669	1,19,46,391	-	57,770	8,65,31,849	-	78,500
Deductions/ Adjustments	-	-	-	67,50,162	-	-	67,50,162	-	28,10,380
As at March 31, 2020	2,59,83,05,315	5,52,73,506	1,81,77,136	5,78,96,652	8,14,499	45,52,320	2,73,50,19,429	26,66,968	78,500
Additions during the year	-	1,72,497	78,500	-	-	-	2,50,997	-	30,91,600
Deductions/ Adjustments	-	-	-	-	-	-	-	-	78,500
As at March 31, 2021	2,59,83,05,315	5,54,46,003	1,82,55,636	5,78,96,652	8,14,499	45,52,320	2,73,52,70,426	26,66,968	30,91,600
Accumulated Depreciation:									
As at April 1, 2019	9,07,31,290	52,01,341	15,23,830	1,02,41,917	7,69,978	40,03,131	11,24,71,488	25,31,476	-
Depreciation during the year	4,11,22,088	32,32,023	14,16,962	51,99,938	3,795	1,91,644	5,11,66,450	1,21,032	-
Deductions/ Adjustments	-	-	-	17,14,829	-	-	17,14,829	-	-
As at March 31, 2020	13,18,53,378	84,33,364	29,40,793	1,37,27,026	7,73,773	41,94,775	16,19,23,109	26,52,508	-
Depreciation during the year	4,13,13,055	35,23,278	31,70,175	53,94,683	-	1,10,912	5,35,12,102	14,460	-
Deductions/ Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2021	17,31,66,433	1,19,56,642	61,10,968	1,91,21,708	7,73,773	43,05,687	21,54,35,211	26,66,968	-
Net Carrying Amount:									
As at March 31, 2020	2,46,64,51,937	4,68,40,142	1,52,36,343	4,41,69,627	40,726	3,57,545	2,57,30,96,320	14,460	78,500
As at March 31, 2021	2,42,51,38,882	4,34,89,362	1,21,44,668	3,87,74,944	40,726	2,46,633	2,51,98,35,214	-	30,91,600

5.1 Building includes units in Paragon Plaza which in earlier years developed by the Company over land with intent to sale and subsequently said units reclassified to Property, Plant & Equipments based on change of management intention to lease the same. The said Land and Building are pledged against borrowing (Refer Note No. 16 and 20)

5.2 Inventory of 3B - 43 unit having carrying value of Rs.68,47,544 has been transferred to Property Plant and Equipment under the head Building. The company had agreed to sale the said units in past, which proposed buyer has cancelled.



GRACE WORKS REALTY & LEISURE PRIVATE LIMITED
Notes to Financials Statements for the year ended 31st March 2021

Particulars	(Amount in ₹)	
	As at 31 st March, 2021	As at 31 st March, 2020
6 Deferred Tax Asset/(Liability) (Net)		
Deferred Tax is calculated, in full, on all temporary timing differences under the liability method using prevailing tax rate. The movement on the deferred tax account is as follows:		
At Start of year	11,97,327	7,47,570
Charge/(credit) to profit or loss (Refer Note 36)	34,32,958	4,49,757
At the end of the year	46,30,285	11,97,327
<u>Deferred Tax Asset</u>		
Related to Disallowances under Income Tax Act, 1961	56,49,933	19,38,848
Related to Property, Plant and Equipments	10,19,648	7,41,521
Total	46,30,285	11,97,327
7 Other Non - current Assets		
<u>(Unsecured and considered good)</u>		
Security Deposits	41,02,320	42,07,782
Other Deposits	15,000	15,000
Total	41,17,320	42,22,782
8 Inventories		
<u>(Valued at Cost or Market value whichever is less)</u>		
Realty Finished Stock	28,85,922	28,85,922
Land	3,23,239	3,23,239
Total	32,09,162	32,09,162
9 Trade Receivables*		
<u>(Unsecured)</u>		
Considered good	5,32,75,115	8,58,86,873
Less: Allowances for expected credit loss	74,82,819	58,17,197
	4,57,92,296	8,00,69,676
Total	4,57,92,296	8,00,69,676
* Trade receivables are hypothecated against borrowings (Refer Note 16 and 20)		
10 Cash and Cash Equivalents		
<u>Balances with Banks</u>		
In Current Account	22,88,020	63,79,810
Deposit with remaining maturity of less than three months*	2,00,00,000	5,00,000
Cash on hand	43,854	56,398
Total	2,23,31,874	69,36,208
* Given as security to MCGM for addition and alteration proposal of Kurla (CY Nil, P.Y. ₹ 5,00,000)		
11 Other Financial Asset		
Interest accrued but not due on Fixed Deposit	1,61,684	36,544
Unbilled Revenue	2,56,998	81,287
Total	4,18,682	1,17,831
12 Current Tax Assets (Net)		
Advance Tax (Net of Provisions)	3,56,95,421	3,73,91,113
Total	3,56,95,421	3,73,91,113
Movement in Provisions:		
At Start of the year	3,73,91,113	3,40,84,429
Charge for the year	(27,143)	-
Taxes paid during the year	(16,68,549)	33,06,684
At the end of the year	3,56,95,421	3,73,91,113



GRACE WORKS REALTY & LEISURE PRIVATE LIMITED
Notes to Financials Statements for the year ended 31st March 2021

Particulars	(Amount in ₹)	
	As at 31 st March, 2021	As at 31 st March, 2020

13 Other Current Assets

(Unsecured, Considered good)

Advance to Vendors	9,45,072	13,53,211
Less: Allowance for doubtful advances	-	7,35,770
	9,45,072	6,17,441
Balances with Statutory Authorities	1,63,922	1,63,922
Balances with LIC Gratuity Fund (Net)	6,180	2,12,030
Others	40,97,630	24,33,800
Total	52,12,804	34,27,193

14 Share capital

Authorised, Issued, Subscribed and Paid up Share Capital:

Authorised

50,00,000 (P Y : 50,00,000) Equity Shares of ₹ 10/- each	5,00,00,000	5,00,00,000
Total	5,00,00,000	5,00,00,000

Issued, Subscribed and Fully Paid up

67,568 (P Y : 67,568) Equity Shares of ₹ 10/- each fully paid up	6,75,680	6,75,680
Total	6,75,680	6,75,680

a) Reconciliation of Number of Shares outstanding

	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	67,568	67,568
Shares outstanding at the end of the year	67,568	67,568

b) Shares held by holding company :

Out of the above, 52,250 (P.Y. 52,250) Equity Shares of ₹ 10/- each fully paid are held by Phoenix Hospitality Company Private Limited - the Holding Company.

c) Details of Shareholders holding more than 5% of the total Shares of the Company :

Name of Shareholder	As at 31 st March 2021		As at 31 st March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Phoenix Hospitality Company Pvt. Ltd.	52,250	77.33	52,250	77.33
Phoenix Mills Limited (Ultimate holding company)	15,318	22.67	15,318	22.67

d) The company has only one class equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Equity shares holders are also entitled to dividend as and when proposed by the Board of Directors and approved by Share holders in Annual General Meeting. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all Preferential amounts which shall be in proportion to the number of shares held by the Shareholders.

15 Other Equity

a) Securities Premium Account

As per last Balance Sheet	1,94,26,000	1,94,26,000
Total	1,94,26,000	1,94,26,000

c) Retained Earnings

As per last Balance Sheet	(15,29,19,170)	(15,26,70,846)
Add : Profit / (Loss) for the year	4,44,92,336	(2,48,324)
Total	(10,84,26,834)	(15,29,19,170)

d) Other Comprehensive Income

Remeasurement gain/ (loss) on defined benefit plans		
As per last Balance Sheet	10,166	1,66,802
Add: During the year	(37,929)	(1,56,636)
Total	(27,763)	10,166



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Particulars	(Amount in ₹)	
	As at 31 st March, 2021	As at 31 st March, 2020
e) Instrument classified as Equity		
6,01,183 (P Y : 6,01,183) 0.0001% Series A Optionally Convertible Debentures of ₹ 100 each (Refer Note 15.1 below)	6,01,18,300	6,01,18,300
30,85,000 (P Y : 30,85,000) 0.0001% Series B Optionally Convertible Debentures of ₹ 100 each (Refer Note 15.2 below)	30,85,00,000	30,85,00,000
6,50,000 (P Y : 30,85,000) 0.0001% Series C Optionally Convertible Debentures of ₹ 100 each (Refer Note 15.3 below)	6,50,00,000	6,50,00,000
43,85,000 (P Y : 43,85,000) 0.0001% Optionally Fully Convertible Debentures of ₹ 100 each (Refer Note 15.4 below)	43,85,00,000	43,85,00,000
54,25,000 (P Y : Nil) 0.0001% Optionally Fully Convertible Debentures - Series D of ₹ 100 each (Refer Note 15.5 below)	54,25,00,000	54,25,00,000
Total	1,41,46,18,300	1,41,46,18,300
Total (a to e)	1,32,55,89,703	1,28,11,35,296

15.1 0.0001% Series A Optionally Convertible Debentures having an option to the issuer to convert the debentures into equity shares on or before March, 2030. Each debenture is convertible into equity share of ₹ 10 each fully paid at premium of ₹ 2400 on the date of conversion. The company has an option to redeem the debentures in one or more tranches at the redemption premium not exceeding ₹ 10/- per Optionally Convertible Debenture.

15.2 0.0001% Optionally Fully Convertible Debentures -Series B of 30,85,000 having an option to the issuer to convert the debentures into equity shares on or before October 1, 2026. Each debenture is convertible into equity share of ₹ 10 each fully paid at premium of ₹ 1740 on the date of conversion. The company has an option to redeem the debentures in one or more tranches at the redemption premium not exceeding ₹ 10/- per Optionally Fully Convertible Debenture on or before October 1, 2026.

15.3 0.0001% Optionally Fully Convertible Debentures - Series C of 6,50,000 having an option to the issuer to convert the debentures into equity shares on or before October 1, 2026. Each debenture is convertible into equity share of ₹ 10 each fully paid on the date of conversion. The company has an option to redeem the debentures in one or more tranches at the redemption premium not exceeding ₹ 10/- per Optionally Fully Convertible Debenture on or before December 29, 2027.

15.4 0.0001% Optionally Fully Convertible Debentures of 43,85,000 having an option to the issuer to convert the debentures into equity shares on or before October 1, 2026. Each debenture is convertible into equity share of ₹ 10 each fully paid on the date of conversion. The company has an option to redeem the debentures in one or more tranches at the redemption premium not exceeding ₹ 10/- per Optionally Fully Convertible Debenture on or before December 29, 2028.

15.5 Out of 54,25,000, 0.0001% Optionally Fully Convertible Debentures - Series D of 25,00,000 having an option to the issuer to convert the debentures into equity shares on or before January 7, 2030. Each debenture is convertible into equity share of ₹ 10 each fully paid at premium of ₹ 20979 on the date of conversion. The company has an option to redeem the debentures in one or more tranches at the redemption premium not exceeding ₹ 10/- per Optionally Fully Convertible Debenture on or before January 7, 2030.

Out of 54,25,000, 0.0001% Optionally Fully Convertible Debentures - Series D of 29,25,000 having an option to the issuer to convert the debentures into equity shares on or before January 8, 2030. Each debenture is convertible into equity share of ₹ 10 each fully paid at premium of ₹ 20979 on the date of conversion. The company has an option to redeem the debentures in one or more tranches at the redemption premium not exceeding ₹ 10/- per Optionally Fully Convertible Debenture on or before January 8, 2030.

Description of nature and purpose of each reserve

Security Premium Account : Securities premium account represents premium received on equity shares and debentures issued, which can be utilised only in accordance with the provision of the Companies Act, 2013 for specified purposes.

16 Borrowings

Non - Current component of Borrowings

Secured

Term Loans From Banks (Refer Note 16.1 below)

	1,02,79,72,984	1,03,13,10,833
Total	1,02,79,72,984	1,03,13,10,833

16.1 Term Loan from standard chartered Bank of ₹ 1,09,24,51,580 (P. Y. ₹ 1,06,76,35,606) is secured by first and exclusive charge over land and building, receivables of project Phoenix Paragaon Plaza.

Interest is calculated on MCLR + applicable margin. Rate of Interest varies in the range of 8.44% Per annum to 9.95% Per annum (P.Y. 9.75% Per annum to 10.10% Per annum)

16.2 Maturity profile of Secured Term Loan are as set out below:

Term Loan - from Banks								
								(Amount in ₹)
2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
5,49,96,406	6,64,28,086	9,64,33,270	11,42,59,751	12,69,63,031	16,55,03,103	19,19,89,804	21,19,48,682	5,44,47,256



GRACE WORKS REALTY & LEISURE PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March 2021

Particulars	(Amount in ₹)	
	As at 31 st March, 2021	As at 31 st March, 2020
17 Other Financial Liabilities		
Security Deposit for Lease rentals	7,11,71,459	11,32,10,845
Total	7,11,71,459	11,32,10,845
18 Other Non-Current Liabilities		
Other Liabilities	1,03,38,189	-
Total	1,03,38,189	-
19 Provisions		
Provision for compensated absences	13,02,943	10,89,646
Total	13,02,943	10,89,646
20 Borrowing		
<u>Secured</u>		
Working Capital Facility (refer Note 20.1)	2,24,00,220	5,82,04,950
Total	2,24,00,220	5,82,04,950
20.1 Working Capital facility from Standard Chartered Bank of ₹ 2,24,00,220 (P.Y ₹ 5,82,04,950) is payable on demand and secured by first and exclusive charge over land and building, receivables of project Phoenix Paragaon Plaza. Interest is calculated on MCLR + applicable margin. Rate of Interest varies in the range of 9.4% Per annum to 10.2% Per annum (P.Y. 10.2% Per annum to 10.4% Per annum)		
21 Trade Payables		
Total outstanding dues of Micro and Small Enterprises*	20,28,400	45,56,963
Total outstanding dues of creditors other than Micro and Small Enterprises	2,23,71,469	2,30,85,338
Total	2,43,99,869	2,76,42,301
* There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days during the year and as at March 31, 2021 and March 31, 2020. The above information, regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.		
The disclosure pursuant to the said Act under:		
a) Principal amount due to supplier under MSMED Act, 2006	20,28,400	45,56,963
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 and payable for the period of delay	-	-
f) Interest remaining due and payable in succeeding year	-	-
22 Other Financial Liabilities		
Current Maturities of Long Term Borrowings (Refer Note 16.2)	5,49,96,406	2,56,19,075
Security Deposit for Lease rentals	7,42,31,962	8,08,22,024
Creditors for Capital Expenditure	84,637	1,00,57,115
Interest Accrued	2,54,782	4,14,72,632
Total	12,95,67,787	15,79,70,846
23 Other Current Liabilities		
Advances from Customer	37,45,018	34,81,641
Advance against Income	24,22,060	11,61,025
<u>Other Payables</u>		
- Statutory Dues	8,75,692	1,48,43,675
- Others	2,38,06,627	1,89,72,823
Total	3,08,49,398	3,84,59,164
24 Provisions		
Provision for compensated absences	66,425	61,011
Total	66,425	61,011



GRACE WORKS REALTY & LEISURE PRIVATE LIMITED
Notes to Financials Statements for the year ended 31st March, 2021

Particulars	2020-21	(Amount in ₹) 2019-20
25 Revenue from operations		
Income from Property Development	-	3,40,000
Sale of Services	30,59,56,875	31,52,45,985
Other Operative Income	-	5,89,01,247
Total	30,59,56,875	37,44,87,232
A) Broad categories of Sale of Service		
License Fees and Rental Income	24,53,45,035	23,83,71,822
Service Charges	6,06,11,840	7,68,74,163
	30,59,56,875	31,52,45,985
26 Other Income		
Interest on Fixed Deposit	13,68,488	36,544
Interest on others	5,44,936	7,41,337
Interest On Income Tax Refund	9,55,347	26,63,071
Sundry Balances Written off	94,60,377	-
Other Income	1,59,714	14,14,761
Total	1,24,88,862	48,55,713
27 Change in Inventory/Work-in-Progress		
Work in Progress/Finished Realty stock at the beginning of the year	32,09,162	1,00,56,706
Less:		
Inventory capitalised (Refer Note No. 5.2)	-	68,47,544
Work in Progress/ Finished Realty Stock at the end of the year	32,09,162	32,09,162
Total	-	-
28 Employee Benefit Expenses		
Salaries , Wages and Bonus	1,88,41,806	2,61,08,593
Contribution to Provident and other welfare fund	10,60,453	9,45,408
Staff Welfare Expenses	1,57,633	1,20,296
Total	2,00,59,892	2,71,74,297
29 Finance Cost		
Interest on Term Loan	10,19,42,411	11,63,93,108
Interest on Inter Corporate Deposit	-	3,56,16,803
Other Charges	1,81,840	1,81,841
Total	10,21,24,251	15,21,91,752



GRACE WORKS REALTY & LEISURE PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2021

Particulars	2020-21	(Amount in ₹) 2019-20
30 Other Expenses		
Electricity Charges	63,88,422	1,22,29,940
Water Charges	10,95,190	22,87,401
Repairs & Maintenance		
Building	2,20,65,695	4,41,69,631
Plant & Machinery	1,63,23,673	1,19,13,912
Others	8,01,857	11,65,147
Housekeeping and Security Charges	1,58,51,878	2,29,44,450
Rates and Taxes	2,13,55,984	2,20,61,385
Insurance	38,61,027	18,84,365
Audit Fees (Refer Note 30.1)	6,20,000	5,25,000
Travelling & Conveyance	29,066	9,45,033
Printing & Stationery	23,369	65,985
Telephone & Communication Expenses	1,19,960	1,92,495
Legal & Professional Charges	60,85,368	33,11,934
Directors Sitting Fees	1,40,000	2,60,000
Compensation A/c.	-	50,805
Selling & Distribution Expenses	6,43,212	8,43,309
Brokerage & Consultancy Charges	-	1,71,79,736
Loss on sale of asset	-	50,35,333
Allowance for expected credit loss	46,41,278	22,29,188
Rebates & Settlement-Others	12,31,827	12,837
Miscellaneous Expenses	3,70,706	79,608
Total	10,16,48,511	14,93,87,495
30.1 Payment to Auditor		
As Auditor:		
Audit Fees	4,20,000	5,25,000
Other services	2,00,000	-
Total	6,20,000	5,25,000
31 Contingent Liabilities and Capital Commitments		
a Capital and other commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for	-	1,84,170
b Contingent liabilities not provided for-		
<p>Claims against the Company not acknowledge as debt is approx of ₹ 18,41,00,000 (P. Y. ₹ 18,41,00,000) and interest thereon. The above litigations are not expected to have any material adverse effect on the financial position of the Company.</p>		



GRACE WORKS REALTY & LEISURE PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March, 2021

(Amount in ₹)

32 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 recognised in the financial statements.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at amortised cost				
Trade Receivables	4,57,92,296	4,57,92,296	8,00,69,676	8,00,69,676
Cash and Cash Equivalents	2,23,31,874	2,23,31,874	69,36,208	69,36,208
Other financial assets	4,18,682	4,18,682	1,17,831	1,17,831
Total	6,85,42,852	6,85,42,852	8,71,23,715	8,71,23,715
Financial liabilities designated at amortised cost				
Borrowings - Fixed rate	-	-	-	-
Borrowings - Variable rate	1,10,53,69,610	1,10,53,69,610	1,11,51,34,858	1,11,51,34,858
Trade payables and others	2,43,99,869	2,43,99,869	2,76,42,301	2,76,42,301
Other financial liabilities	14,57,42,840	14,57,42,840	24,55,62,616	24,55,62,616
Total	1,27,55,12,319	1,27,55,12,319	1,38,83,39,775	1,38,83,39,775

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 :

Fair value of Financial Assets & Financial Liability(except long term borrowings) are carried at amortised cost is not materially different from its carrying cost.

Fair value of long term borrowings is calculated based on discounted cashflow.

33 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 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 3 months MCLR + base of 3.66%. 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	
	2020-21	2019-20
+1%/-1%	1,09,24,516	1,06,76,356

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 receivables:

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 spectrum 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 extent.

Cash and cash equivalents and other investments

The Company is exposed to counter party risk relating to medium term deposits with banks.

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.

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, 2021 and March 31, 2020 is as follows:

	As at 31/03/2021	As at 31/03/2020
<u>Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):</u>		
Cash and cash equivalents	2,23,31,874	69,36,208
Other financial assets	4,18,682	1,17,831
<u>Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):</u>		
Trade receivables	4,57,92,296	8,00,69,676

Life time Expected credit loss for Trade receivables under simplified approach

Aging of Trade Receivables	Past Due				Total
	0-90 days	90-180 days	180 - 360 days	over 360 days	
As at 31st March, 2021					
Gross Carrying Amount	45,57,443	19,78,258	46,85,346	4,20,54,068	5,32,75,115
Expected credit losses (Loss allowance provision)	7	803	16,96,295	57,85,714	74,82,818
Net Carrying Amount	45,57,437	19,77,455	29,89,051	3,62,68,354	4,57,92,297
As at 31st March, 2020					
Gross Carrying Amount	80,73,333	19,77,178	31,17,552	7,27,18,810	8,58,86,873
Expected credit losses (Loss allowance provision)	17,308	17,147	10,22,576	47,60,167	58,17,197
Net Carrying Amount	80,56,026	19,60,031	20,94,976	6,79,58,643	8,00,69,676

Reconciliation of Changes in the life time expected credit loss allowance:

	2020-21	2019-20
Loss allowance on 1 April,	58,17,197	38,66,484
Provided during the year	39,11,167	38,59,519
Amount written off during the year	(22,30,687)	(2,78,475)
Reversal of provision	(14,858)	(16,30,331)
Loss allowance on 31st March,	74,82,818	58,17,197

Cash and Cash equivalent, other Investment, Loans and 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 failure at the option of lenders, except where exemption is provided by lender.

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Notes to Financial Statements for the year ended 31st March, 2021

(Amount in ₹)

Particulars	As at March 31, 2021					
	Carrying Amount	On Demand	Less than 12 months	1- 5 years	>5 years	Total
Borrowings	1,10,53,69,610	2,24,00,220	5,49,96,406	40,40,84,138	62,38,88,846	1,10,53,69,610
Other Financial Liabilities	14,57,42,840	7,45,71,381	-	7,11,71,459	-	14,57,42,840
Trade and other payables	2,43,99,869	23,89,469	2,20,10,401	-	-	2,43,99,869

Particulars	As at March 31, 2020					
	Carrying Amount	On Demand	Less than 12 months	1- 5 years	>5 years	Total
Borrowings	1,11,51,34,858	5,82,04,950	2,56,19,075	31,61,81,310	71,51,29,523	1,11,51,34,858
Other Financial Liabilities	24,55,62,616	13,23,51,771	-	11,32,10,845	-	24,55,62,616
Trade and other payables	2,76,42,301	89,44,696	1,86,97,606	-	-	2,76,42,301

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, 2021 and March 31, 2020.

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 less cash and short term deposits.

Particulars	As At 31/03/2021	As At 31/03/2020
Loans and Borrowings	1,10,53,69,610	1,11,51,34,858
Less: Cash and cash equivalents + Bank Deposits	2,23,31,874	69,36,208
Net Debt (A)	1,08,30,37,736	1,10,81,98,650
Total Capital (B)	1,32,62,65,383	1,28,18,10,976
Capital+Net Debt (A + B)	2,40,93,03,119	2,39,00,09,626
Gearing Ratio (A/(A+B))	0.45	0.46

34 Lease:

The company provides units at its mall on license basis for which it charges license fees. The license agreements are generally for the period of 1 years to 5 years. The terms also provides for escalation of license fees and other charges on periodical basis. Generally, the company has right to terminate the license agreement by giving advance notice as stipulated therein. .

Future minimum License Fees receivable under Leave and License agreements for non-expired lock in period as at 31st March 2021 are as follows:

Particulars	Within one year	After one year but not more than five years	More than five years	Total
As on 31st March 2021	13,06,10,728	20,92,49,835	-	33,98,60,563
As on 31st March 2020	18,82,37,809	32,53,43,710	-	51,35,81,518

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 exists 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 Limited	Ultimate holding company
2 Market City Resources Private Limited	Fellow Subsidiary
3 Offbeat Developors Private Limited	Fellow Subsidiary
4 Palladium Construction Private Limited	Fellow Subsidiary
5 Classic Mall Development Company Limited	Enterprise having significant influence



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Notes to Financials Statements for the year ended 31st March, 2021

b) Transactions during the period with related party:

Sr. No.	Nature of Transaction	Name of Company				Total
		The Phoenix Mills Limited	Phoenix Hospitality Company Private Limited	Offbeat Developers Private Limited	Classic Mall Development Company Limited	
1	Interest on Short Term Borrowings	-	-	-	(3,56,16,803)	-
2	Issuance of Optionally Fully Convertible Debentures	-	-	-	-	-
3	Interest on Debentures	810	60	541	-	1,411
4	Reimbursement of Expenses	(814)	(60)	(125)	-	(999)
5	Business Support Services	-	-	(7,68,000)	-	(7,68,000)
6	Repayment of Inter Corporate Deposits	-	-	(5,22,10,200)	-	(5,22,10,200)
		(-)	(-)	(-)	(47,50,00,000)	(47,50,00,000)

c) Closing Balance as on March 31, 2021:

Sr. No.	Nature of Transaction	Name of Company				Total
		The Phoenix Mills Limited	Phoenix Hospitality Company Private Limited	Offbeat Developers Private Limited	Classic Mall Development Company Limited	
1	Optionally Fully Convertible Debentures	81,20,00,000	6,01,18,300	54,25,00,000	-	1,41,46,18,300
2	Advance to Vendors	(81,20,00,000)	(6,01,18,300)	(54,25,00,000)	(-)	(1,41,46,18,300)
3	Trade Receivables	-	-	(76,800)	(-)	(76,800)
4	Interest Accrued and not due	(-)	(-)	1,90,03,816	-	1,90,03,816
		810	60	(5,09,87,016)	(-)	(5,09,87,016)
		(814)	(60)	541	(3,20,55,123)	1,411
				(125)		(3,20,56,122)

Note :- Figures in brackets represents previous year's figures.

- 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 period through examining the financial position of the related party and market in which related party operates. These balances are unsecured and their settlement occurs through Banking channel.



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Notes to Financials Statements for the year ended 31st March, 2021

Particulars	2020-21	2019-20
36 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	-	-
2 Deferred Tax expenses/ (benefits):		
Relating to origination and reversal of temporary differences	(34,32,958)	(4,49,757)
3 Income Tax of Earlier Years	27,143	-
Total Income tax Expenses (1 to 3)	(34,32,958)	(4,49,757)
B Reconciliation of Current Tax expenses:		
Profit /(Loss) from Continuing operations	4,10,86,521	(6,98,081)
Applicable Tax Rate	26.00%	25.17%
Computed tax expenses	1,06,82,495	(1,75,693)
Additional allowances for tax purpose	(80,81,872)	(75,55,458)
Income not allowed/exempt for tax purposes	21,497	-
Expenses not allowed for tax purposes	85,57,613	1,48,99,737
Other temporary allowances	1,33,487	1,02,170
Taxes on Carry Forward Losses	(1,13,13,220)	(72,70,756)
Total	-	-
C Deferred Tax Recognised in statement of profit and Loss relates to the following:		
Accelerated depreciation for tax purpose	2,45,498	92,618
Expenses allowable on payment basis	(32,96,262)	(74,771)
Provision for loss allowance	(2,34,025)	(5,07,185)
Due to change in Tax rate	(1,48,169)	39,581
Deferred Tax Liabilities/ (Asset)	(34,32,958)	(4,49,757)
D Reconciliation of deferred tax liabilities/(asset) net:		
Opening balance as on 1st April	(11,97,327)	(7,47,570)
Tax expenses / (income) during the year	(34,32,958)	(4,49,757)
Closing balance as on 31st March	(46,30,285)	(11,97,327)
37 Employees Benefits:		
Expenses recognised for Defined contribution plan:		
Company's Contribution to Provident Fund	6,36,465	7,57,766
Company's Contribution to Employees State Insurance	1,83,005	-
	8,19,470	7,57,766
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)	
	2020-21	2019-20
1 Change in Defined Benefit Obligation during the year		
Defined Benefit Obligation at the beginning of the year	20,92,463	17,02,092
Interest Cost	1,52,377	1,44,938
Current Service Cost	2,39,165	2,06,967
Benefits paid during the year	(60,577)	-
Actuarial (gain)/loss on Defined Benefit Obligation	9,877	38,466
Past Service Cost	-	-
Defined Benefit Obligation at the end of the year	24,33,305	20,92,463



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(Amount in ₹)

2 Change in fair value of Plan Assets during the year

Fair value of Plan Assets at the beginning of the year	23,04,493	21,58,412
Expected Return on plan assets	1,50,559	1,64,263
Contribution	73,062	99,988
Benefits paid during the year	(60,577)	-
Actuarial (gain)/loss on Plan Asset	(28,052)	(1,18,170)
Fair value of Plan Assets at the end of the year	24,39,485	23,04,493

3 Amount to be recognized in Balance sheet:

Present value of Defined Benefit Obligation	24,33,305	20,92,463
Fair Value of plan assets at the end of the year	24,39,485	23,04,493
Amount recognized in Balance sheet	(6,180)	(2,12,030)

4 Expenses recognised in the statement of Financial position for the year

Current Service Cost	2,39,165	2,06,967
Interest cost on obligation	1,52,377	1,44,938
Expected Return on plan assets	(1,50,559)	(1,64,263)
Expense recognized in the statement of Profit & Loss account	2,40,983	1,87,642

5 Recognised in Other Comprehensive income for the year

Remeasurement due to:		
Effect of change in financial assumptions	-70,916	87,654
Effect of experience adjustments	80,793	(49,188)
Return on plan of assets(excluding interest)	28,052	1,18,170
Net Actuarial (gain)/loss recognized for the year	37,929	1,56,636

6 Maturity profile of defined benefit obligation

Within the next 12 months	1,48,483	1,14,690
Between 2 to 5 years	6,20,109	5,10,588
Between 5 to 10 years	14,53,730	7,20,082

7 Actuarial assumptions used for estimating defined benefit obligations

Discount Rate	7.00%	6.70%
Salary Escalation Rate	0% for first year 5% for next year & 7% thereafter	0% for first year 5% for next year & 7% thereafter
Expected Rate of Return on Assets	7.00%	6.70%
Attrition/ Withdrawal Rate	5%	5%
Mortality Rate	IALM (2012-14) Ultimate 12.36 years	IALM (2012-14) Ultimate 11.79 years
The weighted average duration of plan		

Notes:

- Salary escalation rate is arrived after taking into account regular increments, price inflation and promotion and other relevant factors such as supply and demand in employment market.
- Discount rate is based on prevailing market yields of Indian Government Securities as at balance sheet date for estimated term of obligations.
- Attrition rate/ withdrawal rate is based on Company's policy towards retention of employees, historical data and industry outlook.
- Expected contribution to defined benefit plans for the financial year 2021 - 22 is ₹ Nil
- The above information is certified by actuary.

8 Sensitivity analysis:

Increase/ (decrease) on present value of defined benefits obligations at the end of the year:

Change in assumption	Change in assumption	Effect on Gratuity obligation	
		2020-21	2019-20
Discount rate	1%	(2,15,196)	(1,94,356)
	-1%	2,49,276	2,26,692
Salary Escalation rate	1%	1,49,742	1,10,496
	-1%	(1,20,539)	(1,22,628)
Withdrawal rate	1%	40,015	31,322
	-1%	(46,615)	(38,010)



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(Amount in ₹)

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

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.

Unfunded scheme - Earned Leaves

Particulars	2020-21	2019-20
Present value of funded obligations	13,69,368	11,50,657
Expenses recognised in the statement of profit and loss	2,18,711	3,16,181
In Other comprehensive income		
Actuarial (Gain) / Loss - Plan liabilities	-	-
Actuarial (Gain) / Loss - Return On Plan Assets	-	-
Net (Income)/ Expense For the period Recognized in OCI	-	-
Discount rate (per annum)	7.00%	6.70%
	0% for first year	0% for first year
	5% for next year	5% for next year
	& 7% thereafter	& 7% thereafter
Salary escalation rate (per annum)		

38 Earning per share:

Reconciliation of Equity shares in computing weighted average number of equity shares

	2020-21	2019-20
a) Weighted Average number of equity shares - Basics		
Issued fully paid equity shares as on April 1, 2020	67,568	67,568
b) Weighted Average number of equity shares - Diluted		
Weighted Average number of equity shares - Basics	67,568	67,568
Equity Shares issuable on conversion of Optionally Convertible Debentures	1,41,46,183	99,73,096
	1,42,13,751	1,00,40,664
c) Net profit after tax as per Statement of Profit and Loss	4,44,92,336	(2,48,324)
Add: Interest on debentures after tax	1411	551
Net profit after tax as per Statement of Profit and Loss available for equity shareholders	4,44,93,747	(2,47,773)
d) Basic Earnings per share (₹) (c/a)	658.48	(3.68)
e) Diluted Earnings per share (₹)*	3.13	(3.68)
f) Face value per equity share (₹)	10	10

* Antidilutive, hence same as Basic EPS only for current year

39 Segment reporting:

The Company is mainly engaged in real estate activities catering to Indian customers. Accordingly, the Company has only one identifiable segment reportable under IndAS 108 "Operating Segment".

Board of Directors (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.

The revenues from transactions with a single customer not amount to 10 per cent or more of an entity's revenues. For broad category of services rendered refer note no. 25.



GRACE WORKS REALTY & LEISURE PRIVATE LIMITED
Notes to Financials Statements for the year ended 31st March, 2021

(Amount in ₹)

40 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 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. In order to conserve its cash flows, the Company has availed moratorium offered by lenders as per the RBI guidelines on principal and 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, investments, 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.

41 Trade receivables and trade payables are subject to confirmation and reconciliation, if any. The same is not expected to have any material impact on the financial statements.

42 The previous year figures have been regrouped, reworked, rearranged ~~and acknowledged~~, whenever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

For **D T S & Associates LLP**

(Firm Registration No: 142412W/W100595)

Chartered Accountants


Ashish G. Mistry

Partner

Membership No. 132639




For and on behalf of the Board of Directors


Nilesa Louzado

Director

(DIN : 03311327)


Rajesh Patil

Director

(DIN : 07466330)

Place : Mumbai

Date : May 26, 2021