INDEPENDENT AUDITOR'S REPORT

To
The Members of Palladium Constructions Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Palladium Constructions Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2019 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Key Audit Matters

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

Sr No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition of Construction Contracts** The Company has applied the modified retrospective approach in accordance with Ind AS 115 only to contracts that are not completed contracts as on April 1, 2018. This transitional adjustment of Rs. 1,13,23,26,236/- has been adjusted against opening Retained Earnings as per the requirements of Ind AS 115. There is a risk that all the incomplete contracts as on April 01, 2018 were not considered in applying the transitional provisions of Ind AS 115 due to which the adjustment to the opening Retained Earnings is misstated.	**Principal audit procedures** We assessed the Company's process to identify the impact of adoption of the new Revenue Accounting Standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of the internal controls relating to implementation of the new revenue accounting standard. • Obtained listing of all the contracts as on March 31, 2018. Identified the contracts that are not completed contracts for which handover of units not done and/or occupancy certificate not received as on March 31, 2018. For such identified contracts, verified on a test check basis the consideration received, cost incurred and revenue recognized to verify the adjustment to the opening Retained Earnings as on April 01, 2018. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of

	The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over a period of time. Refer Notes 3 (k) and 27 to the Standalone Financial Statements.	transaction price. • Selected a sample of continuing and new contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Verified the progress towards satisfaction of performance obligations used to compute recorded revenue with contractual obligations, necessary approvals pertaining to the completion of the project, third party certifications and the collectability of an amount of consideration. • Performed project wise analytical procedures for reasonableness of revenues.
2	**Carrying values of Inventories (Construction work in Progress and Stock in Trade)**	**Principal audit procedures**
	There is a risk that the valuation of inventory may be misstated as it involves the determination of net realizable value (NRV) and estimated total construction cost of completion of each of the projects which is an area of judgement. Refer Notes 3 (e) and 9 to the Standalone Financial Statements.	We assessed the Company's process for the valuation of inventories. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of the internal controls relating to the valuation of inventories. • Tested the operating effectiveness of controls for the review of estimates involved for the expected cost of completion of projects including construction cost incurred, construction budgets and net realizable value. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. Selected a sample of project specific inventories and performed the procedures around: • Construction costs incurred for the project specific inventories by tracing to the supporting documents, estimated total construction cost to be incurred for completing the construction of the project and corroborated the same with the reports from external supervising engineers, where applicable. Obtained the company's assessment of NRV for the project specific inventories. • The expected net amounts to be realized from the sale of inventory in the ordinary course of business.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2016, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements [Refer Note 38 to the financial statements].

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

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

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

Anil Khanna
Partner
Membership No.: 153522

Place : Mumbai
Dated :

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

The Annexure referred to in Independent Auditor's Report to the members of the company on the standalone Financial Statements for the year ended 31st March 2019, we report that:

i) In respect of its Fixed Assets :

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

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

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

ii) In respect of its Inventories :

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

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

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

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

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

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

vii) In respect of Statutory dues :

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable.

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

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

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

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

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

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

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

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

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

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

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

xiii) In our opinion, all the transactions with related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Accounting Standards.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause (xiv) of paragraph 3 of the Order Not applicable to the Company.

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

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

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

Anil Khanna
Partner
Membership No.: 153522

Place : Mumbai
Dated : 14th May 2019

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

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

We have audited the internal financial controls over financial reporting of **Palladium Constructions Private Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Anil Khanna
Partner
Membership No.: 153522

Place : Mumbai
Dated : 14th May 2019

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Balance Sheet as at 31st March, 2019

Sr No.	Particulars	Note no.	As at 31st March, 2019	As at 31st March, 2018
	ASSETS			
1	**Non-current assets**			
	Property, plant and equipment	5	1,49,51,84,884	1,58,80,02,773
	Other Intangible assets		56,35,364	60,12,610
	Capital Work-in-progress		29,55,901	
	Goodwill on account of Amalgamation		26,16,520	26,16,520
	Financial assets			
	- Other	6	5,35,16,754	9,36,72,510
	Deferred tax assets (Net)	7	-	8,78,47,906
	Other non-current assets	8	7,25,68,379	2,14,86,379
	(A)		**1,63,24,77,802**	**1,79,96,38,698**
2	**Current assets**			
	Inventories	9	8,74,06,56,006	6,35,48,44,049
	Financial assets			
	- Trade receivables	10	95,46,84,800	29,91,51,367
	- Cash and cash equivalents	11	9,48,06,872	2,63,74,411
	- Bank Balance other than above	12	3,31,00,353	4,16,87,182
	- Other	13	94,34,601	42,90,229
	Current Tax Assets (net)	14	6,49,38,462	12,35,62,023
	Other current assets	15	82,59,19,601	54,67,77,230
	(B)		**10,72,35,40,695**	**7,39,66,86,492**
	TOTAL (A + B)		**12,35,60,18,497**	**9,19,63,25,190**
	EQUITY AND LIABILITIES			
1	**Equity**			
	Equity Share capital	16	33,03,17,240	33,03,17,240
	Other equity	17	5,33,97,53,994	5,22,62,06,389
	(A)		**5,67,00,71,234**	**5,55,65,23,629**
	Liabilities			
2	**Non-current liabilities**			
	Financial liabilities			
	- Borrowings	18	1,59,62,75,684	1,61,01,37,917
	Provisions	19	1,16,98,049	80,10,095
	Deferred tax Liabilities (Net)	20	34,38,166	-
	Other non-current liabilities	21	5,97,12,934	2,56,92,712
	(B)		**1,67,11,24,833**	**1,64,38,40,724**
3	**Current liabilities**			
	Financial liabilities			
	- Borrowings	22	2,23,30,61,732	68,56,75,404
	- Trade Payables	23	57,11,69,807	17,85,07,008
	- Other financial liabilities	24	1,41,45,833	-
	Provisions	25	21,59,600	5,85,651
	Other current liabilities	26	2,19,42,85,458	1,13,11,92,775
	(C)		**5,01,48,22,430**	**1,99,59,60,838**
	TOTAL (A+B+C)		**12,35,60,18,497**	**9,19,63,25,190**

Significant Accounting Policies and Notes on Financial Statements 1 to 45

As per our Report of even date

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

For and on behalf of the Board of Directors

Anil Khanna
Partner
Membership No.: 153522

Varun Parwal
Director
DIN No.0007586435

Rajesh Kulkarni
Director
DIN No.0003134336

Place:- Mumbai
Date :- 14th May, 2019

KVS Rammohan Gupta
Chief Financial Officer

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Statement of Profit & Loss for the year ended on 31st March, 2019

Particulars	**Notes**	**For the year ended on 31st March, 2019**	**For the year ended on 31 March 2018**
Revenue from operations	**27**	4,16,51,37,037	1,91,85,26,251
Other income	**28**	8,14,38,312	7,71,39,118
Total Income		**4,24,65,75,349**	**1,99,56,65,369**
Expenses			
Cost of materials consumed	**29**	4,17,63,16,583	1,32,87,99,474
Changes in inventories of finished goods, work in progress and stock-in-trade	**30**	(2,43,43,36,779)	(44,42,34,762)
Employee benefit expense	**31**	15,18,29,109	14,52,87,776
Finance cost	**32**	29,44,02,002	16,01,38,789
Depreciation and amortisation expense	**5**	10,47,10,636	10,78,84,798
Other expense	**33**	34,52,13,654	35,10,68,665
Total Expenses		**2,63,81,35,205**	**1,64,89,44,740**
Profit before tax		**1,60,84,40,144**	**34,67,20,629**
Tax Expense:			
Current Tax		(27,43,00,000)	(7,32,00,000)
Deferred Tax (Including Mat Credit utilisation of Rs.7,14,81,730/- (P.Y Credit Entitlement of Rs.7,14,81,730/-)		(9,12,86,072)	9,18,59,273
Profit for the year from continuing operations		**1,24,28,54,072**	**36,53,79,902**
Profit for the year		**1,24,28,54,072**	**36,53,79,902**
Other comprehensive income		-	-
Total comprehensive income for the year *(Profit + other comprehensive income)*		**1,24,28,54,072**	**36,53,79,902**
Earnings per equity share	**37**		
Basic		**37.63**	**11.06**

Significant Accounting Policies and Notes on Financial Statements **1 to 45**

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

For and on behalf of the Board of Directors

Anil Khanna
Partner
Membership No.: 153522

Varun Parwal
Director
DIN No.0007586435

Rajesh Kulkarni
Director
DIN No.0003134336

Place:- Mumbai
Date :- 14th May, 2019

KVS Rammohan Gupta
Chief Financial Officer

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Statement of Changes in Equity as at 31st March, 2019

(Amount in Rs.)

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

17	Other Equity	Equity Component of compounded Financials Instrument	Reserves & surplus			Total
			Securities Premium	Retained Earning	Replacement Reserve Fund	
	Balance as at 1st April, 2018	**58,91,158**	**3,12,01,94,761**	**2,08,22,57,520**	**1,78,62,950**	**5,22,62,06,389**
	Profit For the Year	-	-	1,24,28,54,072	-	**1,24,28,54,072**
	Employees Stock Option Scheme	30,19,770	-	-	-	**30,19,770**
	On Account of Amalgamation	-	-	-	-	**-**
	Transfer To Replacement Reserve	-	-	(99,66,201)	99,66,201	**-**
	Adjustment relating to cumulative effect of applying Ind-AS-115 (Refer Note	-	-	(1,13,23,26,236)		**(1,13,23,26,236)**
	Balance as at 31 st March, 2019	**89,10,928**	**3,12,01,94,761**	**2,18,28,19,154**	**2,78,29,151**	**5,33,97,53,994**

As per our Report of even date

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

Anil Khanna
Partner
Membership No.: 153522

Place:- Mumbai
Date :- 14th May, 2019

For and on behalf of the Board of Directors

Varun Parwal
Director
DIN No.0007586435

Rajesh Kulkarni
Director
DIN No.0003134336

KVS Rammohan Gupta
Chief Financial Officer

PALLADIUM CONSTRUCTIONS PRIVATE LIMITED

CIN: U45400MH2008PTC178115

Cash Flow Statement for the Financial Year ended on 31st March, 2019

Sr. No.	Particulars	2018-19 (Rs.)	2017-18 (Rs.)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before Tax as per Statement of the Profit & Loss	1,60,84,40,144	34,67,20,629
	Adjustments for Non Cash / Non Operating Income:-		
	Provision for Doubtful Debts		1,10,829
	Adjustment on Account of IND AS 115	(1,13,23,26,236)	
	ESOP	30,19,770	43,21,883
	Interest Expenses	29,44,02,002	16,01,38,789
	Interest Income	(75,15,599)	(1,89,22,411)
	(Profit)/Loss on sale of Asset	-	12,000
	Depreciation	10,47,10,636	10,78,84,798
	Operating Cash Flow before Working Capital Changes	87,07,30,716	60,02,66,517
	Adjustments for Working Capital changes:-		
	Inventories	(2,38,58,11,957)	(46,16,84,924)
	Trade Payables and other payables	1,50,91,83,439	(43,48,23,876)
	Trade Receivables and others	(93,70,15,218)	(12,06,45,996)
	Cash Generated from Operations	(94,29,13,019)	(41,68,88,279)
	Taxes Paid	(21,56,76,442)	(5,14,04,922)
	Net Cash Generated/(Used) from Operating Activities	**(1,15,85,89,461)**	**(46,82,93,201)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment	(1,44,71,401)	(61,84,335)
	Inter Corporate Deposits Refund/(Given) (Net)	-	37,36,81,024
	Interest Received	23,71,227	6,16,49,147
	Net Cash Generated/(Used) in Investing Activities	**(1,21,00,174)**	**42,91,45,836**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from the Working Capital Loan taken during the year [Net]	12,63,00,472	1,15,79,26,677
	Proceeds from the ICD Taken/(Refunded)	1,40,72,23,623	-
	Repayment of Secured Loans	-	(11,19,36,729)
	Proceeds from issue of OFCD	-	(87,00,00,000)
	Interest Paid	(29,44,02,002)	(16,01,38,789)
	Net Cash Generated from / (used in) Financing Activities	**1,23,91,22,093**	**1,58,51,159**
	Net Increase/ (Decrease) in Cash and Cash Equivalents	6,84,32,458	(2,32,96,207)
	Opening Balance of Cash and Cash Equivalents	2,63,74,412	4,96,70,620
	Closing Balance of Cash and Cash Equivalents	**9,48,06,872**	**2,63,74,412**

Notes:-

Cash and Cash Equivalents include :		
Cash on hand	4,74,543	4,06,997
Balances with Scheduled Banks	9,43,32,329	2,59,67,414
Cash and Bank Balances	**9,48,06,872**	**2,63,74,412**
[Refer Note: 11]		

The figures in brackets represent Cash outflows.

As per our Report of even date

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

For and on behalf of the Board of Directors

Anil Khanna
Partner
Membership No.: 153522

Varun Parwal
Director
DIN No.0007586435

Rajesh Kulkarni
Director
DIN No.0003134336

Place : Mumbai
Date :- 14th May, 2019

KVS Rammohan Gupta
Chief Financial Officer

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Notes to financial statements for the year ended on 31st March, 2019

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
6	**Non-Current Financials Assets- Other**		
	Fixed Deposit with Bank (Original Maturity more than 1 year)	1,13,91,867	1,13,91,867
	(Furnished as Bank Guarantee to the Karnataka VAT Authorities towards the tax demand for Financial Year 2013-14, Refer Note No. 38)		
	Fixed deposit - Guarantees (includes interest accrued on Deposits)	4,21,24,887	8,22,80,643
		5,35,16,754	**9,36,72,510**
7	**Deferred Tax Asset**	-	8,78,47,906
		-	**8,78,47,906**
8	**Other Non-Current Assets**		
	Advances to Contractors/Suppliers	6,69,17,078	1,56,29,703
	Other Advances/Deposits.	56,51,301	58,56,676
		7,25,68,379	**2,14,86,379**
9	**Inventories**		
	(As taken, valued and certified by the Management)		
	Land	1,98,04,59,497	1,98,42,22,466
	Realty Work in Progress	6,75,67,19,458	4,31,92,12,647
	Construction Materials on hand	-	4,85,24,822
	Food & Beverages	34,72,470	28,79,319
	Tobacco	4,581	4,796
		8,74,06,56,006	**6,35,48,44,049**
10	**Trade Receivables**		
	Unsecured,		
	Considered good	95,51,09,670	29,96,07,386
	Less: Provision for Doubtful Debts	(4,24,870)	(4,56,018)
	Credit impaired	-	-
	Less: Provision for Doubtful Debts	-	-
		95,46,84,800	**29,91,51,367**
11	**Cash & Cash Equivalents**		
	a. Balances with Banks		
	In current accounts	9,43,32,329	2,59,67,414
	b. Cash on hand	4,74,543	4,06,997
		9,48,06,872	**2,63,74,411**
12	**Bank Balance other than above**		
	Fixed Deposit (Less than one year)	3,31,00,353	4,16,87,182
		3,31,00,353	**4,16,87,182**
13	**Current Financials Assets- Other**		
	Interest Accrued on Fixed Deposit	94,34,601	42,90,229
		94,34,601	**42,90,229**

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Notes to financial statements for the year ended on 31st March, 2019

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
14	**Current Tax Assets (net)**		
	Taxes Paid (net of Provisions)	6,49,38,462	12,35,62,023
		6,49,38,462	**12,35,62,023**
15	**Other Current Assets**		
	Advances to Contractors/Suppliers	14,26,31,754	24,07,63,531
	Balances with the Government Authorities	67,38,07,316	29,66,05,547
	Prepaid Expenses	68,74,996	48,14,814
	Other Advances/Deposits	26,05,535	45,93,339
		82,59,19,601	**54,67,77,230**
16	**Share Capital**		
	Authorised		
	6,10,00,000 (P.Y. 6,10,00,000) Equity Shares of Rs.10/- each	61,00,00,000	61,00,00,000
	a] Issued, Subscribed and Paid Up		
	3,30,31,724 (P.Y. 3,30,31,724) Equity Shares of Rs.10/- each fully paid up	33,03,17,240	33,03,17,240
	b] Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year		
	Equity Shares		
	Shares outstanding at the beginning the year	**3,30,31,724**	**3,30,31,724**
	Shares outstanding at the end of the year	**3,30,31,724**	**3,30,31,724**

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

Particulars	31st March 2019		31st March 2018	
Equity Shares of Rs.10 each fully paid up	Number of shares	% of Holdings	Number of shares	% of Holdings
The Phoenix Mills Limited	1,72,72,662	52.29	1,72,72,662	52.29
Phoenix Hospitality Company Private Limited	1,57,59,062	47.71	1,57,59,062	47.71

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

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
17	**Other Equity**		
	Securities Premium :		
	As at the Beginning of the year	3,12,01,94,761	3,12,01,94,761
	As at the End of the year	**3,12,01,94,761**	**3,12,01,94,761**
	Retained Earnings :		
	As at the Beginning of the year:	2,08,22,57,520	1,72,74,70,810
	Less :- Adjustment relating to cumulative effect of applying Ind-AS-115 (refer Note No.43)	(1,13,23,26,236)	-
	Less: Transfer to Replacement Reserve	(99,66,201)	(1,05,93,192)
	Add: Profit for the year	1,24,28,54,072	36,53,79,902
	As at the end of the year	**2,18,28,19,155**	**2,08,22,57,520**

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Notes to financial statements for the year ended on 31st March, 2019

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Replacement reserve Fund		
	As at the Beginning of the year:	1,78,62,950	72,69,758
	Add: Transferred from Retained Earning	99,66,201	1,05,93,192
	As at the end of the year	**2,78,29,151**	**1,78,62,950**
	Employee Stock Option (Equity Component)		
	As at the Beginning of the year:	58,91,158	15,69,275
	Add: Profit for the year	30,19,770	43,21,883
	As at the end of the year	**89,10,928**	**58,91,158**
	Optionable fully Convertible Debentures		
	As at the Beginning of the year:	-	87,00,00,000
	Less: Redeemed during the year	-	(87,00,00,000)
	As at the end of the year	-	-
		5,33,97,53,994	**5,22,62,06,389**

Nature and Purpose of Reserves

(a) **Securities Premium :**
It represents the amount received in excess of par value of securities. The same can be utilized as per provisions of section 52 of the Companies Act, 2013.

(b) **Retained Earnings:**
Retained earnings are the profits that the company has earned till date,less any transfers to general reserve, dividends or other distributions paid to shareholders.

(c) **Replacement reserve Fund**
As per the operating agreement with Hotel operator, the Company is required to create a replacement reserve fund based on percentage of monthly revenues. The said fund is required to be earmarked and kept separately which can be utilised only for routine capital expenditure in respect of the hotel property as per the operating plan or as proposed by the hotel operator. Further all interest earned from the said fund also has to be added to the said fund.

Accordingly the company has created a reserve of Rs. 99.66 lakhs (Previous Year Rs. 105.93 lakhs) by debiting the balance in retained earnings and utilised reserve of Rs. Nil lakhs (Previous year Rs.Nil lakhs) by crediting balance in retained earnings. Fixed deposit of Rs. Nil [Previous Year Rs. Nil] has also been created for the said purpose.

(d) **Share option outstanding :**
It represents fair value of stock option granted to employees of the Company under "Employee Stock Option Scheme 2007" by the holding company. Under the scheme, employees of the Company entitles the shares of the holding company.

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
18	**BORROWINGS :**		
	Secured Term loans		
	Standard Chartered Bank	1,61,04,21,517	1,61,01,37,917
	Less:- Current maturities of Long Term Debts	(1,41,45,833)	-
		1,59,62,75,684	**1,61,01,37,917**

Term Loan referred above are secured on pari-passu basis by equitable mortgage of immovable properties namely 'Phase-1 (Tower 1-5)' of project one banglore west,'Phase-2 (Tower-6)' of project one banglore west,admeasuring 14,87,000 sq ft. in aggregate and paripassu charge over courtyard marriott,agra is a c.189 key 5 star hotel..

Maturity profile of Term Loan from Bank are set out below

Tearm Loan from Bank			
FY 2019-2020	1,41,45,833	FY 2024-2025	4,63,12,500
FY 2020-2021	30,95,25,000	FY 2025-2026	5,34,37,500
FY 2021-2022	58,27,12,500	FY 2026-2027	6,05,62,500
FY 2022-2023	32,70,21,517	FY 2027-2028	6,84,00,000
FY 2023-2024	3,99,00,000	FY 2028-2029	7,41,00,000
		FY 2029-2030	3,77,62,500

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Notes to financial statements for the year ended on 31st March, 2019

Note No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
19	**Provisions**		
	Provision for Employee Benefits:		
	Gratuity (Funded)	39,86,050	13,69,009
	Leave Encashment	77,11,999	66,41,086
		1,16,98,049	**80,10,095**
20	**Deferred Tax Liabilities (Net)**	34,38,166	-
		34,38,166	**-**
21	**Other non-current liabilities**		
	Retention Money of Contractors	4,17,53,429	77,33,207
	Deferred Liability of Luxury Tax	1,79,59,505	1,79,59,505
		5,97,12,934	**2,56,92,712**
22	**Borrowings**		
	Secured :		
	Bank Overdraft*	28,30,52,642	14,28,89,937
	Unsecured :		
	Loan From Holding Company (Repayable on Demand)	-	54,27,85,467
	Loan From Fellow Subsidiary (Repayable on Demand)	1,95,00,09,090	-
		2,23,30,61,732	**68,56,75,404**
	*Bank Overdraft referred above are secured on pari-passu basis by equitable mortgage of immovable properties namely 'Phase-1 (Tower 1-5)' of project one banglore west,'Phase-2 (Tower-6)' of project one banglore west,admeasuring 14,87,000 sq ft. in aggregate and paripassu charge over courtyard marriott,agra is a c.189 key 5 star hotel..		
23	**Trade Payables**		
	Micro & Small Enterprises #	3,20,37,899	-
	Others.	53,91,31,908	17,85,07,008
		57,11,69,807	**17,85,07,008**
	# There are no Micro and Small Enterprises, to whom the company ows dues, for more than 45 days during the year as at March 31,2019 and March 31, 2018. The above information regarding Micro and Small Enterprises has been dertemined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.		
	The disclosure persuant to the said Act is as under :		
	a) Principal amount due to supplier under MSMED Act, 2006	-	-
	b) Interest Accrued and due on the above amount, unpaid	-	-
	c) Payment made beyond the appointed day during the year	-	-
	d) Interet paid	-	-
	e) Interest due annd payable for the period of delay	-	-
	f) Interest remaining due and payable in succeeding year	-	-
		-	-
24	**Other Financials Current Liabilities**		
	Current maturities of Long Term Debts (Refer note no.18)	1,41,45,833	-
		1,41,45,833	**-**
25	**Provisions**		
	Provision for Employee Benefits:		
	Gratuity (Funded)	6,15,069	13,532
	Leave Encashment	6,63,510	5,72,119
	Salary Payable	8,81,021	-
		21,59,600	**5,85,651**
26	**Other Current Liabilities**		
	Advances Received From Prospective Buyers	1,18,57,49,277	79,38,93,529
	Statutory Dues	40,15,68,795	6,90,11,292
	Other Liabilities	60,69,67,384	26,82,87,954
		2,19,42,85,457	**1,13,11,92,775**

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Notes to financial statements for the year ended on 31st March, 2019

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

	Land	Buildings	Roads	Plant and Machinery	HOES Consumables	Furniture and Fixtures	Office Equipments [incl. Electric	Computers	Motor Vehicles	Computer Software	CWIP	Total
Gross Block :												
As at 1st April 2018	14,71,07,970	89,54,11,725	7,53,957	33,36,27,963	2,97,66,095	54,31,18,179	26,97,88,010	2,41,22,966	47,05,105	1,82,63,996		2,26,66,65,967
Additions	-	-	-	13,63,500	30,000	73,000	17,03,564	71,50,609	-	11,94,828	29,55,901	1,44,71,401
Adjustments/Deletions	-	-	-	-	-	-	-	6,08,483	-	(6,08,483)		-
As at 31st March, 2019	**14,71,07,970**	**89,54,11,725**	**7,53,957**	**33,49,91,463**	**2,97,96,095**	**54,31,91,179**	**27,14,91,574**	**3,06,65,092**	**47,05,105**	**2,00,67,307**	**29,55,901**	**2,28,11,37,368**
Accumulated depreciation:												
As at 1st April 2018	-	7,95,62,542	7,31,338	10,78,66,794	2,88,94,107	29,23,65,043	12,68,51,513	2,05,45,111	35,82,748	1,22,51,386		67,26,50,583
Depreciation charge for the year	-	1,40,95,521	-	1,81,43,843	65,316	4,66,00,011	2,05,81,719	26,91,180	3,65,965	21,67,081		10,47,10,636
Deductions / Adjustments	-	-	-	-	-	-	-	13,476	-	(13,476)		-
As at 31st March, 2019	**-**	**9,36,58,063**	**7,31,338**	**12,60,10,637**	**2,89,59,423**	**33,89,65,054**	**14,74,33,232**	**2,32,22,815**	**39,48,713**	**1,44,31,943**	**-**	**77,73,61,219**
Net Book Value												
As at 31st March, 2018	**14,71,07,970**	**81,58,49,182**	**22,619**	**22,57,61,169**	**8,71,988**	**25,07,53,136**	**14,29,36,498**	**35,77,855**	**11,22,357**	**60,12,610**	**-**	**1,59,40,15,383**
As at 31st March, 2019	**14,71,07,970**	**80,17,53,661**	**22,619**	**20,89,80,826**	**8,36,672**	**20,42,26,125**	**12,40,58,342**	**74,42,277**	**7,56,392**	**56,35,364**	**29,55,901**	**1,50,37,76,148**

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Notes to Statement of Profit & Loss for the year ended on 31st March, 2019

Notes	Particulars	For the year 2018 - 19 (Rs.)	For the year 2017 - 18 (Rs.)
27	**Revenue from operations**		
	Sale of Property	3,79,50,72,869	1,55,87,60,904
	Room income	18,80,06,492	17,66,16,494
	Food & Beverages	16,25,96,282	16,63,19,017
	Other Operating Revenues	1,94,61,393	1,68,29,836
		4,16,51,37,037	**1,91,85,26,251**
28	**Other Incomes**		
	Transfer Fees Collected from Buyers	22,83,110	9,81,345
	Club House CAM	46,92,300	59,40,000
	Interest Income :		
	From Buyers on delayed payments	38,29,450	2,97,97,038
	On Inter Corporate Deposits	10,02,740	41,01,018
	On Fixed Deposits with Bank	65,12,859	1,48,21,393
	Sale of Scrap	1,75,504	80,242
	Project Technical Services	6,00,80,000	1,50,00,000
	Miscellaneous Income	28,62,349	64,18,082
		8,14,38,312	**7,71,39,118**
29	**Cost of materials consumed**		
	Land cost	37,45,36,305	-
	Cost of Transferable Development Rights (TDR)	30,49,10,574	17,78,48,224
	Consultancy Charges	2,74,79,779	6,60,55,760
	Site Operating Expenses (Including Personnel Cost)	35,85,15,892	21,65,76,042
	Civil Work (including Materials, Interiors Cost etc.)	2,53,25,86,412	57,78,55,492
	Rates & Taxes	-	4,32,74,157
	Approvals & Statutory Payments	13,49,25,739	1,74,62,264
	Electric Installation Expenses, Plumbing Works, Fire Fighting Equipments	39,47,49,477	17,97,11,472
	Cost of Sales-Food & Beverages	4,86,12,405	5,00,16,063
		4,17,63,16,583	**1,32,87,99,474**
30	**Changes in inventories of finished goods, work in progress and stock-in-trade**		
	Realty		
	As at the beginning of the year	6,30,34,35,116	5,85,85,23,294
	Less : As at the end of the year	(8,73,71,78,959)	(6,30,34,35,116)
	Food & Beverages		
	As at the beginning of the year	28,84,115	35,61,175
	Less : As at the end of the year	(34,77,051)	(28,84,115)
		(2,43,43,36,779)	**(44,42,34,762)**
31	**Employee benefit expense**		
	Salary, Wages & Bonus	13,93,30,566	13,32,43,539
	Staff Welfare Expenses	52,34,272	36,15,437
	Employee Stock Option Scheme	30,19,770	43,21,883
	Contribution to Provident Fund & other funds	42,44,501	41,06,916
		15,18,29,109	**14,52,87,776**
32	**Finance cost**		
	Interest on Loan	29,43,96,112	16,00,77,976
	Interest & Other Charges	5,890	60,814
		29,44,02,002	**16,01,38,789**
33	**Other expense**		
	Office Expenses	68,05,237	76,87,931
	Telephone & Internet Charges	44,59,841	51,27,420
	Postage, Printing & Stationery Expenses	34,84,186	36,34,009
	Legal & Professional fees	6,47,39,601	6,35,44,000
	Repair and Maintenance :		
	Buildings	1,95,95,766	1,41,42,341
	Plant/Machinery	41,55,934	1,11,45,445
	Others	79,49,716	2,06,14,541
	Auditors' Remuneration:		
	Audit Fees	22,00,000	19,50,000
	House Keeping Expenses	34,97,631	26,50,764
	Travelling Expenses	1,62,56,860	1,80,73,955
	Sundry Expenses	87,77,838	1,08,11,986
	Bank Charges	15,22,056	57,22,964
	Donations	17,55,094	1,78,000
	Directors Sitting Fees	1,60,000	2,40,000
	Business Promotion Expenses	7,03,78,570	8,53,50,890
	Brokerage/Commission	1,96,43,679	1,68,00,893
	Royalty Fees & Incentives	1,28,83,038	1,29,51,162
	Provision for Bad Debts	-	1,10,829
	Insurance	23,17,396	21,86,575
	Power & Fuel expenses	4,80,64,606	4,51,11,769
	Rates & Taxes	2,28,22,019	69,92,855
	Linen, Room Supplies & Other Supplies	1,00,68,740	98,19,917
	Club House Maintenance	1,36,75,845	62,20,420
		34,52,13,654	**35,10,68,665**

Palladium Constructions Private Limited
CIN: U45400MH2008PTC178115
Notes on Financial Statements for year ended 31st March, 2019

Note No.	Particulars	2018-19	2017-18
34	**Taxation**		
	Income tax related to items charged or credited to profit or loss during the year:		
	A Statement of Profit or Loss		
	1 Current Income Tax	27,43,00,000	7,32,00,000
		27,43,00,000	**7,32,00,000**
	2 Minimum Alternate Tax credit (Entitlement)/ Utilised	7,14,81,730	(7,14,81,730)
		7,14,81,730	**(7,14,81,730)**
	3 Deferred Tax expenses/ (benefits):		
	Relating to origination and reversal of temporary differences	(1,98,04,342)	2,03,77,543
		(1,98,04,342)	**2,03,77,543**
	Total Income tax Expenses (1 to 3)	**36,55,86,072**	**(1,86,59,273)**
	B Reconciliation of Current Tax expenses:		
	Profit /(Loss) from Continuing operations	1,04,63,65,330	34,67,20,629
	Applicable Tax Rate	34.94%	34.61%
	Computed tax expenses	**36,56,00,046**	**11,99,93,075**
	Additional allowances for tax purpose	(43,23,856)	(2,96,13,588)
	Expenses not allowed for tax purposes	28,25,506	13,82,667
	Other temporary difference	(2,13,57,008)	(2,62,84,553)
	Carry Forward Loss utilised	-	(6,54,77,601)
	Tax paid at lower rate	30,37,042	59,69,229
	Additional Tax Payable due to MAT provision	(7,14,81,730)	6,72,30,771
		27,43,00,000	**7,32,00,000**
	C Deferred Tax Recognised in statement of profit and Loss relates to the following:		
	Accelerated depreciation for tax purpose	69,86,780	2,22,23,122
	Expenses allowable on payment basis	93,79,397	(18,45,579)
	Deferred Tax Liabilities/ (Asset)	**1,63,66,176**	**2,03,77,543**
	Particulars		
	Reconciliation of deferred tax liabilities/(asset) net:		
	Opening balance as on 1st April	8,78,47,907	(40,11,367)
	Tax expenses / (income) during the period	(9,12,86,072)	9,18,59,273
	Closing balance as on 31st March	**(34,38,166)**	**8,78,47,907**
35	**Employees Benefits:**		
	Expenses recognised for Defined contribution plan:	**2018-19**	**2017-18**
	Company's Contribution to Provident Fund	27,66,523	30,58,539
	Company's Contribution to Employees State Insurance	8,80,774	9,46,887
		36,47,297	**40,05,426**
	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)	
		2018-19	**2017-18**
1	**Change in Defined Benefit Obligation during the year**		
	Defined Benefit Obligation at the beginning of the year	88,75,959	63,78,047
	Interest Cost	9,56,894	6,08,528
	Current Service Cost	28,81,998	18,50,369
	Benefits paid during the year	(5,23,270)	(2,04,808)
	Actuarial (gain)/loss on Defined Benefit Obligation	2,62,643	(5,81,948)
	Past service cost	-	8,25,771
	Defined Benefit Obligation at the end of the year	**1,24,54,224**	**88,75,959**
2	**Change in fair value of Plan Assets during the year**		
	Fair value of Plan Assets at the beginning of the year	74,97,134	49,54,663
	Expected Return on plan assets	6,05,781	3,66,896
	Contribution	4,97,123	24,43,350
	Benefits paid during the year	(5,23,270)	(2,04,808)
	Actuarial (gain)/loss on Plan Asset	(2,22,942)	(66,683)
	Fair value of Plan Assets at the end of the year	**78,53,826**	**74,93,418**
3	**Amount to be recognized in Balance sheet:**		
	Present value of Defined Benefit Obligation	1,24,54,224	88,75,959
	Fair Value of plan assets at the end of the year	(78,53,826)	(74,93,418)
	Amount recognized in Balance sheet	**46,00,398**	**13,82,541**

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Note No.	Particulars	2018-19	2017-18
4	**Current / Non - current bifurcation:**		
	Current benefit obligation	6,15,069	13,532
	Non - current benefit obligation	39,86,050	13,69,009
5	**Expense recognized in the Statement of Profit & Loss**		
	Current Service Cost	28,81,998	18,50,369
	Interest cost on obligation	9,56,894	6,08,528
	Expected Return on plan assets	(6,05,781)	(3,66,896)
	Actuarial (gain)/losses		
	Past Service cost	-	8,25,771
	Expense recognized in the Statement of Profit & Loss	**32,33,111**	**29,17,772**
6	**Actuarial (gain)/loss recognized in the Statement of Profit & Loss**		
	Remeasurement due to:		
	Effect of change in financial assumptions	5,76,595	(4,79,172)
	Effect of change in demographic assumptions	-	(3,01,748)
	Effect of experience adjustments	(3,13,952)	1,98,972
	Return on plan of assets(excluding interest)	2,22,942	62,967
	Net Actuarial (gain)/loss recognized for the year	**4,85,585**	**(5,18,981)**
7	**Acturial assumptions used for estimating defined benefit obligations**		
	Discount Rate	8.25%	8.25%
	Salary Escalation Rate	7.50%	7.50%
	Expected Rate of Return on Assets	7.50%	8.25%
	Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
	Attrition/ Withdrawal Rate	5.00%	5%
	The weighted average duration of plan	12.15 years	12.53 years

		Compensated Absence Benefit (Funded)	
		2018-19	**2017-18**
1	**Change in Defined Benefit Obligation during the year**		
	Defined Benefit Obligation at the beginning of the year	72,13,205	57,77,381
	Interest Cost	9,73,933	7,47,007
	Current Service Cost	48,78,101	43,39,127
	Benefits paid during the year	(4,48,654)	(7,43,200)
	Actuarial (gain)/loss on Defined Benefit Obligation	(42,41,076)	(29,07,110)
	Past service cost		
	Defined Benefit Obligation at the end of the year	**83,75,509**	**72,13,205**
2	**Amount to be recognized in Balance sheet:**		
	Present value of Defined Benefit Obligation	83,75,509	72,13,205
	Amount recognized in Balance sheet	**83,75,509**	**72,13,205**
3	**Current / Non - current bifurcation:**		
	Current benefit obligation	6,63,510	5,72,119
	Non - current benefit obligation	77,11,999	66,41,086
4	**Expense recognized in the Statement of Profit & Loss**		
	Current Service Cost	48,78,101	43,39,127
	Interest cost on obligation	9,73,933	7,47,007
	Expected Return on plan assets		
	Actuarial (gain)/losses	(42,41,076)	(29,07,110)
	Past Service cost		
	Expense recognized in the Statement of Profit & Loss	**16,10,958**	**21,79,024**
5	**Acturial assumptions used for estimating defined benefit obligations**		
	Discount Rate	7.75%	8.25%
	Salary Escalation Rate	10.00%	7.50%
	Expected Rate of Return on Assets	N.A	N.A.
	Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
	Attrition/ Withdrawal Rate	5%	5%
	The weighted average duration of plan	12.15 years	12.53 years

Notes:

1 Salary escalation rate is arrived after taking into account regular increaments, price inflation and promotion and other relevant factors such as supply and demand in employment market.

2 Discount rate is based on prevailing market yields of Indian Government Securities as at balance sheet date for estimated term of

3 Attrition rate/ withdrawal rate is based on Company's policy towards retention of employees, historical data and industry outlook.

4 Expected contribution to defined benefit plans for the financial year 2019-20 is Rs. 1,50,000

5 The above information is certified by actuary.

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Note No.	Particulars	2018-19	2017-18

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.

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

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

	Name of the party	Relationship
1	The Phoenix Mills Ltd	Holding Company
2	Big Apple Real Estate Pvt Ltd	Fellow Subsidiary
3	Marketcity Resources Pvt Ltd	Fellow Subsidiary
4	Alliance Spaces Pvt Ltd	Fellow Subsidiary
5	Offbeat Developers Pvt Ltd	Fellow Subsidiary
6	Phoenix Hospitality Private Limited	Fellow Subsidiary
7	Vamona Developers Private Limited	Fellow Subsidiary
8	Classic Mall Development Company Limited	Associates
9	Blackwood Developers Pvt Ltd	Fellow Subsidiary
10	Upal Developers Pvt Ltd	Fellow Subsidiary
11	Varun Parwal	Key Managerial Person
12	Kumar Diwesh	Key Managerial Person
13	Arshia Ladak	Key Managerial Person

b) Transactions during the year:

Sr. No	Nature of Transactions	2018 – 19	2017 – 18
1	**Inter Corporate Deposit Received**		
	The Phoenix Mills Limited	41,78,68,822	1,74,86,78,678
2	**Inter Corporate Deposit Repaid (Liability)**		
	The Phoenix Mills Limited	95,90,10,766	1,20,58,93,211
3	**Optionally Fully convertible Debentures Redeemed**		
	The Phoenix Mills Limited	-	87,00,00,000
4	**Inter Corporate Deposit Taken (Loans)**		
	Classic Mall Development Compnay Limited	1,00,00,00,000	-
	Vamona Developers Private Limited	1,67,83,00,000	-
5	**Inter Corporate Deposit Repaid (Loans)**		
	Offbeat Developers Pvt Ltd	-	37,36,81,024
6	**Interest Expenses on ICD**		
	The Phoenix Mills Limited	1,78,68,822	5,73,78,678
	Classic Mall Development Compnay Limited	1,61,69,178	-
	Vamona Developers Private Limited	6,35,07,589	-
7	**Interest Income on ICD**		
	Offbeat Developers Pvt Ltd	-	41,01,018
8	**Project Management Consultancy Fees/Corporate Cost (expenses) (Excluding Service Tax & GST)**		
	Market City Resources Private Limited	2,92,29,000	3,50,17,574
9	**Project Management Consultancy Fees/Corporate Cost (Income) (Excluding Service Tax & GST)**		
	Vamona Developers Private Limited	3,60,00,000	90,00,000
	Blackwood Developers Pvt Ltd	1,20,00,000	30,00,000
	Upal Developers Pvt Ltd	1,20,00,000	30,00,000
10	**Directors Remuneration**		
	Varun Parwal	-	73,32,600
	Kumar Diwesh	-	25,13,886
11	**Legal & Professional Fees**		
	Arshia Ladak	88,91,992	83,39,471

c) Balances as at the end of the year

Sr. No.	Nature of Balances	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
1	**Equity Share Capital (Face Value)**		
	The Phoenix Mills Limited	17,27,26,620	17,27,26,620
2	**Inter Corporate Deposits**		
	The Phoenix Mills Limited	-	54,27,85,467
	Classic Mall Development Compnay Limited	1,01,45,52,260	-
	Vamona Developers Private Limited	93,54,56,830	-
3	**Equity Share Capital (Face Value)**		
	Phoenix Hospitality Private Limited	15,75,90,620	15,75,90,620
4	**Trade Payables**		
	Market City Resources Private Limited	-	43,20,000

Note : -

1 The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

2 Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through Banking channel.

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Note No.	Particulars	2018-19	2017-18
37	**Earning per share:**		

	Particulars	2018-19	2017-18
i)	Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	1,24,28,54,072	36,53,79,902
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	3,30,31,724	3,30,31,724
iii)	Basic Earnings per share (Rs.)	37.63	11.06
iv)	Face value per equity share (Rs.)	10	10

38 Contingent Liabilities

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

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

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

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

e) Disputed Service Tax Liability of Rs. NIL (P.Y. Rs. 1,95,83,316) as the matter is in appeal before the Commissioner of Service Tax (Appeals) Kanpur, Uttar Pradesh.

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

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Notes on Financial Statements for year ended 31st March, 2019

(Amount in Rs.)

Note No.	Particulars
39	**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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets designated at amortised cost				
Trade Receivables	95,46,84,800	95,46,84,800	29,91,51,367	29,91,51,367
Cash and Cash Equivalents	9,48,06,872	9,48,06,872	2,63,74,411	2,63,74,411
Bank Balances other than above	3,31,00,353	3,31,00,353	4,16,87,182	4,16,87,182
Other financial assets	6,29,51,355	6,29,51,355	9,79,62,739	9,79,62,739
Total	**1,14,55,43,380**	**1,14,55,43,380**	**46,51,75,700**	**46,51,75,700**
Financial liabilities designated at amortised cost				
Borrowings	3,82,93,37,416	3,82,93,37,416	2,29,58,13,321	2,29,58,13,321
Trade payables and others	57,11,69,807	57,11,69,807	17,85,07,008	17,85,07,008
Other financial liabilities	1,41,45,833	1,41,45,833	-	-
Total	**4,41,46,53,056**	**4,41,46,53,056**	**2,47,43,20,329**	**2,47,43,20,329**

Fair valuation techniques:

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

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

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

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

40 **Segment reporting:**

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

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

Sr no.	Particulars	Real Estate Development		Hospitality Services		Unallocated		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
A	**Revenue**								
	Revenue From Operations	3,79,50,72,869	1,55,87,60,904	37,00,64,168	35,97,65,347	-	-	4,16,51,37,037	1,91,85,26,251
	Other Income	1,08,04,860	3,07,78,383	86,00,689	-	6,20,32,763	4,63,60,735	8,14,38,312	7,71,39,118
	Total	**3,80,58,77,729**	**1,58,95,39,287**	**37,86,64,857**	**35,97,65,347**	**6,20,32,763**	**4,63,60,735**	**4,24,65,75,349**	**1,99,56,65,369**
B	**Results**								
1	Profit/(Loss) Before Tax & Interest	1,85,93,94,150	49,14,45,550	(1,85,84,765)	(3,09,46,868)	6,20,32,763	4,63,60,735	1,90,28,42,148	50,68,59,417
2	Less: Interest	(23,20,90,408)	(11,47,64,533)	(6,23,11,594)	(4,53,74,256)	-	-	(29,44,02,002)	(16,01,38,789)
	Profit/(Loss) Before Tax	**1,62,73,03,743**	**37,66,81,017**	**(8,08,96,360)**	**(7,63,21,124)**	**6,20,32,763**	**4,63,60,735**	**1,60,84,40,146**	**34,67,20,628**
	Less: Provision for Tax (net of Deferred Tax)	-	-	-		(36,55,86,072)	1,86,59,273	(36,55,86,072)	1,86,59,273
	Net Profit/(Loss) after Tax	**1,62,73,03,743**	**37,66,81,017**	**(8,08,96,360)**	**(7,63,21,124)**	**(30,35,53,309)**	**6,50,20,009**	**1,24,28,54,075**	**36,53,79,902**
C	**Other Information**								
	Segment Assets	9,75,29,12,100	6,66,47,44,072	1,60,24,34,439	1,74,01,12,800	1,00,06,71,957	79,14,68,318	12,35,60,18,497	9,19,63,25,190
	Segment Liabilities	4,77,82,68,601	2,47,44,56,226	69,24,13,597	64,89,53,431	1,21,52,65,064	51,63,91,904	6,68,59,47,263	3,63,98,01,561
D	**Other Disclosures**								
	Capital Expenditure	30,28,013	23,68,012	1,14,43,388	38,04,326	-	-	1,44,71,401	61,72,338
	Depreciation	27,73,408	26,35,649	10,19,37,228	10,52,49,150	-	-	10,47,10,636	10,78,84,798

41 **Deferred Tax :-**

Particulars	Asset/(Liability) as at April 1, 2017	Current Year (Charge)/ credit	Asset/(Liability) as at March 31, 2018	Current Year (Charge)/ credit	Asset/(Liability) as at March 31, 2019
Difference between Book and Tax Depreciation	(1,52,36,343)	2,22,23,123	69,86,780	(1,57,17,843)	(87,31,063)
Provisions for Gratuity and Leave Encashment	19,373	41,23,587	41,42,960	(7,69,037)	33,73,923
Misc Exp (to the extent not written off / adjusted)	1,12,05,603	(60,86,591)	51,19,012	(32,00,038)	19,18,974
Provision for doubtful debtors	-	1,17,425	1,17,425	(1,17,425)	-
Deferred Tax Assets/(Liability)	**(40,11,367)**	**2,03,77,544**	**1,63,66,177**	**(1,98,04,343)**	**(34,38,166)**

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

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

● Market risk:

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

Foreign currency risk

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

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

Interest rate risk

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

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

Change in Rate of Interest	Effect on Profit/(Loss) before tax	
	2018-19	2017-18
+1%/-1%	3,84,34,832	2,29,58,133

Commodity and Other price risk

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

● Credit Risk

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

Trade and other recivables:

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

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

Cash and cash equivalents an other investments

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

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

Exposure to credit risk

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31.2019 and March 31, 2018 is as follows:

	As at 31/03/2019	As at 31/03/2018
Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):		
Cash and cash equivalents	9,48,06,872	2,63,74,411
Bank Balances other than above	3,31,00,353	4,16,87,182
Loans	-	-
Other financial assets	6,29,51,355	9,79,62,739
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	95,46,84,800	29,91,51,367

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

● Liquidity risk

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

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

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

	As at March 31, 2019					
Particulars	**Carrying Amount**	**On Demand**	**Less than 1 Yr**	**1- 5 yrs**	**>5 years**	**Total**
Borrowings	3,84,34,83,250	2,23,30,61,732	1,41,45,833	1,30,20,13,184	29,42,62,500	3,84,34,83,250
Other Financial Liabilities						-
Trade and other payables	57,11,69,807			57,11,69,807		57,11,69,807

	As at March 31, 2018					
Particulars	**Carrying Amount**	**On Demand**	**Less than 1 Yr**	**1- 5 yrs**	**>5 years**	**Total**
Borrowings	2,29,58,13,321	68,56,75,404	-	1,03,61,31,667	57,40,06,250	2,29,58,13,321
Other Financial Liabilities	-	-	-	-	-	-
Trade and other payables	17,85,07,008	17,85,07,008	-	-	-	17,85,07,008

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, 2019 and March 31, 2018

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

Pariculars	**As At 31-03-2019**	**As At 31-03-2018**
Loans and Borrowings	3,84,34,83,250	2,29,58,13,321
Less: Cash and cash equivalents + Bank Deposits	12,79,07,225	6,80,61,594
Net Debt	3,71,55,76,025	2,22,77,51,727
Total Capital	33,03,17,240	33,03,17,240
Capital+Net Debt	4,04,58,93,265	2,55,80,68,967
Gearing Ratio	0.92	0.87

43 **Impact of application of Ind AS 115 Revenue from Contracts with Customers**

a) The Ministry of Corporate Affairs vide notification dated 28th March 2018 has made Ind AS 115 "Revenue from Contracts with Customers" mandatory w.e.f. 1st April, 2018. The Company has applied the modified retrospective approach as per para C3(b) of Ind AS 115 to contracts that were not completed as on 1st April 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e.1st April, 2018 in accordance with para C7 of
Ind AS 115 as an adjustment to the opening balance of Retained Earnings, only to contracts that were not completed as at 1st April, 2018. The transitional adjustment of 11,323.26 lakhs (net of deferred tax) has been adjusted against opening Retained Earnings based on the requirements of the Ind AS 115 pertaining to recognition of revenue based on satisfaction of performance obligation (at a point in time).

b) For sales of property under development that were recognised in the previous year based on the percentage-of-completion accounting policy, the Company has determined that they generally do not meet the criteria for recognising revenue over time under Ind AS 115 owing to the unilateral right of cancellation of the contract available with the customers and therefore the revenue is now recognised at a point in time.

c) Refer note 3 (k) - "Revenue recognition" under Significant accounting policies in the Annual report of the Company, for the revenue recognition policy prior to April 1, 2018.

d) Due to the application of IND AS 115 for the full year ended March 31, 2019 Income from Sale of property as per note no. 27 is higher by 9,703.99 lakhs, Cost of Sales as per note no. 29 is higher by 4,083.24 lakhs, Profit after tax is higher by 5,620 .75 lakhs. The Basic EPS as per note no. 37 is 37.63 per share instead of 20.61 per share. These changes are due to recognition of revenue based on satisfaction of performance obligation (at a point in time), as opposed to the previously permitted percentage of completion method. Accordingly, the comparatives have not been restated for the full year ended March 31, 2018 and hence not comparable.

e) There has been no material impact on the Cash flows Statement as the Company continues to collects from its Customers based on payment plans.

Additionally there is no material impact on Other Comprehensive Income on account of Ind AS 115 transition.

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

a) There are no Loan given to any body corporate as at 31st March, 2019.

b) There are no investments or guarantees given to any body corporate as at 31st March,2019.

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

As per our Report of even date

For A. M. Ghelani & Associates Chartered Accountants Firm Registration No.: 103172W	**For and on behalf of the Board of Directors**	
Anil Khanna **Partner** Membership No.: 153522	**Varun Parwal** **Director** DIN No.0007586435	**Rajesh Kulkarni** **Director** DIN No.0003134336
Place:- Mumbai Date :- 14th May, 2019	**KVS Rammohan Gupta** Chief Financial Officer	